

19th Annual Report 2003 - 2004

JAYBHARAT SAREES LIMITED





JAYBHARAT SAREES LIMITED

BOARD OF DIRECTORS

Shri Rajan Aggarwal *Chairman*
Shri Anil Anand Rao
Shri Gaurav Thakur
Shri Akhilesh Kumar Vora
Shri Rajshekhar S.Ganiger
Shri Anil Kumar Dubey
Shri Subhash Chandra Nigam
Shri Suresh Dattu Patil
Shri Farinda Bihari Rai
Shri Pravin Sharma
Shri Sanjay Nimbalkar

PRINCIPAL BANKER

UTI Bank Ltd

AUDITORS

M/s Sanjay & Vijay Associates
Chartered Accountants

REGISTERED OFFICE

Poonam Vinod Jagan Park,
Chala Vapi , Gujrat 396195

CORPORATE OFFICE

Kamat Industrial Estate,
396, Veer Savarkar Marg
Prabhadevi,
Mumbai 400025.

PLANTS

Bhilad, Valsad, Gujarat
Silvassa (U.T.of D.N.H.)

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ANNUAL GENERAL MEETING on Friday, 10th September 2004, at 1.30 p.m., at Poonam Vinod Jagan
Park Chala, Vapi ,Gujrat 396195

JAYBHARAT SAREES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Members of JAYBHARAT SAREES LIMITED will be held at the Registered Office of the Company i.e. Poonam Vinod Jagan Park, Chala, Vapi 396 195 at 1.30 p.m. on Friday the 10th September 2004 to transact the following business:

ORDINARY BUSINESS

1. To discuss and adopt the Company's Balance Sheet as at 31st March 2004 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Subhash Chandra Nigam, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Suresh Dattu Patil, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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**:

5. **"RESOLVED THAT** Shri Farindra Bihari Rai, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 22nd January 2004 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 Sanjay Nimbalkar, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 30th July 2004 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."
7. **"RESOLVED THAT** pursuant to the recommendation of the Board of Directors in this behalf and pursuant further to Article 116 of Articles of Association and subject to the consent and other approvals, if any, a sum of Rs. 77,19,000/- standing to the credit of Profit and Loss Account be and is hereby capitalized and aforesaid sum of Rs 77,19,000/- be applied for allotment of bonus shares to person whose name appear on the Register of members on a date to be specified by Board of Directors in the proportion of Thirty one such new equity shares for every Ten existing equity shares held by such persons respectively on the said date, upon the footing they become entitled thereto for all purpose as capital.

RESOLVED FURTHER THAT any of such new shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fractions be allotted in the name of Director of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights; and such new equity shares, as and when issued and fully paid, shall rank parri pasu with the existing issued equity shares. Such equity shares shall carry the right to receive dividend pro-rata.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty whatsoever in regard to the issue and allotment of the aforesaid bonus shares including any fractional entitlement of members in such manner as it may think necessary or expedient."

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NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 5, 6 & 7 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 8th September 2004 to Friday, the 10th September 2004 (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.

For and on Behalf of the Board of Directors

Place: Mumbai
Date : 30th July 2004

Rajan Aggarwal
Chairman

JAYBHARAT SAREES LIMITED

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

ITEM NO. 5 :

Shri Farindra Bihari Rai was appointed as an Additional Director by the Board on the 22nd January 2004 under Section on 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 Farindra Bihari Rai 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.

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

ITEM NO. 6 :

Shri Sajay Nimbalkar was appointed as an Additional Director by the Board on 30th July 2004 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 along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Sanjay Nimbalkar for the office of the Director of the Company.

Shri Sanjay Nimbalkar is M.Com. and has vide experience of working in Senior Level in Textile and Processing Industry. The company will get the benefit of his rich experience and commercial acumen.

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

ITEM NO.7:

The Company has to the credit of its Profit and Loss account the sum of Rs 92.44 lacs as at 31st march 2004 .The Directors propose to capitalize a sum of Rs. 77,19,000 out of this to be applied for the issue of 771900 new equity shares of Rs 10/- each credited as fully paid up as bonus shares. Article 116 of the company's Articles of Association authorizes the capitalization and the issue of the bonus shares by the company in the manner proposed .The proposed resolution is intended to give effect to the above proposal . New equity shares will be issued and allotted as bonus equity shares in the proportion of Thirty one such new equity shares credited as fully paid up for every Ten of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The fraction entitlement if any of the respective members will be settled in the manner indicated in the resolution.

The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect. The bonus shares will be allotted to such members of the company whose name appear in the register of members of the company as on the date to be decided by the Board of Directors. Requisite application will also be made to various Stock Exchanges where the existing shares of the Company are already listed for permission to deal in such bonus shares.

The Directors recommend the Resolution for members' approval.

All the directors are deemed to be interested or concerned in this resolution to the extent of their shareholding.

For and on Behalf of the Board of Directors

**Place : Mumbai
Date : 30th July 2004**

**Rajan Aggarwal
Chairman**

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DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report and the audited Statements of Accounts of your Company for the financial year ended 31st March 2004.

FINANCIAL RESULTS

	2003-2004 (Rs. , 000)	2002-2003 (Rs. , 000)
Sales	60127	19552
Other Income	43	-
Profit before Depreciation, Interest and Tax	10507	668
Interest & Finance Charges	0.7	0.9
Depreciation	985	-
Provision for Tax	887	245
Profit (Loss) for the year	8373	422
Net Profit (Loss)	8373	422
Profit / (Loss) brought forward from Previous Year	872	450
Profit / (Loss) carried to Balance Sheet	9245	872

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

BONUS SHARES

The Company has to the credit of its Profit and Loss account the sum of Rs 92.44 lacs as at 31st march 2004 .The Directors propose to capitalize a sum of Rs. 77,19,000 out of this to be applied for the issue of 771900 new equity shares of Rs 10/- each credited as fully paid up as bonus shares. New equity shares will be issued and allotted as bonus equity shares in the proportion of Thirty one such new equity shares credited as fully paid up for every Ten of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect.

OPERATIONS

The Company has achieved a sales turnover of Rs.601.27 Lacs in F. Y. 2004 as against Rs.195.52 Lacs in F. Y. 2003. Cash accruals have increased to Rs.93.58 Lacs from Rs.4.22 Lacs in F. Y. 2003. The net profits has gone up to RS.83.73 Lacs in F. Y. 2004 from Rs.4.22 Lacs in F. Y. 2003. The P.B.I.D.T. has increased to Rs.105.07 Lacs in F. Y. 2004 from Rs.6.68 Lacs in F. Y. 2003. The G. P. margin has gone up to 14 % in F. Y. 2004 from 2% in F. Y. 2003.

FUTURE PLANS

The Company has commenced its own manufacturing activities. The company has purchased land at Silvassa for further expansion of its activities in manufacturing sector .

DIRECTORS

During the year, Shri Dhananjay Kandhare, Shri Unnikrishnan Menon and Shri Promod Patil resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Farindra Bihari Rai & Shri Sanjay Nimbalkar was appointed as Additional Director of the Company during the year.

Shri Subhash Chandra Nigam and Shri Suresh Dattu Patil, Directors, retire by rotation and, being eligible, offer themselves for re-appointment.

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PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year or Rs.2,00,000/- or more, per month employed for a part of 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 2004, 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 2004 on a 'going concern' basis.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under 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 are given in the Annexure forming part of this Report.

LISTING AGREEMENT

Your Company is committed to good corporate governance practice. Under clause 49 of the listing agreement, your Directors are pleased to inform that Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange. A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

AUDITOR'S REPORT

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

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 Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

**Place : Mumbai
Date : 30th July 2004**

**Rajan Aggarwal
Chairman**

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Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2003 - 2004

I) CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

b) Additional Investments and Proposals being implemented for reduction of consumption of energy :

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2004	Year ended 31.03.2003
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	-	-
2. Total amount (Rs. in lacs)	-	-
3. Rate per unit (Rs/unit)	-	-
(b) Own Generation (Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	5.40	-
2. Units per litre of fuel	3.62	-
3. Cost per unit (Rs/unit)	5.58	-
2. Coal	-	-
3. Furnace Oil	-	-
4. Others/Internal Generation	-	-
B. Consumption per unit of production (Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	934.72	-
2. Coal (Kgs.)	-	-
3. Furnace Oil (Ltrs.)	-	-
4. Steam (Tonnes)	-	-

Note : Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.

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II. TECHNOLOGY ABSORPTION :

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM B OF THE ANNEXURE TO THE RULES.

- | | |
|---|---|
| 1. Research and Development (R & D) | |
| a) Specified areas in which R & D Activities are | R & D activities are being carried out continuously to produce better quality of yarn and fabrics. |
| b) Benefits derived as a result of The above | With the help of R & D activities, the Company has been able to produce quality yarn and fabrics of international standards. |
| c) Future Plan of Action | Efforts aimed at cost reduction, improvement in quality of existing products and development of new process will continue. |
| d) Expenditure on R & D | Expenditure on R & D is being booked under the respective heads of expenditure in the Profit & Loss Account as no separate account is maintained. |
| 2. Technology Absorption, Adaption and Innovation | The Company has not utilised any imported technology. |

III FOREIGN EXCHANGE EARNINGS AND OUT-GO :

- | | |
|--|---|
| a) Activities relating to export Markets for products and services and export plan | The Company has set up an Export Division for export of premium quality yarns and garments. |
| | Year ended |
| | 31.03.2004 |
| | Year ended |
| | 31.03.2003 |
| b) Foreign Exchange Outgo (Rs. in Lacs) | — |
| c) Foreign Exchange earned (Rs. in Lacs) | — |

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30th July 2004

Rajan Aggarwal
Chairman

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CORPORATE GOVERNANCE DISCLOSURE

The Company's Shares are listed on Mumbai Stock Exchange in India. As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below :

1. Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance is aimed at assisting the top management of the company in the efficient conduct of its business and in meeting its obligation to shareholders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall share holder value, over a sustained period of time.

2. Board of Directors

The Board of Directors consists of 12 Directors.

During the year 2003-2004, the Board met 5 times on the following dates namely 28th April 2003, 18th July 2003, 5th September 2003, 27th October 2003 and 22nd January 2004.

The maximum time-gap between any two meetings was not more than four calendar months.

The following table gives details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting, number of membership held by Directors in the Board / Committees of various companies :-

Name	Category Particulars	Attendance		Number of other directorships and Total Committee membership/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri Rajan Aggarwal	NEC	5	Yes	1	1	Nil
Shri Anil Rao	D	5	Yes	Nil	1	Nil
Shri Gaurav Thakur	D	5	Yes	Nil	Nil	Nil
Shri Dhananjay Kandhare (Resigned as Director w.e.f. 01/03/2004)	D	3	No	10	1	Nil
Shri Pramod Patil (Resigned as Director w.e.f. 30/07/2004)	D	3	No	1	1	Nil
Shri Akhilesh Kumar Vora	D	2	No	Nil	Nil	Nil
Shri Rajshekhar S. Ganiger	D	2	No	Nil	2	2
Shri Anil Kumar Dubey	D	2	No	Nil	2	Nil
Shri Subhash C. Nigam	D	2	No	Nil	1	Nil
Shri Suresh Dattu Patil	D	2	No	Nil	Nil	Nil
Shri Farindra Bihari Rai (Appointed as Director w.e.f. 22/01/2004)	D	2	No	1	Nil	Nil
Shri Pravin Sharma	D	2	No	Nil	2	Nil
Shri Unnikrishnan Menon Resigned as Director w.e.f. 22/01/2004)	D	2	No	Nil	Nil	Nil
Shri Sanjay Nimbalkar (Appointed as Director w.e.f. 30/07/2004)	D	-	No	Nil	Nil	Nil

NEC = Non-Executive Chairman, MD = Managing Director, D = Non-Executive Director and N = Nominee Director.

None of the Directors is a member in more than ten committees and acts as a Chairman in more than five committees across all companies in which he is a Director.

JAYBHARAT SAREES LIMITED

3. Audit Committee

a. Brief description and terms of reference

The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose shall have full access to information contained in the records of the company and external professional advice, if necessary. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.

b. Composition, name of members and Chairperson

The Audit Committee comprises Mr. Rajshekhar S Ganiger, as Chairman of the Committee, with Mr. Anil Kumar Dubey, Mr. Subhash C Nigam and Mr. Pravin Sharma as members of the Committee.

4. Shareholders' / Investors' Grievance Committee

The Committee comprises of Shri Rajshekhar S Ganiger, Chairman, Shri Anil Kumar Dubey and Shri Pravin Sharma, as members of the Committee. The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Share Department of the Company and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to the managing director and Chairman of the Company.

5. General Body Meetings

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2002-2003	Near Deli Village, Sanjan Road, Valsad, Gujarat	30 th September 2003	1.30 P.M.
2001-2002	Near Deli Village, Sanjan Road, Valsad, Gujarat	6 th September 2002	10.00 A.M.
2000-2001	Rushabh Textile Tower, Ring Road, Surat	24 th Septemeber 2001	11.30 A.M.

Note:

No postal ballots were used / invited for voting at these meetings in respect of special resolutions passed, as there were no such provisions in the Companies Act 1956 at that time.

Disclosures

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

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

(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

6. Means of Communication

- The Company has published its quarterly results in The Free Press Journal and Loksatta-Jansatta.
- Management Discussion and Analysis forms integral part of this annual report.

7. General Shareholder Information

7.1 Annual General Meeting :

- Date and time - 10th September 2004 at 1.30 P.M.
- Venue - Poonam Vinod Jagan Park, Chala, Vapi 396 195

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7.2 Financial Calendar 2003-2004

(tentative)

: Annual General Meeting (Next year)
September 2005

Board Meetings

Results for the quarter ending June 30, 2004 : Last week of July 2004
Results for the quarter ending September 30, 2004 : Last week of October 2004
Results for the quarter ending December 31, 2004 : Last week of January 2005
Results for the year ending March 31, 2005 : Last week of April 2005

7.3 Book Closure date

: 8th September 2004 to
10th September 2004
(Both Days Inclusive)

7.4 (a) Listing of Equity shares

STOCK EXCHANGE EQUITY CODE

(1) Mumbai Stock Exchange(512233)

(b) Demat ISIN Number in CDSL for Equity Shares

: INE091E01013

(Note : Annual listing fees for the year 2003-2004 has been duly paid to the Stock Exchange, Mumbai)

7.5 Stock Market Data

Jaybharat Sarees Limited				
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2003	Not Traded	Not Traded	Not Traded	—
May 2003	Not Traded	Not Traded	Not Traded	—
June 2003	Not Traded	Not Traded	Not Traded	—
July 2003	Not Traded	Not Traded	Not Traded	—
August 2003	Not Traded	Not Traded	Not Traded	—
September 2003	Not Traded	Not Traded	Not Traded	—
October 2003	Not Traded	Not Traded	Not Traded	—
November 2003	Not Traded	Not Traded	Not Traded	—
December 2003	15.00	12.25	15.00	250
January 2004	37.93	18.00	37.93	500
February 2004	57.75	41.70	57.75	250
March 2004	70.00	62.00	70.00	200

7.6 Share Transfer Work

: The Company has its Share Department at
Raghuvanshi Mills Compound, Near Tata Power
S B Marg, Lower Parel Mumbai 400013

7.7 Share Transfer System

: All the transfers received are processed and approved by
Share Transfer Committee which normally meets twice a
month. Shares under objection are returned within two
weeks.

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7.8 Distribution of shareholding as on 31st March, 2004

Distribution of shareholding as on 31st March 2004		
Category	No. of Shares held	Percentage of shareholding
1. Promoter's Holding	170680	68.55
2. Mutual Funds, Banks, Financial Institutions, FIs, NRIs & OCBs	0	0.00
3. Domestic Companies	0	0.00
4. Resident Individuals	78320	31.45
Total	249000	100.00

7.9 **Dematerialisation of Shares** : Shares of the Company can be held and traded in electronic form.

7.10 **Plant Location** : Bhilad, Valsad, Gujarat
Silvassa (U.T. of D.N.H.)

7.11 (i) **Address for Investor Correspondence**
For transfer/ dematerialization of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company

Share Department,
Raghuvanshi Mills Compound,
Near Tata Power, S.B. Marg,
Lower Parel, Mumbai 400 013.

(ii) **Any query on Annual Report** Poonam Vinod Jagan Park, Chala,
Vapi 396 195

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of JAYBHARAT SAREES LIMITED

We have examined the compliance of the conditions of Corporate Governance by JAYBHARAT SAREES LIMITED for the year ended 31st March 2004 as stipulated in Clause 49 of the listing agreement of the Company with stock exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

In our opinions and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement.

We state that in respect of investor grievances received during the year ended 31st March 2004 no investor grievances are pending against the Company as on 30th July 2004 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY & VIJAY ASSOCIATES**
CHARTERED ACCOUNTANTS

Place : Mumbai
Dated : 30th July 2004

PARTNER

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

The management of JAYBHARAT SARRES LTD presents its analysis report covering performance and outlook of the Company. The report has been prepared in compliance with the requirement of corporate governance as laid down in the Listing Agreement. The management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking statements that involve risk and uncertainties.

Industry structure and Developments

The final destination of products of the company is the fashion industry which is highly vulnerable to changes with time. Apart from its liquidity problems due to deferment of sales realizations and accumulation of receivables badly affects the production cycles. The overall Economic situation is slowly improving and the demand for fabrics is gradually picking up due to fiscal incentives announced by the Government of India for textile industry and shifting of manufacturing base from developed countries to developing country.

The global textile trade is currently governed by physical restrictions, or quotas in lucrative US and European markets. These physical restrictions and quotas will be completely phased out and have far reaching impact world textile and clothing. The Indian Industry is expected to be one of the major beneficiaries with its share of global trade forecast to grow the fastest as its current quota allocation is among the lowest.

Opportunity and Threats

It is expected that Indian economy should grow by over 5% per annum over the next few years. Per capital consumption in India for most products remains amongst the lowest in the world. With the phasing out of quota system, opportunities should be available to competitive textile producers but with a serious threat of competition from other textile producers in the world. However, with the encouragement offered to the textile Industry by the Central Government through reduction of excise duties and favorable exim policy, the Industry should be able to exploit these opportunities and face challenges in the domestic as well as international markets.

We have sustained in the prolonged recession through Economies of Scale, long value chain coupled with low leveraged financing. The performance of the Company is further likely to improve because of many new developments in the industry like fiscal incentives announced by Government of India to textile industry, introduction of BT Cotton in India, closure of weaker players in the market, removal of multi-fibre Agreement under WTO by 2004, Shifting of manufacturing base from developed to developing countries and shift in consumer preference from woven to knitted clothes.

Segment-wise performance

The Company's single product will be Knitted fabrics which can be categorised into one segment called "Textile". Hence *segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for the certain business enterprises is not applicable in case of our Company. The overall performance of the Company is provided in Directors' Report under the head "Financial Results."*

Outlook

As the industrial and economic growth of the country is showing steadily improvement The Company has drawn out and is implementing an extensive action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and over-heads, optimising inventory level, selective credit policy to customers.

The Company with its superior product mix and higher value-addition, coupled with the change in industry scenario like more fiscal incentives as announced by Government of India for textile industry, change in consumer preferences from woven to knitted clothes etc, is expected to benefit significantly.

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors.

e) Risk and Concern

There are no major risk and concern to the Company's operation except from the competitive pricing pressure from cheaper imports, unethical competitions from sick units, free market policies and removal of quantitative restrictions.

f) Internal Control system and their adequacy

Your Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets, and the transaction are authorised, recorded and reported correctly. The Internal Control System of the Company is commensurate with the size of the Company and nature of its business.

Your Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the audit committee of the Board of directors.

g) Financial Performance Vs. Operational Performance

The Company has achieved a sales turnover of Rs.601.27 Lacs in F. Y. 2004 as against Rs.195.52 Lacs in F. Y. 2003. Cash accruals have increased to Rs.93.58 Lacs from Rs.4.22 Lacs in F. Y. 2003. The net profits has gone up to RS.83.73 Lacs in F. Y. 2004 from Rs.4.22 Lacs in F. Y. 2003. The P.B.I.D.T. has increased to Rs.105.07 Lacs in F. Y. 2004 from Rs.6.68 Lacs in F. Y. 2003. The G. P. margin has gone up to 14 % in F. Y. 2004 from 2% in F. Y. 2003.

h) Development in Human Resources/Industrial Relation front

As part of HR-initiatives, thrust is given for Leadership Development to meet the aspirations and long-term goals of the Company. The Company has also laid qualitative objectives to maximize overall growth. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. Focused attention was given for knowledge updating and application of new technologies available to reduce costs and to meet the business challenges.

The focus of Human resource is on building and developing intellectual capital through innovative ideas. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

i) Research and Development :

Increased globalization has made the marketing of products and retention of customers highly competitive. The need of the hour is total customer satisfaction and value for money from the products marketed. Keeping this objective as paramount, the research and development activities were focused into prompt attention to major customer complaints/suggestions in order to retain/enhance customer satisfaction. The Company has started launching products of better quality and new look as per customer requirements.

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AUDITORS' REPORT

To,
The Members of
JAYBHARAT SAREES LIMITED

We have audited the attached Balance Sheet of **JAYBHARAT SAREES LIMITED** as at 31st March, 2004, the Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that :-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - B) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting standards referred to in Section 211 (3C) of the Act, to the extent applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act in the manner so required and give a true and fair view in conformity with 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, 2004,
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and ;
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For M/s SANJAY & VIJAY ASSOCIATES
Chartered Accountants

VIJAY BHANDARI
Partner

Place : Mumbai
Date : 29th June 2004

JAYBHARAT SAREES LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2004 OF JAYBHARAT SAREES LIMITED.

On the basis of such checks/ audit procedures as we considered appropriate on the books of accounts produced before us and according to the information and explanation given to us during the course of audit, we state that:

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The management has at reasonable intervals carries out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
 - (c) No assets have been disposed by the company during the year , therefore reporting under this clause does not arise.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of the stocks, the frequency of such verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, company is maintaining proper records of inventory. year. The discrepancies noticed on physical verification of the above referred inventories as compared to the book records were not material and have been properly dealt with in the books of account.
3. The company had not granted nor taken any loans ,secured or unsecured to /from Companies, firm or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly Sub-clause (b), (c) & (d) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us , there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls and there is no counting failure for the same.
5. In respect of transactions covered under Section 301 of the Companies Act , 1956:
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, We are of the opinion that the transactions that need to be entered into the register under section 301 have been so entered.
 - (b) According to the information and explanations given to us, 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 to Rs.5,00,000/- (Rupees Five Lacs only) or more in respect of each party have been made at prices which are reasonable having regards to the prevailing market price for such goods, materials or services or the prices at which the transactions for similar goods are services have been made with other parties, where applicable.
6. The Company has not accepted any deposits from the public; hence question of complying with the provision of Section 58A and 58AA of the Companies Act ,1956 and Rules made there under does not arise.
7. In our opinion, the internal audit system of the Company is commensurate with the size of the company and nature of its business.

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8. We are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act have been maintained. However we have not carried out any detailed examination of such accounts and records.
9. In respect of statutory dues:
 - (a) According to the records of the company, the Provident Fund and Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Cess and other material statutory dues have been regularly depositing during the year with appropriate authorities though there is delay in some cases.
 - (b) There are no disputed statutory dues. Therefore reporting under this clause does not arise.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and immediately preceding year.
11. There is no outstanding dues to any Institution or Banks.
12. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit fund, Nidhi, mutual benefit fund or a society.
14. During the year, the Company has not dealt in dealing and trading of shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
16. No term loans were acquired during the year by the company. Therefore reporting under this clause does not arise.
17. In our opinion the company has financed, the long term investment that internal accruals and therefore reporting under this clause does not arise.
18. The Company has not made any preferential allotment of shares during the year.
19. During the year covered by our audit report the Company has not issued any secured debentures.
20. The Company has not raised any money by public issues during the year covered by our report.
21. As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M/s SANJAY & VIJAY ASSOCIATES
Chartered Accountants

VIJAY BHANDARI
Partner

Place : Mumbai
Date : 29th June 2004

JAYBHARAT SAREES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2004

	SCHEDULES	AS AT 31ST MARCH'2004 (RS.)	AS AT 31ST MARCH'2003 (RS.)
A. SOURCES OF FUNDS :-			
1	Share Holders Fund :		
a)	Share Capital	2,490,000	2,490,000
b)	Reserves & Surplus	9,244,738	871,615
		<u>11,734,738</u>	<u>3,361,615</u>
2	Deferred Tax Liability	261,662	-
		<u>261,662</u>	<u>-</u>
	TOTAL :	<u>11,996,400</u>	<u>3,361,615</u>
B. APPLICATION OF FUNDS			
1	Fixed Assets	"B"	
	Gross Block	17,550,235	-
	Less: Depreciation	984,669	-
	Net Block	<u>16,565,566</u>	<u>-</u>
2	Current Assets Loans & Advances :	"C"	
a)	Sundry Debtors	1,572,658	3,641,216
b)	Inventories	1,623,474	
c)	Cash & Bank Balances	569,000	583,501
d)	Loans & Advances	174,481	165,635
		<u>3,939,613</u>	<u>4,390,352</u>
	Less : Current Liabilities & Provisions	"D"	
		<u>8,508,779</u>	<u>1,028,737</u>
		<u>(4,569,166)</u>	<u>3,361,615</u>
	TOTAL :	<u>11,996,400</u>	<u>3,361,615</u>
SIGNIFICANT ACCOUNTING POLICIES AND			
NOTES TO THE ACCOUNTS			
	"N"	-	

The schedules referred to above and noted/s thereon form an integral part of these Financial statements

As per our report of even date attached

For and on behalf of the board of directors

FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

(VIJAY BHANDARI)
Partner
PLACE : MUMBAI

RAJAN AGGARWAL
Chairman

GAURAV THAKUR
Director

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

PARTICULARS	SCHEDULES	AS AT 31ST MARCH'2004 (RS.)	AS AT 31ST MARCH'2003 (RS.)
A. INCOME			
a) Income from Operation	"E"	60,126,854	19,551,999
b) Other Income	"F"	43,151	-
c) Increase in stock	"G"	485,134	-
TOTAL:		<u>60,655,139</u>	<u>19,551,999</u>
B. EXPENSES			
a) Material & Goods Consumed	"H"	40,942,607	17,811,013
b) Manufacturing Expenses	"I"	3,841,144	-
c) Payment of Employees	"J"	3,715,850	174,954
d) Administrative & Other Expenses	"K"	1,059,897	770,809
e) Selling & Distribution Expenses	"L"	588,421	126,984
F) Interest & Financial Charges	"M"	751	915
g) Depreciation		984,669	-
TOTAL:		<u>51,133,339</u>	<u>18,884,675</u>
Profit/(Loss) before Taxation		9,521,800	667,324
Less: Provision For Taxation		887,015	245,241
Deferred Tax Liabilities		261,662	-
Profit after Tax		8,373,123	422,083
Profit/(Loss) B/F From Previous Year		871,615	449,532
Profit/(Loss) Carried to B/S		<u>9,244,738</u>	<u>871,615</u>
Earning Per Share: (Note 'N')			
(Face value of Rs. 10 per share) (Rupees)			
Basic and diluted		33.63	1.69

SIGNIFICANT ACCOUNTING POLICIES AND

NOTES TO THE ACCOUNTS

"N"

The schedules referred to above and noted thereon form an integral part of these Financial statements
As per our report of even date attached For and on behalf of the board of directors

FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

(VIJAY BHANDARI)
Partner
PLACE : MUMBAI

RAJAN AGGARWAL
Chairman

GAURAV THAKUR
Director

JAYBHARAT SAREES LIMITED

SCHEDULE A TO JANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31 ST MARCH' 2004. AND PROFIT ND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	AS AT 31ST MARCH'2004 (RS.)	AS AT 31ST MARCH'2003 (RS.)
SCHEDULE "A":		
SHARE CAPITAL		
AUTHORISED		
5,00,000 Equity Share of Rs. 10/- each	5,000,000	5,000,000
ISSUED SUBSRIBED, & PAID UP		
2,49,000 Equity Share of Rs. 10/- each	2,490,000	2,490,000
TOTAL :	<u>2,490,000</u>	<u>2,490,000</u>

SCHEDULE "B":

FIXED ASSETS

SR	PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		AT COST ON 01-04-2003	ADDITION/ DEDUCTION	AS ON 31.03.2004	AS ON 01.04.2003	DURING THE YEAR	WRITTEN BACK	UPTO 31.03.2004	AS ON 31.03.2004	AS ON 31 .03.2003
1	LAND AT SILVASSA	-	2,300,000	2,300,000	-	-	-	-	2,300,000	-
2	PLANT & MACHINERIES	-	12,687,020	12,687,020	-	943,153	-	943,153	11,743,867	-
3	BUILDING	-	2,563,215	2,563,215	-	41,516	-	41,516	2,521,699	-
	TOTAL	-	17,550,235	17,550,235	-	984,669	-	984,669	16,565,566	-

SCHEDULE "C":

CURRENT ASSETS, LOAN AND ADVANCES

A. CURRENT ASSET

1	Sunday Debtors (Unsecured considered good)		
	a) Debtors exceeding 6 Months	-	-
	b) Others	1,572,658	3,641,216
	TOTAL :	<u>1,572,658</u>	<u>3,641,216</u>
2	Inventories		
	Stock of raw material & WIP	1,138,340	-
	Finished Goods	485,134	-
	TOTAL :	<u>1,623,474</u>	<u>-</u>
3	Cash & Bank Balance		
	Balance with Banks	8,515	43,340
	Cash in hand	560,485	540,161
	TOTAL :	<u>569,000</u>	<u>583,501</u>

B. LOANS & ADVANCES

(Recoverable in cash or kind or for value to be received)

	174,481	165,635
TOTAL :	<u>174,481</u>	<u>165,635</u>
GRAND TOTAL :	<u>3,939,613</u>	<u>4,390,352</u>

SCHEDULE "D":

CURRENT LIABILITIES & PROVISIONS

A. CURRENT LIABILITIES

1) SUNDRY CREDITORS

For Goods	415,220	245,496
For Expenses & Other Liabilities	6,961,303	500,000
	<u>7,376,523</u>	<u>745,496</u>

B PROVISIONS

Provision For Taxation	1,132,256	283,241.00
	<u>1,132,256</u>	<u>283,241</u>
TOTAL:	<u>8,508,779</u>	<u>1,028,737</u>

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	AS AT 31ST MARCH'2004 (RS.)	AS AT 31ST MARCH'2003 (RS.)
SCHEDULE "E" :		
INCOME FROM OPERATIONS		
Sales	59,113,870	19,551,999
Income From job charges	1,012,984	-
TOTAL :	60,126,854	19,551,999
 SCHEDULE "F"		
OTHER INCOME		
Interest Income	43,151	-
TOTAL :	43,151	-
 SCHEDULE "G" : INCREASE AND DECREASE IN FINISHED GOODS		
Increase in ctock of finished Goods		
Closing Stock		
Opening Stock	485,134	
	0	0
	485,134	0
 SCHEDULE "H"		
MATERIALS AND GOODS CONSUMED		
Opening Stock	-	-
Add: Purchase	42,080,947	-
Less: Stock of Raw materials & WIP	1,138,340	-
Material & Goods Consumed	40,942,607	-
 SCHEDULE "I"		
MANUFACTURING EXPENSES		
Deasel/Fuel Exp.	3,013,362	-
Spares & consumable	827,782	-
TOTAL :	3,841,144	-
 SCHEDULE "J" :		
PAYMENT TO EMPLOYEES		
Salaries & Bonus	360,900	114,326
Staff Welfare Expenses	68,500	12,658
Labour Charges	3,286,450	-
TOTAL :	3,715,850	126,984

JAYBHARAT SAREES LIMITED

	AS AT 31ST MARCH'2004 (RS.)	AS AT 31ST MARCH'2003 (RS.)
SCHEDULE "K" :		
ADMINISTRATIVE & OTHER EXPENSES		
Electric Expenses	32,576	7,542
General Expenses	158,416	30,620
Insurance	-	5,000
Repairs & Maintenance	56,748	12,210
Postage & Telephone Charges	123,480	42,139
Registration & Filing Fees	22,010	345,040
Auditors Remuneration	10,800	10,800
Rent	84,000	60,000
Shop Maintenance	42,875	20,246
Consultancy Charges	48,640	5,350
Legal & Professional Charges	86,750	50,000
Conveyance/Travelling Expenses	118,976	24,587
Advertisement Expenses	245,870	139,275
Printing Stationary	28,756	18,000
TOTAL :	<u>1,059,897</u>	<u>770,809</u>
SCHEDULE "L" :		
SELLING & DISTRIBUTION EXPENSES		
Freight & Transportation	156,872	56,061
Discount and Commission	252,842	70,350
Sale Promotion	146,582	40,411
Packing Expenses	32,125	8,132
TOTAL :	<u>588,421</u>	<u>174,954</u>
SCHEDULE "M" :		
INTEREST & FINANCIAL CHARGES		
Bank charges & Interest	751	915
TOTAL :	<u>751</u>	<u>915</u>

**SCHEDULE "N" :
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

I SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ("GAAP"), and in compliance with the Accounting Standards referred to in section 211 (3C) and other requirements of the Companies Act, 1956

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful lives of fixed assets, provision for doubtful debts/advances etc. Actual results could differ from these estimates.

2. REVENUE RECOGNITION

Sales are recognised on dispatch of goods to customers.

3. VALUATION OF INVENTORIES :

Inventory consist of Raw material and finished goods, which are valued, at cost or net realizable value, whichever is lower.

4. FIXED ASSETS :

Fixed assets are stated at cost of acquisition less depreciation. The cost comprises the purchase price and other attributable costs.

5. DEPRECIATION :

The company follows the straight line method of providing depreciation at the rate prescribed in schedule XIV to the companies Act 1956 read with Section 205(2) (b) of the said Act on pro-rata basis uniformly on in respect of all assets.

6. FOREIGN CURRENCY TRANSACTION:

Foreign currency transactions are accounted for at the rates prevailing on the dates of the transactions. Foreign currency assets and liabilities are converted at contracted/ year-end rates as applicable.

7. RETIREMENT BENEFITS:

Gratuity and Leave encashment is accounted for on cash basis as and when paid.

8. TAXES ON INCOME:

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provision of the Income Tax Act, 1961, and based on expected outcome of assessment / appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

II NOTES OF ACCOUNTS

- (A) 1. There are no contracts remaining to be executed on Capital account therefore no advance are to be paid against such contracts.
- 2. Contingent liabilities not provided for during the year are Nil (Previous year Rs. Nil).
- (B) The company has not paid any remuneration to directors. (previous year NIL).
- (C) Auditor's remuneration is included in Administrative and Other expenses. The break up is as follows.

	CURRENT YEAR	PRECIOUS YEAR
	-----	-----
(a) As Auditors	10,800	10,500
(b) In other Capacity	-	-

JAYBHARAT SAREES LIMITED

(D) Quantitative information pertaining to goods manufacturing, turnover, stock and Raw Material Consumed (Rs. in 000's)

	2003-04		2002-03	
	Qty (Tonnes)	Value (in 000)	Qty (Tonnes)	Value (in 000)
MANUFACTURING				
I Opening Stock				
Raw Material & SIP	Nil	Nil	Nil	Nil
Finished Goods	Nil	Nil	Nil	Nil
II Closing Stock				
Raw Material & SIP	22.216	1138.34	Nil	Nil
Finished Goods	6.505	485.133	Nil	Nil
III Purchase	624.047	31976.16	Nil	Nil
IV Sales	575.130	48072.64	Nil	Nil
Raw Material Consumed	601.831		Nil	
TRADING				
Sarees & Dress Materials				
	Qty (Mtrs)	Value (in 000)	Qty (Mtrs)	Value (in 000)
Sales				
Finished	62734.28	11041.23	111724.15	19552
II Purchase				
Finished	62734.28	10104.79	111724.15	17811

(E) The balance of advances, debtors and creditors are subject to confirmation.

(F) 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.

(G) There is no payments due to small scale industries.

(H) Gratuity and Leave encashment is accounted for on cash basis as and when paid.

(I) The company recognizes for Deferred Tax Assets / Liabilities on the basis of the timing difference. Company has no DTA and in respect of DTL arising out of depreciation for the year has been recognised of Rs. 261662/- (Previous Year nil).

(J) Earnings Per Share:

i. Net Profit as per Profit & Loss Account	Rs. 8373123.00
ii. Number of equity shares	249000
iii. Basic and Diluted Earning per share of Rs. 10 each	Rs. 33.63

(K) The figures, for the previous year are recasted and regrouped wherever necessary as to make them comparable with those of current year.

SIGNATURE TO SCHEDULE "A" to "M"

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

As per our report of even date attached

For and on behalf of the board of directors

FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

VIJAY BHANDARI
Partner

RAJAN AGGARWAL
Chairman

GAURAV THAKUR
Director

PLACE : MUMBAI
DATE : 29th June 2004

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ADDITIONAL INFORMATION UNDER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

I. REGISTRATION DETAILS

Registration No.	:	11553 of 84-85	State Code	:	04
Balance sheet Date	:	31.03.2004			

II. CAPITAL RAISED DURING THE YEAR

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

III. POSITION TO THE MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	11996400	Total Assets	11996400
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SOURCE OF FUNDS

Paid-up Capital	2490000	Secured Loans	Nil
Reserves & Surplus	9244738	Unsecured Loans	Nil

APPLICATION OF FUNDS

Net Fixed Assets	16565566	Investments	Nil
Net Current Assets	-4569166	Misc. Expenditure	Nil
Accumulated Losses			

IV. PERFORMANCE OF COMPANY

Turnover	:	60126854	Other Income	43151
Total Expenses	:	51133339	Profit/(Loss) before Tax	9521800
Profit/(Loss) after Tax	:	8373123	Earning Per Share	33.63
Dividend Rate %	:	Nil		

V. General Names of Principal Product/Trading

Item Code No. (ITC Code)	
Product description	Textile Saree and Dress

As per our report of even date attached

For and on behalf of the board of directors

FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

VIJAY BHANDARI

Partner

PLACE : MUMBAI

DATE : 29th June 2004

RAJAN AGGARWAL

Chairman

GAURAV THAKUR

Director

JAYBHARAT SAREES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

	2003-2004	2002-2003
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	9,521,800	422,272
Adjustment for Non Cash Charges		
Depreciation & Amortisation	984,669	-
Dividend	(43,151)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	10,463,318	422,272
Adjustment for .		
Trade and Other Receivables	2,059,712	(1,237,775)
Inventories	(1,623,474)	-
Trade Payable	6,631,027	105,320
CASH GENERATED FROM OPERATION	17,530,583	(710,183)
Direct taxes paid	38,000	-
NET CASH FROM OPERATING ACTIVITIES	<u>17,492,583</u>	<u>(710,183)</u>
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	17,550,235	-
Sale of Fixed Assets		-
Purchase of investments		-
Dividend and Other Income received	43,151	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(17,507,084)</u>	<u>-</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of shares capital	-	-
Total proceeds from borrowing	-	500,000
share application money	-	-
Dividend paid	-	-
NET CASH FROM FINANCING ACTIVITIES	<u>-</u>	<u>500,000</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(14,501)	(210,183)
CASH AND CASH EQUIVALENTS(Opening Balance)	583,501	793,684
CASH AND CASH EQUIVALENTS(Closing Balance)	569,000	583,501

As per our report of even date attached

For and on behalf of the board of directors

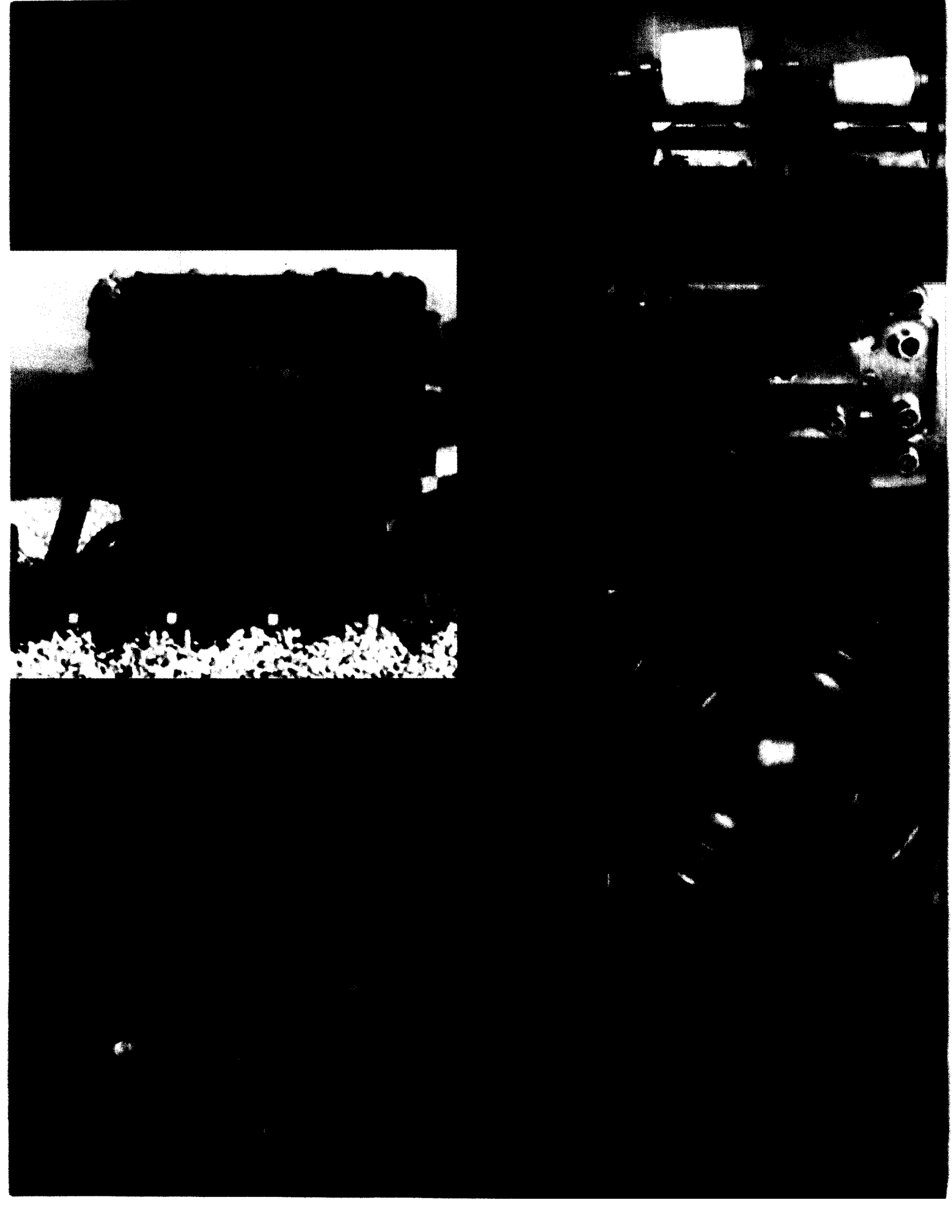
FOR M/S. SANJAY & VIJAY ASSOCIATES
CHARTERED ACCOUNTANTS

VIJAY BHANDARI
Partner

RAJAN AGGARWAL
Chairman

GAURAV THAKUR
Director

PLACE : MUMBAI
DATE : 29th June 2004





JAYBHARAT SAREES LIMITED

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