



A Tayal Enterprise

# JAYBHARAT

TEXTILES AND REAL ESTATE LIMITED



27<sup>th</sup>  
Annual Report  
2011 - 2012

# Annual Report 2011-2012

## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

### Annual Report : 2011-2012

#### **BOARD OF DIRECTORS**

##### **CHAIRMAN**

Shri Deepak Mathur

##### **MANAGING DIRECTOR**

Shri Rajiv Chauhan

##### **DIRECTOR**

Shri Mahesh Prasad Mehrotra

Shri Rajshekhar S. Ganiger

Shri Farindra Bihari Rai

Shri Kailash Nath Bhandari

Shri Kulwinder Kumar Nayyar

##### **AUDITORS**

M/s. A.F.Khasgiwala & Co.,  
Chartered Accountants

##### **BANKERS**

Indian Overseas Bank, Allahabad Bank,  
UCO Bank, Oriental Bank of Commerce,  
Bank of Maharashtra, Bank of India

##### **REGISTERED OFFICE**

Village Salvav, Taluka Pardi,  
Near Vapi, Valsad Gujarat 396 191

##### **CORPORATE OFFICE**

Raghuvanshi Mills Compound,  
11/12 Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai - 400013.

##### **REGISTRAR & SHARE TRANSFER AGENT**

Universal Capital Securities Private Limited  
(Formerly known as Mondkar Computers Pvt. Ltd)  
21, Shakil Nivas, Opp Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East)  
Mumbai- 400 093

##### **PLANTS**

Pulgaon, Maharashtra.

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**27<sup>th</sup> ANNUAL GENERAL MEETING on Saturday, 21<sup>st</sup> July, 2012 at 3 :00 P.M.**  
at Village Salvav, Taluka Pardi, Vapi, Dist Valsad, Gujarat 396 191.

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## NOTICE

NOTICE IS HEREBY GIVEN that the 27<sup>th</sup> Annual General Meeting of the Members of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** will be held on Saturday the 21<sup>st</sup> July, 2012 at 3.00 P. M. at the Registered Office of the Company at Village Salvav, Taluka Pardi, Near Vapi, Dist Valsad - 396191, to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31<sup>st</sup> March, 2012 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 Rajshekhar Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Mahesh Prasad Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To reappoint Auditor and to fix remuneration and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :-

"**RESOLVED THAT** M/s A. F. Khasgiwala. & Co, Chartered Accountant be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS

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

#### AS ORDINARY RESOLUTION

5. "**RESOLVED THAT** in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Shri Kulwinder Kumar Nayyar, who was appointed by the Board of Directors on 4<sup>th</sup> November, 2011 as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."
6. **RESOLVED THAT** in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Deepak Mathur, who was appointed by the Board of Directors on 28<sup>th</sup> April, 2012 as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

#### AS SPECIAL RESOLUTION

7. "**RESOLVED** that the appointment of Shri Rajiv Chauhan as the Managing Director of the Company, made by the Board of Directors of the Company pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, be and is hereby approved by the shareholders of the Company on the following terms :

Particulars	Terms
Tenure	28 <sup>th</sup> April, 2012 till 27 <sup>th</sup> April, 2017
Salary	₹ 50,000/- per month or Rs. 6,00,000/- per annum
Maximum	₹ 12,00,000 per annum

**RESOLVED FURTHER** that Shri Deepak Mathur, Chairman or Shri Farindra Bihari Rai, Director of the Company, be and is hereby authorised to file the relevant e-forms with Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above Resolution."

### NOTES :

1. The Explanatory Statement pursuant to section 173(2) of Companies Act, 1956, in respect of special business under item no. 5, 6 and 7 are annexed here to and form 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 19<sup>th</sup> July, 2012 to 21<sup>st</sup> July, 2012 (both days inclusive) to comply with Annual Book Closure requirements.
5. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In case of joint holders attending the meeting, only such joint holders who are higher in order of names will be entitled to vote.
7. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as

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to enable the Management to keep the information ready.

8. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.
9. 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.
10. **Green Initiatives in the Corporate Governance** : The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21<sup>st</sup> April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the Information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests the Members to register their **E-mail Address** (and any change therein from time to time) with **Universal Capital Securities Private Limited** (Formerly known as Mondkar Computers Pvt. Ltd), the Registrar and Share Transfer Agents of the Company. The Company proposes to send the future correspondences in electronic form to the Members whose E-mail Address is registered with the Registrar and Share Transfer Agents of the Company. Any Member desiring to receive the said correspondences in the physical form should inform the Company.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

Sd/-  
Deepak Mathur  
Chairman

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

#### Item No. 5

Shri Kulwinder Kumar Nayyar was appointed as an Additional Director by the Board on 4<sup>th</sup> November, 2011 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 Kulwinder Kumar Nayyar for the office of the Director of the Company.

Shri Kulwinder Kumar Nayyar has done Diploma in Textile Technology. He has more than 15 Years of experience and Specialised in Spinning Production / Market for Open End / Ring Spinning, etc.

The Board recommends the passing of this Resolution. Except Shri Kulwinder Kumar Nayyar, none of the Directors is interested in the Resolution.

#### Item No. 6

Shri Deepak Mathur was appointed as an Additional Director by the Board on 28<sup>th</sup> April, 2012 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 Deepak Mathur for the office of the Director of the Company.

Shri Deepak Mathur is Textile Engineer and has done MBA and he has rich experience in Textile industry.

The Board recommends the passing of this Resolution. Except Shri Deepak Mathur, none of the Directors is interested in the Resolution.

#### Item No. 7

Shri Rajiv Chauhan was appointed as a Managing Director by the Board of Directors of the Company on 28<sup>th</sup> April, 2012, in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Shri Rajiv Chauhan is Textile Engineer and has done MBA in Finance. He has rich experience in Textile Sector of more than 25 yrs.

Shri Rajiv Chauhan is not disqualified from being appointed as Managing Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Rajiv Chauhan in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003, confirming his eligibility for such appointment. Shri Rajiv Chauhan does not hold any shares in the Company.

The Board recommends the passing of this Resolution. Except Shri Rajiv Chauhan, none of the Directors are interested in this Resolution.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

Sd/-  
Deepak Mathur  
Chairman

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS :

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
Revenue from operations	71,857.73	61,188.01
Finance Cost	3716.43	2632.14
Depreciation and Amortization Expense	3930.06	3722.55
Profit/(Loss) before Exceptional and Extraordinary Items and tax	(3818.45)	41.78
Exceptional and Extraordinary Items	----	----
Profit/(Loss) before tax	(3818.45)	41.78
Deferred tax Liabilities	46.48	262.80
Provision for Tax	----	90.25
Profit/(Loss) after Tax	(3864.93)	(311.27)

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

### DIVIDEND :

In view of inadequacy of profits, your Directors are unable to recommend any dividend on the equity shares for the year under review.

### REVIEW OF OPERATIONS :

The Company has achieved Revenue from operations of ₹ 71,857.73 Lacs in Financial Year 2011-12 as against ₹ 61,188.01 Lacs in previous Financial Year 2010-2011. During the year 2011-12 Interest outgo of the Company has registered at ₹ 3716.43 Lacs as against ₹ 2632.14 Lacs in the previous year 2010-2011. The Depreciation has registered at ₹ 3930.06 Lacs as against ₹ 3722.55 Lacs for the previous year 2010-2011. In the financial year 2011-12 the Company has incurred Net Loss of ₹ 3864.93 Lacs as against Net Loss of ₹ 311.27 Lacs in Financial Year 2010-2011.

### CORPORATE DEBT RESTRUCTURING :

The Company has entered into the scheme of Debt Restructuring with the present Consortium Lenders, as the Company has suffered huge losses during the current year on account of volatility in the cotton prices, increase in power cost and heavy burden of Rate of Interest (Interest Rate increased from 11-12% to 15-17%) and the proposal for the same has been duly filled with Corporate Debt Restructuring Cell.

### SUBSIDIARY COMPANY :

As on 31<sup>st</sup> March, 2012, your Company had only one material subsidiary viz. M/s. Pulgaon Cotton Mills Limited. Earlier M/s. Realtime Properties Limited was the Subsidiary Company of the Company as Company hold 49,994 shares(99.99%) of the Company but during the year M/s. Realtime Properties Limited has allotted 9,50,000 new shares and hence from the total Share capital of Realtime Properties Limited, now Company hold only 4.99% shares. Therefore M/s. Realtime Properties Limited is no more subsidiary Company of the Company.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS) 21 on Consolidated Financial Statements read with the Accounting Standard (AS) 23 on Accounting for Investments in Subsidiaries, the Audited Consolidated Financial Statements are provided in the Annual Report.

The Ministry of Corporate Affairs, Government of India, has issued a Circular No. 2/2011 dated February 8, 2011 granting general exemption to Companies under Section 212 (8) of the Companies Act, 1956 from attaching the documents referred to in Section 212 (1) of the said Act pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report.

The Board of Directors of your Company has accordingly accorded its consent to the Company dispensing with the requirement of attaching to its Annual Report, the annual audited accounts of your Company's subsidiaries. Accordingly, the Annual Report of your Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of your Company and its subsidiaries. The Annual Accounts of these subsidiary companies, along with the related information, are available for inspection at the Company's Registered Office and its subsidiaries and copies of the same shall be provided on request. The statement on subsidiaries pursuant to Section 212 (3) of the Companies Act, 1956 is part of this Annual Report.

### DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Shri Rajshekhar Ganiger, and Shri Mahesh Prasad Mehrotra, Directors, retire by rotation and, being eligible, offered them for re-appointment.

Ms. Mrinal Tayal and Dr. Pritam Singh resigned on 4<sup>th</sup> November, 2011, Shri Mahendra Kumar Aggrawal resigned on 14<sup>th</sup> March, 2012 and Shri Saurabh Kumar Tayal resigned on 22<sup>nd</sup> March, 2012 as Directors of the Company. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

The Board of Directors of the Company in its meeting held on 4<sup>th</sup> November, 2011 appointed Shri Kulwinder Kumar Nayyar and on 28<sup>th</sup> April, 2012 appointed Shri Deepak Mathur, as an Additional Directors of the Company.

Further the Board of Directors of the Company has appointed Shri Rajiv Chauhan as an Additional Director w.e.f. 14/03/2012 and after in its meeting held on 28<sup>th</sup> April, 2012 appointed him as a Managing Director of the Company for a period of 5 years.

### 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 :

- that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2012, the applicable Accounting Standards

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- had been followed alongwith proper explanation relating to material departures.
- that the Directors had selected such accounting policies and applied them consistently and made judgments 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 statement of Profit & Loss of the Company for the year under review;
  - 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;
  - that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2012, on a 'going concern' basis.
  - That the accounts have been prepared on the basis of the revised schedule VI & the Companies Act, 1956, accordingly the previous year figures have adjust/ regroup/ rearranged to confirm with the current year figure.

## **FIXED DEPOSITS :**

The Company has not invited/received any fixed deposits from the public during the year under Report.

## **INSURANCE :**

The properties, stock, assets of your Company are adequately insured.

## **AUDIT COMMITTEE :**

The composition of Audit Committee is given in the Report on Corporate Governance.

## **SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE :**

The composition of Share Transfer and Investors' Grievance Committee is given in the Report on Corporate Governance.

## **REPORT ON CORPORATE GOVERNANCE :**

The Company has complied with Corporate Governance Code as stipulated under Clause 49 of the Listing Agreement. A separate section on Corporate Governance alongwith a certificate from M/s. A. F. Khasgiwala & Co., Statutory Auditors and Shri Rajiv Chauhan, Managing Director, confirming the compliance with the said Clause, forms part of this report.

## **SAFETY, HEALTH AND ENVIRONMENT :**

A sustained and meticulous effort continues to be exercised by the Company at the plant of the Company towards greener production and Environment Conservation. The Company perseveres its efforts to indoctrinate safe and environmentally accountable behavior in every Employee as well as Vendors by compulsory annual training and refresher courses and frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at the plant showing Company's commitment towards safety, not only of its own men and plant, but also of the society at large. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

The health of employees and the environment in and around the plant area have been given due care and attention. The Company continues to comply with the prescribed Industrial Safety Environment Protection and Pollution Control Regulation at its production plant through periodic checks of the system involved and constant monitoring to meet the standards set by the Pollution Control Authorities, etc.

The Plant of the Company is eco-friendly and do not generate any harmful effluents. Safety devices have been installed wherever necessary.

## **INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT :**

The Company recognizes that in a people-intensive business, major gains can be scored in the area of productivity management. In view of this, the Company has strengthened its people management through performance-linked incentives, amenities, training, multi-skilling and career path identification.

The Company is of firm belief that good Human Resource (HR) Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity, the goal is set to increase the production capacity of the plant and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team is being made to the plant to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employer-employee relationship.

The Company lays due emphasis on all-round development of its human resource. Hence, training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

## **CONSERVATION OF 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.

## **PARTICULARS OF EMPLOYEES :**

There were no employees drawing remuneration of ₹ 60,00,000/- or more per annum employed throughout the year or ₹ 5,00,000/- or more per month employed for a part of the year. This information is furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## **AUDITORS :**

M/s. A. F. Khasgiwala & Co., Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their re-appointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

## **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  
Sd/-

Deepak Mathur  
Chairman

Place : Mumbai

Date : 28<sup>th</sup> April, 2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT :

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 2011 - 2012 :

### I. CONSERVATION OF ENERGY

**a) Energy conservation measures taken :**

The Company has been making concerted efforts for enhancement in capacity utilization, 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 up gradation 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 :**

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 economized 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 in accordance with Form 'A' of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of Industries specified in the Schedule thereof :**

	Year ended 31.03.2012	Year ended 31.03.2011
<b>A. Power and Fuel Consumption :</b>		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	332.57	131.59
2. Total Amount (₹ in lacs)	1942.23	743.48
3. Rate/Unit (₹)	5.84	5.65
(b) Own Generation (through Diesel Generator/ Furnace Oil / Gas)		
1. Units ( KWH in Lacs)	287.02	465.12
2. Units per Liter of fuel	4.32	4.32
3. Cost per unit (₹)	12.03	9.15
2. Coal		--
3. Furnace Oil		--
4. Others/Internal Generation/Steam		--
<b>B. Consumption per unit of production</b> (Product : Yarn & Fabric)		
1. Electricity (KWH per tonne)	4809.53	1901.61
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.

### II. TECHNOLOGY ABSORPTION :

**Efforts made in technology absorption in prescribed Form 'B' :**

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

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a) Activities relating to export Markets for products and services and export plan	The Company is exploring avenues to export its premium quality yarns.	
	<b>Year ended</b>	Year ended
	<b>31.03.2012</b>	31.03.2011
b) Foreign Exchange Outgo (₹ in Lacs)	---	---
c) Foreign Exchange earned (₹ in Lacs)	---	106.94

**For and on Behalf of the Board of Directors**  
Sd/-

**Deepak Mathur**  
Chairman

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

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## CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreements is as under :

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The concept of our Company, of Corporate Governance hinges on total transparency, integrity and accountability of the management team. The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, suppliers, regulatory authorities and societies at large.

The Company has ensured that the Directors of the Company are subject to their duties, obligations and responsibilities to the best interest of the Company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the Company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the Company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

### 2. BOARD OF DIRECTORS

2.1) The Board of Directors of the Company comprises of 7 Directors. During the Financial year 2011-2012, the Board met 4 times on the following dates namely 28<sup>th</sup> May 2011, 23<sup>rd</sup> July 2011, 13<sup>th</sup> October 2011 and 12<sup>th</sup> January, 2012. There was no time gap of more than four months between any two Meetings of the Board of Directors.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 27<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> July, 2011, as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below :

Name	Category	Attendance Particulars		Number of other directorships and Total Committee member/Chairmanships as on 31.03.2012		
		Board Meetings	27th AGM	Directorship	Committee Membership	Committee Chairmanship
Shri Mahesh Prasad Mehrotra	ID	4	No	15	9	2
Shri Farindra Bihari Rai	NED	3	NO	8	10	5
Shri Kailash Nath Bhandari	ID	4	No	12	4	1
Shri Rajshekhar Ganiger	ID	2	Yes	5	5	1
Shri Kulwinder Kumar Nayyar*	ID	NIL	No	3	2	2
Shri Rajiv Singh Chauhan**	MD	NIL	No	3	2	-
Shri Deepak Mathur***	NEC	NIL	No	2	-	-
Shri Saurabh Kumar Tayal (Resigned on 22/03/2012)	NEC	4	NO	7	7	2
Ms. Mrinal Tayal (Resigned on 04/11/2011)	NED	2	No	-	-	-
Dr. P. S. Pritam (Resigned on 04/11/2011)	ID	3	No	-	-	-
Shri Mahendra Kumar Aggrawal (Resigned on 14/03/2012)	MD	2	Yes	-	-	-

\* Appointed as an Additional Director w.e.f 4<sup>th</sup> November, 2011.

\*\* Appointed as an Additional Director w.e.f. 14<sup>th</sup> March, 2012 and Managing Director w.e.f. 28<sup>th</sup> April, 2012.

\*\*\* Appointed as an Additional Director w.e.f. 28<sup>th</sup> April, 2012.

"NEC" = Non Executive Chairman, "MD" = Managing Director, "ID" = Independent Director, "N" = Nominee, "NED" = Non-Executive Director.

### 2.2) Appointment / Re-Appointment of Directors :

As required under Clause 49 (VI) of the Listing Agreement the brief details of the Directors seeking re- appointment at the ensuing Annual General Meeting are furnished hereunder :



## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Sr. No.	Name of Director	Area of Expertise	Directorships	Committee Membership	Committee Chairmanship
1.	Shri Mahesh Prasad Mehrotra	B.Com, LL.B., F.C.A, Member of PHD Chamber of Commerce and ASSOCHAM.	15	9	2
2.	Shri Rajshekhar Ganiger	B. Sc. Diploma in Textile Technology. He has 18 years of experience in Textile Industry.	5	5	1
3.	Shri Kulwinder Kumar Nayyar	B. A., Diploma in Textile Technology, he has 15 Years of experience and Specialised in Spinning Production / Market for Open End / Ring Spinning.	3	2	2
4.	Shri Rajiv Chauhan	Graduate and he has 20 Years Experience in Textile Industry.	4	2	Nil
5.	Shri Deepak Mathur	MBA and B. Text. He has rich experience of working in textile industry.	3	Nil	Nil

### 2.3) Non-Executive Directors Compensation Disclosures :

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2011-2012, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows :

Sr. No.	Name of Directors	Category	Sitting Fees (in ₹)	
			Board Meetings	Committee Meetings
1.	Shri Mahesh Prasad Mehrotra	ID	40,000	40,000
2.	Shri Farindra Bihari Rai	ID	30,000	48,000
3.	Shri Kailash Nath Bhandari	ID	40,000	----
4.	Shri Rajshekhar Ganiger	ID	20,000	48,000
5.	Shri Kulwinder Kumar Nayyar	ID	----	----
6.	Ms. Mrinal Tayal	NED	20,000	----
7.	Dr. P. S. Pritam	ID	30,000	----
8.	Shri Saurabh Tayal	NEC	----	8,000
		<b>Total</b>	<b>1,80,000</b>	<b>1,44,000</b>

### 3. BOARD COMMITTEES :

The requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of Directors.

#### 3.1) Audit Committee :

The Board of Directors of the Company has duly constituted an Audit Committee. The Audit Committee comprises of Shri Mahesh Prasad Mehrotra, Chairman, Shri Farindra Bihari Rai & Shri Rajshekhar Ganiger as the members of the Committee.

Further During the year the Audit Committee has reconstituted as Shri Farindra Bihari Rai elected as a chairman because of resignation of Shri Mahesh Prasad Mehrotra as a Chairman, but he will be continue as a member of Audit Committee.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(II)(A) as introduced by the Companies (Amendment) Act, 2000.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 292A of the Companies Act, 1956. The terms of reference of the Audit committee are as follows :

- a. Overview of the company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- d. Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- e. Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/

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notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions.
- i. Discussion with internal auditors any significant findings and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k. Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year 2011-12, the Audit Committee met 4 times on the following dates namely 28<sup>th</sup> May 2011, 23<sup>rd</sup> July 2011, 13<sup>th</sup> October 2011 and 12<sup>th</sup> January, 2012. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder :

Name of Member	Designation	Attendance
Shri Mahesh Prasad Mehrotra	Chairman	3
Shri Farindra Bihari Rai*	Chairman	1
Shri Mahesh Prasad Mehrotra	Member	1
Shri Farindra Bihari Rai	Member	3
Shri Rajshekhar Ganiger	Member	4

\* Shri Farindra Bihari Rai appointed as a Chairman for the last Committee Meeting held on 12<sup>th</sup> January, 2012

### 3.2) Remuneration Committee :

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director and the sitting fees paid to the Non-Executive Directors is approved by the Board of Directors within the overall limits fixed by the Members of the Company at the General Meetings.

Remuneration to Managing Director and Non-Executive Directors for the year 2011-12.

Name	Gross Salary	Commission	Sitting Fees	Total
Shri Mahendra Kumar Aggrawal (MD)	6,00,000	----	---	6,00,000
Non-Executive Directors	---	----	3,24,000	3,24,000
Total	6,00,000	----	3,24,000	9,24,000

### 3.3) Shareholders'/Investors' Grievance Committee :

The Committee comprises of Shri Saurabh Kumar Tayal as the Chairman, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger, as the 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 dividend, etc. The Committee oversees the performance of the Company and recommends measures for overall improvement of the quality of investor services.

During the year 2011-12, the Share Transfer Investor Grievance Committee met 4 times on the following dates namely 27<sup>th</sup> April 2011, 22<sup>nd</sup> July 2011, 12<sup>th</sup> October 2011 and 11<sup>th</sup> January, 2012. The composition of the Share Transfer and Investors' Grievance Committee and the details of the Meetings attended by the Members are given hereunder :

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar Ganiger	Member	4

No. of Shareholder's complaint received so far : Nil

Number solved to the satisfaction of shareholders : Nil

Number of pending complaints : Nil

### 3.4) Management and Finance Committee :

The Board of Directors of the Company has constituted Management and Finance Committee in thier meeting held on 23<sup>rd</sup> July, 2011. The Committee is formed to take the decisions and to pass the necessary Redolutions on the day-to-day matters of the Company, on behalf of the Board of Directors. The Management and Finance Committee comprises of Shri. Mahendra Kumar Aggarwal as the Chairman, Ms. Mrinal Tayal and Shri. Farindra Bihari Rai as the members of the Committee.

The Management and Finance Committee has been re-constituted twice during the year ended 31<sup>st</sup> March, 2012.

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The Management and Finance Committee now comprises of :

Shri. Rajiv Chauhan : ... Chairman

Shri Farindra Bihari Rai : ... Member

Shri Rajshekhar Ganigar : ... Member

During the year 2011-12 the Management and Finance Committee met 7 times on the following dates namely 10<sup>th</sup> August, 2011, 2<sup>nd</sup> September, 2011, 21<sup>st</sup> September, 2011, 17<sup>th</sup> October, 2011, 20<sup>th</sup> October, 2011, 10<sup>th</sup> January 2012 and 14<sup>th</sup> March, 2012. The composition of the Management and Finance Committee and the details of the Meetings of the members are given hereunder :

Name of Member	Designation	Attendance
Shri Farindra Bihari	Member	7
Shri Rajshekhar Ganiger	Member	1
Ms. Mrinal Tayal	Member (Rign.)	6
Shri Mahendra Kumar Aggarwal	Chairman (Rign.)	4

#### 4. GENERAL BODY MEETINGS :

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

Year	Location	Date	Time
2010-2011	Village Savlav N.H.No. 8, Taluka Pardi Near Vapi, Valsad - 396191	2 <sup>nd</sup> July, 2011	3:00 P.M.
2009-2010	Village Savlav N.H.No. 8, Taluka Pardi Near Vapi, Valsad - 396191	17 <sup>th</sup> July, 2010	11.30 A.M.
2008 - 2009	Village Savlav N.H.No.8, Taluka Pardi Near Vapi, Valsad - 396191	4 <sup>th</sup> September, 2009	12.30 P.M.

During the year the Company has not passed any special Resolution in the General Meeting or Board Meeting.

#### 5. 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.

(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 :

(a) The Company has published its Notice of the Board Meetings, Notice of the Annual General Meeting and Book Closure, Quarterly Financial Results, Half yearly Statement of Assets and Liabilities in the following newspapers :

Free Press Journal - English; Loksatta-Jansatta-Gujarati.

(b) Management Discussion and Analysis forms integral part of this Annual Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook, risks and concerns, etc., are discussed in the said report.

#### 7. GENERAL SHAREHOLDER INFORMATION

##### 7.1) Annual General Meeting :

Date and time : Saturday 21<sup>st</sup> July, 2012 at 3:00 p.m.  
Venue : Village Savlav N.H.No. 8, Taluka Pardi Near Vapi, Valsad - 396191

7.2) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial Calendar 2012-13  
(Tentative)

Annual General Meeting : July, 2013

##### Board Meetings :-

Results for the Quarter ending June 30, 2012 : Second week of August, 2012

Results for the Quarter/Half year ending September 30, 2012 : Second week of November, 2012

Results for the Quarter ending December 31, 2012 : Second week of February, 2013

Results for the year ending : Last week of May, 2013

7.3) Book Closure Date : 19<sup>th</sup> July, 2012 to 21<sup>st</sup> July, 2012

(Both days inclusive)

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- 7.4) Dividend Payment Date : N. A.
- 7.5) (a) Listing of Equity Shares : Bombay Stock Exchange Ltd.  
(b) ISIN Numbers : Equity Shares : INE091e01039
- 7.6) Stock Code : 512233 (Bombay Stock Exchange)
- (Note : Annual listing fees for the year 2012-2013 have been duly paid to the Bombay Stock Exchange Ltd.)

### 7.7) Stock Market Data :

The shares of the Company are listed with the Bombay Stock Exchange Limited. The details of the Market Price data i.e., high, low (based on the closing prices) and volume during the Financial year 2011-12, is given hereunder :

Month	High (₹)	Low (₹)	No. of Shares
April 2011	215	110	2719
May 2011	232	194.80	149
June 2011	240	225	20
July 2011	231	149.95	1234
August 2011	152.5	130	279
September 2011	130	124	38
October 2011	117.85	107	147
November 2011	125	120	195
February 2012	120	120	22
March 2012	114.05	114.05	1

### 7.8) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index, etc.

The shares of the Company are listed at Bombay Stock Exchange Ltd., the Stock Market Details of which has been given as above.

- 7.9) Registrar & Transfer Agent : Universal Capital Securities Private Limited  
21, Shakil Nivas, Opp. Satya Sai Baba Temple, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093. Email: info@uniseq.in
- 7.10) Share Transfer System : The shares of the Company, being in the compulsory demat list, are transferable through the depository system. All transfers received are processed and approved by the Share Transfer Committee, which normally meets twice a month. Shares under objection are returned within two weeks.

### 7.11) a) Distribution of Shareholding as on 31st March, 2012 :

Category	From	To	Number of Shareholder	Number of Shares held
Upto	-	5000	2883	9097619
5001	-	10000	4	27977
10001	-	20000	2	29188
20001	-	30000	0	0
30001	-	40000	0	0
40001	-	50000	0	0
50001	-	100000	0	0
100001	-	Above	31	373682716
<b>TOTAL</b>			<b>2920</b>	<b>382837500</b>

### b) Shareholding pattern as on 31<sup>st</sup> March, 2012

	Category	No. of shares held	Percentage of shareholding
1.	Promoter's Holding	262436155	68.55
2.	Mutual Funds, Banks, Financial Institutions, FIs, NRIs, Clearing Members & OCBs	2364462	0.62
3.	Domestic Companies	2688140	0.70
4.	Resident Individuals	115348743	30.13
	<b>Total</b>	<b>382837500</b>	<b>100.00</b>

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- 7.12) a) **Dematerialization of Shares** : Approximately 36.66% of the shares issued by the Company has been dematerialized up to 31<sup>st</sup> March 2012.
- b) **Liquidity** : The Company's shares are listed on The Stock Exchange Mumbai (BSE)
- 7.13) **Outstanding GDRs/ADRs/Warrants** : No such Instrument outstanding  
or any other Convertible instruments, conversion date and likely impact on Equity
- 7.14) **Plant Location** : Pulgaon, Maharashtra
- 7.15) (a) **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. : Universal Capital Securities Private Limited  
21, Shakil Nivas, Opp. Satya Sai Baba Temple, Mahakali Caves Road, Andheri (East), Mumbai - 400 093.  
Email: info@unisec.in
- Note** : Shareholders holding shares in electronic mode should address their correspondence relating to Demat Account to their respective Depository Participants.
- (b) **Any query on Annual Report** : Village Salvav, Taluka Pardi, Near Vapi, Gujarat - 396191.

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## CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Jaybharat Textile And Real Estate Limited :

We have examined the compliance of the conditions of Corporate Governance by Jaybharat Textile And Real Estate Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Board of Directors of the Company and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Agreement.

We state that in respect of investors grievances received during the year ended 31st March, 2012, no investor grievances are pending against the Company as on 28th April, 2012 as per the records maintained by the Company and presented to the Share Transfer/Investor's Grievances 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 A. F. Khasgiwala & Co.  
Chartered Accountants**

**Sd/-  
A.F. Khasgiwala  
Partner  
Membership No. 6491  
Firm Registration no. 105114W**

**Place :** Mumbai  
**Date :** 28.04.2012

## DECLARATION PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT BY THE MANAGING DIRECTOR OF THE COMPANY

I, Rajiv Chauhan, Managing Director of the Jaybharat Textile And Real Estate Limited, to the best of my knowledge and belief, certify that :

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept the responsibility for establishing and maintaining Internal Controls and that I have evaluated the effectiveness of the Internal Control System of the Company and have not found any deficiencies in the design or operation of the Internal Control System.
- (d) I further certify that :-
  - a. there have been no significant changes in Internal Control (except increase in scope of work of Internal auditor) during this year.
  - b. there have been no significant changes in accounting policies during this year.
  - c. there have been no instances of significant fraud of which we have become aware and the involvement therein, of Management or an Employee having a significant role in the Company's Internal Control System.
- (e) I further declare that all Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct for the Financial Year 2011-2012.

**For and on behalf of the Board of Directors**

**Sd/-  
Rajiv Chauhan  
Managing Director**

**Place :** Mumbai  
**Date :** 28.04.2012

## DECLARATION PURSUANT TO CLAUSE 49(I)(D) REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I Rajiv Chauhan, Managing Director of the Jaybharat Textile And Estate Limited, hereby confirm that the Company has adopted the Code of Conduct for its Board Members and Senior Management Personnel.

I confirm that the Company has, in respect of the Financial Year ended 31st March, 2012, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Executive Directors as on 31st March, 2012.

**For and on behalf of the Board of Directors**

**Sd/-  
Rajiv Chauhan  
Managing Director**

**Place :** Mumbai  
**Date :** 28.04.2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

The Management of JAYBHARAT TEXTILES AND REAL ESTATE LIMITED 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

#### TEXTILE INDUSTRY :

The Textile Industry occupies a unique place in our Country by contributing around 4% of India's GDP, 14% of the Country's Industrial Production, 18% of Industrial employment and 17% of the export earnings. It is the second largest provider of employment after agriculture. It provides direct employment to over 35 million people and indirect employment to around another 60 million people in the Country.

The Industry contributes around 25% share in the world trade of cotton yarn. India is the largest exporter of yarn in the international market and has a share of 25% in world cotton yarn export market. India contributes for 12% of the world's production of textile fibers and yarn. Indian textile industry is second largest after China in terms of spindlage, and has share of 23% of the world's spindle capacity. India has around 6% of global rotor capacity.

The industry is expected to grow from the present US\$ 70 billion to US\$ 220 billion by 2020; India's textile export is expected to reach US\$ 25 billion by 2013.

The availability of concessional loans under the Technology Upgradation Fund Scheme (TUFs) and growing demand for Value Added lifestyle-driven retail products are other contributing factors which encourage new investment in up gradation of machineries.

India has the potential to increase its textile and apparel share in the world trade from the current level of 4.5 per cent to 8 per cent and reach US\$ 80 billion by 2020.

#### - Cotton

India is the second largest producer of cotton in the world. The International Cotton Advisory Committee (ICAC) noted that India has produced 4.74 metric tonnes (MT) of cotton during the year. India's production next season is likely to touch 5.61 MT. Cotton is the predominant fabric used in the Indian industry, accounting for nearly 60 per cent of production. The average yield of cotton per hectare in Indian is about 400 kilograms which is considered low. During the year India produced total 32 million bales, out of which 10.5 million has been produced in Gujarat.

#### - Spinning

The Spinning Industry in India is on set to hit the global market with its enthusiasm and consistency in work. The spinning sector in India is globally competitive in terms of variety, process and production quantity. It has already reached a phenomenal status in India by beating the obstacles that caused a downfall since past few years and is now on its way to cover a wider area in the spinning sector. India has about 40 million spindles (23 per cent of the world).

#### - Knitting

Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. India's weaving and knitting sector remains highly fragmented, small-scale, and labour intensive.

This sector consists of about 3.9 million handlooms, 380,000 power loom enterprises that operate about 1.7 million looms, and just 137,000 looms in the various composite mills. Power looms are small firms, with an average loom capacity of four to five owned by independent entrepreneurs or weavers. Modern shuttleless looms account for less than 1 percent of loom capacity.

Knitting units are successful in export channels. Some of the prominent weaving / knitting clusters include Tirupur in Tamil Nadu and Ludhiana in Punjab.

### i) OPPORTUNITY AND THREATS

The textile industry is undergoing a major reorientation towards non-clothing applications of textiles, known as technical textiles, which are growing roughly at twice rate of textiles for clothing applications and now account for more than half of total textile production. Technical textiles segment is expected to employ over 3,00,000 additional workers increasing the total employment to 1.2 million by 2012. The Government of India has set up 4 Centres of Excellence for Meditech, Agrotech, Geotech and Protech group of technical textile providing one-stop facility for testing, human resource development and research and development.

The present global economic scenario provides ample opportunities for strong integrated textile companies such as like your company. Over the years the Company has built up capacities of scale by installing state-of-art production facilities. By reinforcing its position across the value change and presenting customers with diversified range of products, the company has developed sustainable business model with strength and resilience to combat any down turn in demand.

#### Strengths :

- Self reliant industry producing the entire supply-chain i.e., cotton and fibres.
- Highly competitive spinning sector.
- Large and growing domestic market.
- Second-largest textile producer in the world.
- Abundant Raw Material availability that helps industry to control costs and reduces the lead-time across the operation;
- Low labour cost and availability of skilled and technical labour force.
- Excellence in fabric and garment designing.
- Vast textile production capacity and efficient multi-fiber raw material manufacturing capacity.
- Availability of large varieties of cotton fiber and has a fast growing synthetic fiber industry;
- Promising export potential

#### Weaknesses :

- Small size and technologically outdated plants result in lack of economies scale, low productivity and weak quality control.
- Cotton availability is vulnerable to erratic monsoon and low per hectare yield.
- With the exception of spinning, other sectors are fragmented. Sectors such as knitted garments still remaining as a SSI domain
- Labour laws and policies lack reforms.
- Infrastructure bottlenecks for handling large volumes.

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- India lacks in trade pact memberships, which leads to restricted access to the other major markets.
- Huge unorganized and decentralized sector.

## Opportunities :

- End of quota system and full integration of the textile industry.
- Low per-capita consumption of textile indicating significant potential growth.
- Increased use of CAD to develop designing capabilities and for developing greater options.
- Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- Cheaper production and marketing costs and enormous opportunities have tempted Taiwanese Companies to work on Joint Ventures with the Indian Companies specially for the manufacture of manmade fabrics.

## Threats :

- Survival of the fittest-in term of quality, size delivery and cost. There is an increased global competition in the post 2005 trade regime under WTO.
- Pricing pressures.
- Stiff competition from other Asian countries.
- Increase in regional trade could reduce share of market opened for India, China and other countries.
- High production cost with respect to other Asian competitors

## II. GOVERNMENT INITIATIVES

The Government of India has promoted a number of export promotion policies for the textile sector in Union Budget 2011-12 and Foreign Trade Policy 2009-14. This also includes the various incentives under Focus Market Scheme and Focus Product Scheme; broad basing the coverage of Market Linked Focus Product Scheme for textile products and extension of Market Linked Focus Product Scheme etc. to increase the Indian Shares in the global trade of textiles and clothing. The various Schemes and promotions by the Government of India are as follows :

1. It has allowed 100 per cent Foreign Direct Investment (FDI) in textiles under the automatic route.
2. **Welfare Scheme** : The Government has offered health insurance coverage and life insurance coverage to 161.10 million weavers and ancillary workers under the Handloom Weavers' Comprehensive Welfare Scheme, while 7,33,000 artisans were provided health coverage under the Rajiv Gandhi Shilpi Swasthya Bima Yojna.
3. **E-Marketing** : The Central Cottage Industries Corporation of India (CCIC), and the Handicrafts and Handlooms Export Corporation of India (HHEC) have developed number of e-marketing platforms to simplify marketing issues. Also, a number of marketing initiatives have been taken up to promote niche handloom and handicraft products with the help of 600 events all over the country.
4. **Skill Development** : As per the 12<sup>th</sup> Five Year Plan, the Integrated Skill Development Scheme aims to train over 26,75,000 people within next 5 years (this would cover over 2,70,000 people during the first two years and remaining in next three years). This scheme would cover all sub sectors of the textile sector such as Textiles and Apparel; Handicrafts; Handlooms; jute; and Sericulture.
5. **Credit Linkages** : As per the Credit Guarantee program, over 25,000 Artisan Credit Cards have been supplied to artisans, and 16.50 million additional applications for issuing credit cards have been forwarded to banks for further consideration with regards to the Credit Linkage scheme.
6. **Financial package for waiver of over dues** : The Government of India has announced a package of US\$ 604.56 million to waive overdue loans in the handloom sector. This also includes the waiver of overdue loans and interest till 31<sup>st</sup> March, 2010, for loans disbursed to handloom sector. This is expected to benefit at least 3,00,000 handloom weavers of the industry and 15,000 cooperative societies.
7. **Textile Parks** : The Indian Government has given approval to 40 new Textile Parks to be set up and this would be executed over a period of 36 months. The new Textile Parks would leverage employment to 4,00,000 textile workers. The product mix in this parks would include apparels and garment parks, hosiery parks, silk parks, processing parks, technical textiles including medical textiles, carpet and power loom parks.

## ii) AREA OF CONCERNS

The major areas of concerns are however as follows :

1. Certain Regional trade blocks and trade agreements can change competitive parameters.
2. Enhancement of Preferential Access Programme for select countries. For instance, under the new GSP scheme, formulated by the EU, India's textile sector has been graduated while those from Pakistan and other countries (excluding China) have been included.
3. Evolution of Non Tariff Barriers in the form of packaging/labeling requirements, customs and other formalities; environmental safeguards, sanitary and phyto-sanitary measures.
4. The developed countries continue to seek quantitative restrictions on textiles and clothing. Their imports show that quotas are still being used as an instrument of restraining growth. The recent settlement arrived at by the European Commission under intense domestic pressure undermines the free play of market forces.

## iv) OUTLOOK

As the industrial and economic growth of the Country is showing steady improvement, the Company has drawn out and is implementing an action plan which comprises thrust on high margin products, reduction in raw material costs, rationalization of operations and overheads, optimizing inventory level, selective credit policy to customers and liquidation of slow-moving inventories and overdue receivables. 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., has benefitted significantly during the financial year 2011-2012 and is expected to do the same in the years to come.

## v) 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.

## vi) INTERNAL CONTROL SYSTEM

The Company has been marinating a well-established procedure for internal control system. For the purpose financial control, Company is adequately staffed with experienced and qualified personnel at all levels and play an important role in implementing and monitoring the statutory and Internal policy control environment. There has been a review conducted by M/s. B. James & Co., the Internal Auditor, about



# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

the financial and operating controls. The Audit Committee of the Company reviews the adequacy of internal audit functions.

## vii) FINANCIAL PERFORMANCE VS. OPERATIONAL PERFORMANCE

The Company has achieved Revenue from operations of ₹ 71,857.73 Lacs in Financial Year 2011-12 as against ₹ 61188.01 Lacs in previous Financial Year 2010-11. During the year 2011-12 Interest outgo of the Company has registered at ₹ 3716.43 Lacs as against ₹ 2632.14 Lacs in the previous year 2010-11. The Depreciation has registered at ₹ 3930.06 Lacs as against ₹ 3722.55 Lacs for the previous year 2010-11. In the financial year 2011-12 the Company has incurred Net Loss of ₹ 3864.93 Lacs as against Net Loss of ₹ 311.27 Lacs in Financial Year 2010-11.

## viii) 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.

## ix) 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.

## x) CAUTIONARY STATEMENT

Statements Made in this Report may be "forward looking statements" within the meaning of applicable securities laws and regulations. These 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 like changes in economic conditions affecting demand/supply, price conditions in which the Company operates, Government regulations, tax laws and other statutes and incidental factors.

## AUDITORS' REPORT

To,

The Members of

**JAYBHARAT TEXTILES & REAL ESTATE LIMITED**

1. We have audited the attached Balance Sheet of **JAYBHARAT TEXTILES & REAL ESTATE LIMITED** as at 31<sup>st</sup> March, 2012, 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.
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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and the Companies (Auditor's Report)(Amendment) order 2004 issued by the Central Government of India in terms of section 227(4A) of the Companies Act,1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that : -
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report in compliance with the Accounting standards referred to in Section 211 (3C) of the Companies Act,1956.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director of the Company in terms of Section 274 (1) (g) of the Companies Act,1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act,1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India except for the retirement benefits which are accounted for on cash basis
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012,
    - ii) in the case of the Profit and Loss Account, of the Loss 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 A. F. Khasgiwala & Co.**  
**Chartered Accountants**

Sd/-

**A.F. Khasgiwala**  
**Partner**

**Membership No. 6491**

**Firm Registration no. 105114W**

Place : Mumbai

Date : 28.04.2012

# Annual Report 2011-2012

## ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 2 OF AUDITORS' REPORT OF EVEN DATE

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 carried 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. 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. In our opinion and according to the information and explanations given to us , there are adequate internal control system 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.
4. The company has neither granted nor taken secured or unsecured loans 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.
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 Companies Act, 1956 and aggregating to ₹ 5,00,000/- (Rupees Five Lacs only) or more during the year 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.
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. We have, however, not made a 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 deposited during the year with appropriate authorities.
  - (b) There are no disputed statutory dues.
10. The Company does not have any accumulated losses as at 31<sup>st</sup> March, 2012 as the debit balance of statement of Profit or Loss ₹ 3864.63 Lacs has been adjusted against surplus and reserves (Refer Note No.2.2) and has not incurred cash losses in the financial year ended on that date or in the immediately preceding year.
11. According to the books of accounts & records of the company, There has been no default in repayment of dues to any Financial Institution or Banks during the year.
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. In our opinion and according to the information and explanations provided to us the nature of activities of the company does not attract special statute applicable to Chit fund & Nidhi /Mutual benefit / 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 explanation given to us and on the overall examination of the Balance Sheet of the Company, We report that no funds raised on short term basis have been used for long term investment by the Company.
16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. The Company has not made any preferential allotment of shares during the Year.
18. During the year covered by our audit report the Company has not issued any debentures.
19. The Company has not raised any money by public issues during the year.
20. Based upon the Audit Procedures performed for the purpose of reporting the true and fair view of financial statement and as per the information & explanation given by the Management, we report that no fraud on or by the company has been noticed or reported during the year.

For A. F. Khasgiwala & Co.  
Chartered Accountants

Sd/-  
A.F. Khasgiwala  
Partner  
Membership No. 6491  
Firm Registration no. 105114W

Place : Mumbai  
Date : 28.04.2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

(₹ In Lacs)

PARTICULARS	NOTES NO.	AS AT 31.03.2012	AS AT 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2.1	7,656.75	7,656.75
(b) Reserves and Surplus	2.2	863.34	4,728.27
(c) Money received against share warrants		-	-
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	2.3	21,140.79	24,372.45
(b) Deferred Tax Liabilities (Net)	2.4	1,700.60	1,654.12
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	2.5	20,802.98	12,448.74
(b) Trade Payables	2.6	260.81	540.29
(c) Other Current Liabilities	2.7	15,346.56	10,728.75
(d) Short-Term Provisions	2.8	1,112.62	914.44
<b>Total Equity &amp; Liabilities</b>		<b>68,884.46</b>	<b>63,043.80</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
Tangible Assets			
(i) Gross Block	2.9	47,312.15	47,312.15
(ii) Depreciation		15,573.98	11,647.92
(iii) Net Block		31,738.17	35,664.23
Capital work in Progress		87.03	-
<b>Intangible Assets</b>			
<b>others</b>			
(b) Non-current investments	2.10	28.00	32.00
(c) Deferred tax assets (net)	2.11	840.53	840.53
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	2.12	19,782.82	12,047.43
(c) Trade receivables	2.13	15,431.84	12,835.12
(d) Cash and cash equivalents	2.14	134.22	183.26
(e) Short-term loans and advances	2.15	841.85	1,441.23
(f) Other current assets		-	-
<b>Total Assets</b>		<b>68,884.46</b>	<b>63,043.80</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:</b>			
The accompanying notes are intergal part of the financial statements			

This is the Balance Sheet referred to in our Report of even date.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR A.F.KHASGIWALA & CO.**  
CHARTERED ACCOUNTANTS

Sd/-  
**A. F. KHASGIWALA**  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

PLACE : MUMBAI  
DATED : 28.04.2012

# Annual Report 2011-2012

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

(₹ in Lacs)

PARTICULARS	NOTES NO.	YEAR ENDING 31.03.2012	YEAR ENDING 31.03.2011
I Revenue from operations	2.16	71,857.73	61,188.01
		-	-
<b>Total Revenue (I)</b>		<b>71,857.73</b>	<b>61,188.01</b>
II Expenses :			
Cost of Sales	2.17	65,968.40	53,308.55
Finance Cost	2.18	3,716.43	2,632.15
Depreciation and Amortization Expense	2.19	3,930.06	3,722.55
Other Administrative Expenses	2.20	2,061.28	1,482.98
<b>Total Expenses (II)</b>		<b>75,676.18</b>	<b>61,146.23</b>
III Profit before exceptional and extraordinary items and tax	(I - II)	<b>(3,818.45)</b>	<b>41.78</b>
IV Exceptional Items		-	-
V Profit before extraordinary items and tax		<b>(3,818.45)</b>	<b>41.78</b>
VI Extraordinary Items		-	-
VII Profit before tax		<b>(3,818.45)</b>	<b>41.78</b>
VIII Tax expense :			
(1) Current tax		-	8.33
(2) Tax for earlier year		-	81.92
(3) Deferred tax		46.48	262.80
IX Profit(Loss) from continuing operations		<b>(3,864.93)</b>	<b>(311.27)</b>
X Profit/(Loss) from discontinuing operations		-	-
XI Tax expense of discounting operations		-	-
XII Profit/(Loss) from Discontinuing operations		-	-
XIII Profit/(Loss) for the year		<b>(3,864.93)</b>	<b>(311.27)</b>
XIV Earning per equity share: Equity shares of per value Rs.2/-each			
(1) Basic		<b>(1.00)</b>	(0.08)
(1) Diluted		<b>(1.00)</b>	(0.08)
No. of share used in computing earning per share		<b>382,837,500</b>	382,837,500
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :</b> The accompanying notes are intergal part of the financial statements			

This is the Balance Sheet referred to in our Report of even date.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
A. F. KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

PLACE : MUMBAI  
DATED : 28.04.2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

**Note : 2.1 (a) Share Capital**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>1 AUTHORIZED CAPITAL</b> 750000000 Equity Shares of ₹ 2/- each. (Previous Year 750000000 Equity Shares of ₹ 2/-each)	<b>15,000.00</b>	15,000.00
<b>2 ISSUED &amp; SUBSCRIBED</b> 38,28,37,500 Equity Shares of ₹ 2/- each (Previous Year 38,28,37,500 Equity Shares of ₹ 2/- each)	<b>7,656.75</b>	7,656.75
<b>3 PAID UP CAPITAL</b> 38,28,37,500 Equity Shares of ₹ 2/- each (Previous Year 38,28,37,500 Equity Shares of ₹ 2/- each) (Of the above Equity Shares,127612500 Shares were allotted as bonus shares by capitalisation of reserves)	<b>7,656.75</b>	7,656.75
<b>TOTAL</b>	<b>7,656.75</b>	<b>7,656.75</b>

**2.1 a) Details of share holders holding morethan 5 % shares**

Name of Shareholders	As at 31 <sup>st</sup> March,2012		As at 31 <sup>st</sup> March,2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Saurabh Kumar Tayal	<b>84885655</b>	<b>22.17</b>	84885655	22.17
Nina Anuj Agarwal Tayal	<b>47201250</b>	<b>12.33</b>	47201250	12.33
Vandana Tayal	<b>44003250</b>	<b>11.49</b>	44003250	11.49
Bhavana Tayal	<b>35670000</b>	<b>9.32</b>	35670000	9.32
Jyotika Tayal	<b>32210625</b>	<b>8.41</b>	32210625	8.41

**2.1 b) Reconciliation of Number of Shares Outstanding as at 1<sup>st</sup> April 2011 and 31<sup>st</sup> March,2012 :**

**EQUITY SHARES :**

Particulars	Number	(₹ in Lacs)
Shares outstanding as at the 1 <sup>st</sup> April,2011	<b>382837500</b>	<b>7656.75</b>
Add : Shares issued during the period	<b>NIL</b>	<b>NIL</b>
Shares outstanding as at 31 <sup>st</sup> March,2012	<b>382837500</b>	<b>7656.75</b>

**Note : 2.2 Reserve & Surplus**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) Reserves		
General Reserve	<b>2,261.07</b>	2,261.07
Securities Premium Account		
Capital Reserve		
<b>Total (a)</b>	<b>2,261.07</b>	2,261.07
(b) Surplus		
Profit & Loss Account		
Balance brought forward from previous year	<b>2,467.20</b>	2,778.47
Add : Net Profit/(Net Loss) for the period	<b>(3,864.93)</b>	(311.27)
<b>Total (b)</b>	<b>(1,397.73)</b>	2,467.20
<b>Total</b>	<b>863.34</b>	4,728.27

**Note : 2.3 Long Term Borrowings**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>Secured</b>		
<b>Term Loan</b>		
From Bank		
<b>1 Term Loan</b>	<b>7,140.79</b>	9,772.45
(Secured by 1st charge over the fixed asset both movable & immvble & lind charges over the entire Current Assets & personal Guarantee of director)		
<b>2 Mortgage Loan</b>	<b>-</b>	600.00
(Secured by 1st charges over the fix assets both movable & immovable & lind charges over the entire Current Assets & Corporate Guarantee)		
<b>Unsecured</b>		
<b>1 From Corporates</b>	<b>14,000.00</b>	14,000.00
<b>Total</b>	<b>21,140.79</b>	24,372.45

# Annual Report 2011-2012

## Note : 2.4 Differed Tax Liabilities

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Depreciation on Fixed Assets	1,700.60	1,654.12
<b>Total</b>	<b>1,700.60</b>	<b>1,654.12</b>

## Note : 2.5 Short Term Borrowings

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>Secured Working Capital Loan</b>		
Banks (Secured by 1st charges on all current assets & lind charge on pari passu basis with other banks and personal guarantee of Director)	20,802.98	12,448.74
<b>Total</b>	<b>20,802.98</b>	<b>12,448.74</b>

## Note : 2.6 Trades Payable

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Sundry Creditors for Material/Supplies	260.81	540.29
<b>Total</b>	<b>260.81</b>	<b>540.29</b>

## Note : 2.7 Other Current Liabilities

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Interest Accured & due	283.11	118.83
2 Others Liabilities	5,063.45	609.92
3 Share Application money received for allotment of securities and due for refund	10,000.00	10,000.00
<b>Total</b>	<b>15,346.56</b>	<b>10,728.75</b>

## Note : 2.8 Short Term Provisions

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Provision for Taxation	-	8.33
2 outstanding Expenses payable	1,112.62	906.11
<b>Total</b>	<b>1,112.62</b>	<b>914.44</b>

## NOTE 2.9

### FIXED ASSETS (AS ON 31.03.2012)

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	Cost on 01.04.2011	Additon	Deduction	As on 31.03.2012	As on 01.04.2011	During The year	Written Back	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
1 LAND & BUILDING	660.67	0.00	0.00	660.67	0.00	0.00	0.00	0.00	660.67	660.67
2 LAND	23.00	0.00	0.00	23.00	0.00	0.00	0.00	0.00	23.00	23.00
3 LAND AND SITE DEVELOPMENT	858.00	0.00	0.00	858.00	0.00	0.00	0.00	0.00	858.00	858.00
4 PLANT & MACHINERIES	34180.27	0.00	0.00	34180.27	10373.79	3534.24	0.00	13908.03	20272.23	23806.48
5 BUILDING	11454.91	0.00	0.00	11454.91	1235.34	382.59	0.00	1617.94	9836.97	10219.56
6 FURNITURE & FIXTURE	114.55	0.00	0.00	114.55	26.60	7.25	0.00	33.85	80.70	87.95
7 MOTOR VEHICLE	20.76	0.00	0.00	20.76	12.19	1.97	0.00	14.16	6.60	8.57
<b>TOTAL</b>	<b>47312.15</b>	<b>0.00</b>	<b>0.00</b>	<b>47312.15</b>	<b>11647.92</b>	<b>3926.06</b>	<b>0.00</b>	<b>15573.98</b>	<b>31738.16</b>	<b>35664.23</b>
Capital Work In Progress	0.00	87.03	0.00	87.03	0.00	0.00	0.00	0.00	87.03	0.00
<b>TOTAL</b>	<b>47312.15</b>	<b>87.03</b>	<b>0.00</b>	<b>47399.18</b>	<b>11647.92</b>	<b>3926.06</b>	<b>0.00</b>	<b>15573.98</b>	<b>31825.20</b>	<b>35664.23</b>
Previous Year	45191.32	4996.56	2875.72	47312.15	7929.37	3718.55	0.00	11647.92	35664.23	37261.96

## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

### Note : 2.10 Fixed Assets (other)

PARTICULAR	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Miscellaneous Expenditure (To the extent not adjusted or written off)		
Balance as per last Balance sheet	32.00	6.00
Less : Written off during the year	4.00	4.00
<b>Total</b>	<b>28.00</b>	<b>32.00</b>

### Note : 2.11 Non Current Investment

PARTICULARS	No. of Share	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) Investment in Equity Instruments ;			
(i) Quoted Shares			
Asahi Fibres Ltd. Of ₹1/- each Fully paid up	32225870	312.00	312.00
(ii) Unquoted Shares			
In Subsidiary Companies :			
Pulgaon Cotton Mills Ltd. Equity Shares of ₹10/-each fully paid up	22749993	523.53	523.53
In others :			
Real Time Properties Ltd. Equity Shares of ₹10/- each fully paid up	49994	5.00	5.00
<b>Total</b>	<b>55,025,857</b>	<b>840.53</b>	<b>840.53</b>
Aggregate Book Value of Quoted Investments		312.00	312.00
Aggregate Market Value of Quoted Investments		10747.33	12503.64
Aggregate Book Value of Unquoted Investments		528.53	528.53

### Note : 2.12 Inventories

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Raw Material	16,298.02	7,847.20
2 Work-in-Progress	3,281.30	1,843.12
3 Finished Goods	148.42	2,310.22
4 Consumables	55.07	46.89
<b>Total</b>	<b>19,782.82</b>	<b>12,047.43</b>

### Note : 2.13 Trade Receivables

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>1 Outstanding for more than six months</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	65.04	68.31
c) Doubtful	-	-
<b>2 Others</b>		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	15,366.80	12,766.81
c) Doubtful	-	-
<b>Total</b>	<b>15,431.84</b>	<b>12,835.12</b>

### Note : 2.14 Cash & Cash Equivalent

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>(a) Cash-in-Hand</b>		
Cash Balance	8.11	25.17
<b>Sub Total (a)</b>	<b>8.11</b>	<b>25.17</b>
<b>(b) Bank Balance</b>		
In Current Account	39.36	81.56
<b>Sub Total (b)</b>	<b>39.36</b>	<b>81.56</b>
<b>(c) Fixed Deposit</b>		
	86.75	76.54
<b>Sub Total (c)</b>	<b>86.75</b>	<b>76.54</b>
<b>Total [ a+b+c ]</b>	<b>134.22</b>	<b>183.26</b>

### Note : 2.15 Short Terms Loans and Advances

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Others	494.73	966.14
Advance Recoverable in cash or in kind or for value to be considered good		
2 Subsidiary receivable	347.12	475.08
<b>Total</b>	<b>841.85</b>	<b>1,441.23</b>

# Annual Report 2011-2012

## Notes Forming Part of the Statement of Profit & Loss Accounts for the year ended 31st March, 2012

### Note : 2.16 Revenue from Operations

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) sale of Product :	73,463.35	61,188.01
Less : Discount / Rebate	1,605.62	
	71,857.73	61,188.01
(b) Sale of Services :	-	-
(c) other Income :	-	-
<b>Total</b>	<b>71,857.73</b>	<b>61,188.01</b>

### Note : 2.17 Cost of Sales

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>a) MATERIALS AND GOODS CONSUMED</b>		
Opening Stock	7,847.20	6,910.63
Add : Purchases	60,956.23	45,203.24
	68,803.43	52,113.87
Less : Closing Stock	16,298.02	7,847.20
Raw Material Consumed	<b>Sub total (a)</b>	44,266.67
	52,505.41	
<b>b) Change in inventories</b>		
Opening Stock :		
Finished goods	2,310.22	3,150.19
Work in progress	1,843.12	1,660.52
	<b>Total (i)</b>	4,810.71
	4,153.34	
Closing Stock :		
Finished goods	148.42	2,310.22
Work in progress	3,281.30	1,843.12
	<b>Total (ii)</b>	4,153.34
	3,429.72	
	<b>Sub total (b)(i-ii)</b>	657.37
	723.62	
<b>c) DIRECT/PRODUCTIONS EXPENSES</b>		
Power & Fuel	5,395.09	3,865.32
Stores & chemical	1,366.12	1,458.66
Packing Material Consumed	819.70	-
Machinery Spare Parts	472.55	-
Water Charges	78.62	-
Labour Charges	4,152.16	2,962.69
Repair & Maintenance Machinery	226.52	97.84
Processing Charges	228.62	-
	<b>Sub total (c)</b>	8,384.51
	12,739.38	
<b>Total (a+b+c)</b>	<b>65,968.40</b>	<b>53,308.55</b>

### Note : 2.18 Finance Cost

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Interest Cost	3,670.00	2,596.32
Other borrowing cost	46.43	35.83
<b>Total</b>	<b>3,716.43</b>	<b>2,632.15</b>

### Note : 2.19 Depreciation & Amortization Expenses

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Depreciation	3,926.06	3,718.55
Miscellaneous Expenses W/off	4.00	4.00
<b>Total</b>	<b>3,930.06</b>	<b>3,722.55</b>



# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## Note : 2.20 Other Administrative Expenses

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Commission & Brokerage	15.24	291.26
Sales Promotion Expenses	248.16	77.45
Transportation Charges	172.65	105.55
Insurance Charges	23.01	19.49
Rent,Rates and Taxes	69.07	47.75
Directors Remuneration	6.00	6.00
Directors Sitting Fees	3.24	2.82
Legal & Professional & Consultancy Charges	30.45	7.60
Consultancy Charges	-	6.54
Travelling & Conveyance	222.03	115.73
Auditors Remuneration	1.10	1.10
Telephone Charges	118.64	48.27
Salary & Bonus	301.28	245.62
Staff Welfare Expenses	33.12	19.78
Postage & Telegram	31.06	51.76
Printing & Stationery	152.89	78.41
General Expenses	62.03	72.75
Motor Car Expenses	88.11	22.11
Electricity Charges	88.62	39.90
Repairs and Maintenance others	226.03	145.30
Repairs and Maintenance Building	101.01	48.48
Advertisement Expenses	48.01	27.34
Security Charges	16.44	-
Registration & filling Fees	1.16	1.17
Listing Fees	1.93	0.80
<b>Total</b>	<b>2,061.28</b>	<b>1,482.98</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### (1) SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 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 etc. Actual results could differ from these estimates.

#### 1.2 REVENUE RECONGNITION :

Sales are recognized on dispatch of goods to customers.

#### 1.3 VALUATION OF INVENTORIES :

Inventory are valued at cost or net realizable value, whichever is lower.

#### 1.4 INVESTMENTS :

Long Term Investments are carried at cost less provision for diminution other than Temporary, if any, in value of such investments.

#### 1.5 FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition.

#### 1.6 DEPRECIATION :

Depreciation on fixed assets is provided on straight line method on a pro rata basis at the rates specified in the schedule XIV to the companies Act 1956.

#### 1.7 FOREIGN CURRENCY TRANSACTION :

Foreign currency transactions are converted exchange at the rates prevailing on the dates of the transactions.

# Annual Report 2011-2012

## 1.8 EMPLOYEE BENEFITS :

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

## 1.9 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 provisions of the Income Tax Act, 1961, and based on expected outcome of assessment / appeals.

Deferred tax has been provided in accordance with the Accounting Standard-22 - Accounting for taxes on income issued by the ICAI applicable with effect from 1<sup>st</sup> April 2001

The Deferred tax liability as on 31<sup>st</sup> March, 2012 amounting to ₹ 46.48 Lacs is the difference between depreciation as per Income Tax Act and Companies Act.

## 2.21 OTHERS :

a. There are no contracts remaining to be executed on Capital account therefore no advance is to be paid against such contracts.

### b. Contingent Liabilities and Commitments (to the extent not provided for) :

(₹ in Lacs)

Particular	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
(i) Contingent Liabilities :		
(a) Claims against the company not acknowledge as debt		
(b) Guarantees given by the Company	116.75	110.00
(c) Corporate Guarantee Given :	Nil	6165.80
[ In favour of Bank of India to secure Loan granted to Real Time Properties Limited (100% Subsidiary of the company)]		

c. AS-18 Related Party Disclosure : Related party disclosures as required by AS-18 "Related Party Disclosures" are given below. [Related parties are as identified by the Company and relied upon by the Auditors] :

#### A. List of Related Parties.

1. Parties where control exists :

Name of the Party	Relationship
PULGAON COTTON MILLS LTD.	100% Subsidiary company
ASAHI FIBRES LIMITED	Associate Company

d. Other parties with whom the company has entered into transaction during the year.

- i) Associates where key management personnel and their relatives have significant influence : Nil
- ii) Key Management Personnel : Rajiv Chhavan - Managing Director
- iii) Relative of Key Management Personnel : Nil

e. Auditor's remuneration is including Service Tax and Other expenses. The break up is as follows.

	CURRENT YEAR	PREVIOUS YEAR
(a) As Auditors	1.10 Lacs	1.10 Lacs
(b) In other Capacity	-----	-----

f. The company has paid ₹ 6.00 Lacs remuneration to Managing Director. (Previous year ₹ 6.00 Lacs).

g. Quantitative information pertaining to goods manufacturing, turnover, stock and Raw Material Consumed (₹ in Lacs)

	2011-12		2010-11	
	Qty (Tonnes)	Value (In ₹ Lacs)	Qty (Tonnes)	Value (In ₹ Lacs)
<b>(i) MANUFACTURING</b>				
I Opening Stock				
Raw Material	6221.41	7847.20	9877.37	6910.63
Work in progress	1146.96	1843.12	1566.92	1660.52
Finished Goods	1184.80	2310.22	2483.31	3150.19
II Closing Stock				
Raw Material	11477.46	16298.02	6221.41	7847.20
Work in progress	2158.55	3281.30	1146.96	1843.12
Finished Goods	65.49	148.42	1184.80	2310.22
III Purchas	42038.62	60956.23	32817.33	45203.24
IV Sales	32505.75	73463.35	31316.23	61188.01
Raw Material Consumed	36782.57	52505.41	36474.00	44266.67

## **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED**

- h. The balances of advances, debtors and creditors are confirmed by majority of the parties and efforts are being made for obtaining confirmations from remaining parties.
- i. The company has only one business segment that is "Textiles" and hence segment reporting as required under AS-17 is not applicable issued by ICAI .
- j. There are no parties which can be classified as small scale industries to whom the company owes a sum exceeding ₹ 1 lacs, which is outstanding for more than 30 days.
- k. Previous year figures have been rearranged and regrouped wherever necessary to conform to this year's classification.

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS PER OUR REPORT OF EVEN DATE

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**FOR A.F.KHASGIWALA & CO.  
CHARTERED ACCOUNTANTS**

**Sd/-  
A. F. KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W**

**Sd/-  
Managing Director**

**Sd/-  
Director**

**Sd/-  
Company Secretary**

**PLACE : MUMBAI  
DATED : 28.04.2012**

# Annual Report 2011-2012

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

PARTICULARS	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
<b>I CASH INFLOWS</b>		
<b>(1) From Operating activities</b>		
(a) Profit from operating activities	-	41.78
Adjustments :		
Depreciation and amortization	3930.06	3722.55
(b) Working capital changes :		
Decrease in other current assets	599.38	
Increase in trade payables		105.79
Increase in other current liabilities	4617.81	
Increase in provisions	198.18	
<b>Total of ( 1 )</b>	<b>9345.43</b>	<b>3870.12</b>
<b>(2) From Investing activities</b>		
(a) Proceeds from sale of fixed assets		
(b) Proceeds from sale of investments		
(c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures		
(d) Decrease in other long-term loans and advances		
(e) Decrease in other non-current assets		
(f) Dividend received		
(g) Interest received		
(h) Other income		
<b>Total of ( 2 )</b>		
<b>(3) From Financing activities</b>		
(a) Proceeds from issue of share capital		
(b) Share application money pending allotment		
(c) Proceeds from long-term borrowings	-	1491.93
(d) Proceeds from short-term borrowings	8354.24	
<b>Total of ( 3 )</b>	<b>8354.24</b>	<b>1491.93</b>
<b>Total cash inflows ( 1+2+3 )</b>	<b>17699.67</b>	<b>5362.05</b>
<b>II CASH OUTFLOWS</b>		
<b>(1) From Operating activities</b>		
(a) Loss from operating activities		
Adjustments :		
Depreciation and amortization	3818.45	-
(b) Working capital changes :		
Increase in inventories	7735.39	268.83
Increase in trade receivables	2596.72	2144.73
Increase in short-term loans and advances		
Increase in other current assets		
Decrease in trade payables	279.48	120.04
Decrease in other current liabilities		
Decrease in provisions		
(c) Direct taxes paid (Net of refunds)		473.09
<b>Total of ( 1 )</b>	<b>14430.04</b>	<b>3006.69</b>
<b>(2) From Investing activities</b>		
(a) Purchase of tangible assets / capital work -in-progress	87.03	2120.84
(b) Purchase of intangible assets /assets under development		
(c) Purchase of investments		
(d) Investment in subsidiaries / associates / business ventures		
(e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
(f) Increase in other long-term loans and advances		
(g) Increase in other non-current assets		
<b>Total of ( 2 )</b>	<b>87.03</b>	<b>2120.84</b>



# Annual Report 2011-2012

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR FINANCIAL YEAR 2011-12

Name of the Subsidiary Company	Pulgaon Cotton Mills Ltd
1 Financial Year of the Subsidiary Company	31 <sup>st</sup> March, 2012
2 Date from which they became Subsidiary Company the subsidiary company:	14 <sup>th</sup> March, 2005
3 (a) Number of shares held by "Jaybharat Textiles and Real Estate Ltd." With its nominees in the subsidiary at the end of the financial year of the Company	22750000 Eq.sh.of ₹10/-each.
b) Extent of Interest of holding company at the end of the financial year of subsidiary company	100%

### DETAILS OF SUBSIDIARY COMPANY

(₹ In Lacs)

1 Capital	2275.00
2 Reserve	0
3 Total Assets	269.61
4 Total Liabilities	269.61
5 Details of Investment	0.00
6 Total Income	0.00
7 Profit (Loss) Before Taxation	0.00
8 Provision for taxation	0.22
9 Profit (Loss) after Taxation	-0.22

### NOTES :

Annual Accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned.

## AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,

The Members of

### JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

We have examined the attached consolidated balance sheet of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** and its subsidiaries which together constitute "the group" as at 31<sup>st</sup> March 2012, the consolidated Profit & Loss a/c and the consolidated Cash Flow Statement of the group for the year ended on that date both annexed thereto. These financial statements are the responsibility of company management. Our responsibility is to express an opinion on these financial statements based on our

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 misstatements. 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(CARO) issued by the Central Government in terms of section 227(4A) 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. We did not audit the financial statements of the subsidiaries namely Pulgaon Cotton Mills Ltd, & Realtime Properties Ltd.. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the company, in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jaybharat Textiles and Real Estate Limited and the separate audited accounts of subsidiaries which have been included in the consolidated financial statements.
5. On the basis of the information and explanation given to us and on the consideration of the separate audit reports on the individual audited financial statements of the Jaybharat Textiles and Real estate Limited and its subsidiaries, In our opinion the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - a) In the case of the consolidated balance sheet, of the state of affairs of Jaybharat Textiles and Real Estate Limited and its subsidiaries as at 31<sup>st</sup> March, 2012;
  - b) In the case of the consolidated profit and loss account, of the consolidated Profit & Loss a/c for the year ended on that date.
  - c) In the case of the consolidated cash flow statement of the cash flow for the year ended on that date.

For **A. F. KHASGIWALA & CO.**  
Chartered Accountants

**A. F. Khasgiwala**  
Partner

Mem no . 6491  
Firm Regn no.105114W

Place : Mumbai  
Date : 28.04.2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes No.	As at 31.03.2012 (₹ in Lacs)	As at 31.03.2011 (₹ in Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Funds			
(a) Share Capital	2.1	7,656.75	9,056.75
(b) Reserves and Surplus	2.2	847.68	5,617.73
(c) Money received against share warrants		-	-
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	21,150.59	42,462.32
(b) Deferred Tax Liabilities (Net)	2.4	1,700.60	2,005.66
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(3) Current Liabilities			
(a) Short-Term Borrowings	2.5	20,802.98	12,448.74
(b) Trade Payables	2.6	266.30	865.44
(c) Other Current Liabilities	2.7	15,576.92	18,792.86
(d) Short-Term Provisions	2.8	1,113.38	929.56
<b>Total Equity &amp; Liabilities</b>		<b>69,115.21</b>	<b>92,179.06</b>
<b>II. ASSETS</b>			
(1) Non-Current Assets			
(a) Fixed Assets			
Tangible Assets			
(i) Gross Block	2.9	47,312.25	58,629.50
(ii) Depreciation		15,573.98	11,753.99
(iii) Net Block		31,738.27	46,875.51
Capital work in Progress		87.03	16,226.99
Intangible Assets		484.67	484.67
Others	2.10	28.00	35.52
(b) Non-current investments	2.11	317.00	313.00
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	2.12	19,782.82	13,012.66
(c) Trade receivables	2.13	15,435.89	12,838.24
(d) Cash and cash equivalents	2.14	135.56	233.46
(e) Short-term loans and advances	2.15	1,105.96	2,159.00
(f) Other current assets		-	-
<b>Total Assets</b>		<b>69,115.21</b>	<b>92,179.06</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS: The accompanying notes are intergal part of the financial statements			

This is the Balance Sheet referred to in our Report of even date.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR A.F.KHASGIWALA & CO.  
CHARTERED ACCOUNTANTS**

**Sd/-**  
**A. F. KHASGIWALA**  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

**Sd/-**  
Managing Director

**Sd/-**  
Director

PLACE : MUMBAI  
DATED : 28.04.2012

**Sd/-**  
Company Secretary

# Annual Report 2011-2012

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes No.	Year ending 31.03.2012 (₹ in Lacs)	Year ending 31.03.2011 (₹ in Lacs)
I Revenue from operations	2.16	73,945.87	63,169.38
<b>I. Total Revenue</b>		<b>73,945.87</b>	<b>63,169.38</b>
<b>II Expenses :</b>			
Cost of Sales	2.17	68,049.90	55,088.89
Finance cost	2.18	3,716.55	2,632.30
Depreciation and Amortization Expense	2.19	3,930.06	3,821.03
Other Administrative Expenses	2.20	2,066.68	1,555.84
<b>Total Expenses (II)</b>		<b>77,763.20</b>	<b>63,098.06</b>
III Profit before exceptional and extraordinary items and tax	(I - II)	<b>(3,817.33)</b>	71.06
IV Exceptional Items		-	-
V Profit before extraordinary items and tax		<b>(3,817.33)</b>	71.06
VI Extraordinary Items		-	-
VII Profit before tax		<b>(3,817.33)</b>	71.06
<b>VIII Tax expense :</b>			
(1) Current tax		0.22	18.25
(2) Tax for earlier year		-	81.92
(3) Deferred tax		46.48	613.10
IX Profit(Loss) from continuing operations		<b>(3,864.03)</b>	(642.21)
X Profit/(Loss) from discontinuing operations		-	-
XI Tax expense of discounting operations		-	-
XII Profit/(Loss) from Discontinuing operations		-	-
XIII Profit/(Loss) for the period		<b>(3,864.03)</b>	(642.21)
XIV Earning per equity share:			
(1) Basic		(1.00)	(0.17)
(2) Diluted		(1.00)	(0.17)
No. of share used in computing earning per share		382,837,500	382,837,500
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :</b>			
<b>The accompanying notes are intergal part of the financial statements</b>			

This is the Profit & Loss Statement referred to in our Report of even date.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
A. F. KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

Sd/-  
Managing Director

Sd/-  
Director

PLACE : MUMBAI  
DATED : 28.04.2012

Sd/-  
Company Secretary



# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## NOTES FORMING INTEGRAL PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012

### Note : 2.1 Share Capital

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>1 AUTHORIZED CAPITAL</b> 75000000 Equity Shares of ₹ 2/- each. (Previous Year 75000000 Equity Shares of ₹ 2/-each) 1400000 0.01% Redeemable non cumulative Preference Shares of ₹ 100/-each (of Subsidiary Company)	<b>15,000.00</b>	15,000.00
	-	1,400.00
<b>2 ISSUED &amp; SUBSCRIBED</b> 38,28,37,500 Equity Shares of ₹ 2/- each (Previous Year 38,28,37,500 Equity Shares of ₹ 2/- each) 1400000 0.01% Redeemable non cumulative Preference Shares of ₹100/-each (of Subsidiary Company)	<b>7,656.75</b>	7,656.75
	-	1,400.00
<b>3 PAID UP CAPITAL</b> 38,28,37,500 Equity Shares of ₹ 2/- each (Previous Year 38,28,37,500 Equity Shares of ₹ 2/- each) (Of the above Equity Shares,127612500 Shares were allotted as bonus shares by capitalisation of reserves) 1400000 0.01% Redeemable non cumulative Preference Shares of ₹ 100/-each (of Subsidiary Company)	<b>7,656.75</b>	7,656.75
	-	1,400.00
<b>Total</b>	<b>7,656.75</b>	9,056.75

### 2.1 (a) Details of share holders holding morethan 5 % shares

Name of Shareholders	As at 31 <sup>st</sup> March,2012		As at 31 <sup>st</sup> March,2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Saurabh Kumar Tayal	84885655	22.17	84885655	22.17
Nina Anuj Agarwal Tayal	47201250	12.33	47201250	12.33
Vandana Tayal	44003250	11.49	44003250	11.49
Bhavana Tayal	35670000	9.32	35670000	9.32
Jyotika Tayal	32210625	8.41	32210625	8.41

### 2.1 (b) Reconciliation of Number of Shares Outstanding as at 1<sup>st</sup> April 2011 and 31<sup>st</sup> March,2012 :

#### EQUITY SHARES :

Particulars	Number	(₹ in Lacs)
Shares outstanding as at the 1 <sup>st</sup> April,2011	382837500	<b>7656.75</b>
Add : Shares issued during the period	NIL	<b>NIL</b>
Shares outstanding as at 31 <sup>st</sup> March,2012	382837500	<b>7656.75</b>

### Note : 2.2 Reserve & Surplus

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) Reserves		
General Reserve	<b>2,243.62</b>	2,243.62
Securities Premium Account	-	1,204.00
Capital Reserve		
<b>Total (a)</b>	<b>2,243.62</b>	3,447.62
(b) Surplus		
Profit & Loss Account		
Balance brought forward from previous year	<b>2,468.09</b>	2,812.32
Add : Net Profit/(Net Loss) for the period	<b>(3,864.03)</b>	(642.21)
<b>Total (b)</b>	<b>(1,395.94)</b>	2,170.11
<b>Total</b>	<b>847.68</b>	5,617.73

## Annual Report 2011-2012

### Note : 2.3 Long Term Borrowings

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>Secured Term Loan</b> From Bank		
<b>1 Term Loan</b> (Secured by 1st charge over the fixed asset both movable & immovable & 1st charges over the entire Current Assets & personal Guarantee of director)	<b>7,140.79</b>	15,852.52
<b>2 Mortgage Loan</b> (Secured by 1st charges over the fix assets both movable & immovable & 1st charges over the entire Current Assets & Corporate Guarantee)	-	600.00
<b>3 Unsecured</b> From Corporates	<b>14,000.00</b>	26,000.00
From Others - Vinar & co.	<b>0.80</b>	0.80
90,7.75% Debenture of 10000/- each	<b>9.00</b>	9.00
<b>Total</b>	<b>21,150.59</b>	42,462.32

### Note : 2.4 Differed Tax Liabilities

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Depreciation on Fixed Assets	<b>1,700.60</b>	2,005.66
<b>Total</b>	<b>1,700.60</b>	2,005.66

### Note : 2.5 Short Term Borrowings

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>Secured Working Capital Loan</b> From Banks	<b>20,802.98</b>	12,448.74
<b>Total</b>	<b>20,802.98</b>	12,448.74

### Note : 2.6 Trades Payable

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Sundry Creditors for Material/Supplies	<b>266.30</b>	865.44
<b>Total</b>	<b>266.30</b>	865.44

### Note : 2.7 Other Current Liabilities

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Interest Accured & due	<b>283.11</b>	203.55
2 Others Liabilities	<b>5,293.60</b>	8,094.47
3 Advance received from customers	-	494.63
4 Share Application money received for allotment of securities and due for refund	<b>10,000.00</b>	10,000.00
5 MSTC	<b>0.21</b>	0.21
<b>Total</b>	<b>15,576.92</b>	18,792.86

### Note : 2.8 Short Term Provisions

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Provision for Taxation	<b>0.22</b>	23.12
2 outstanding Expenses payable	<b>1,113.16</b>	906.44
<b>Total</b>	<b>1,113.38</b>	<b>929.56</b>

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

**NOTE 2.9**
**FIXED ASSETS (AS ON 31.03.2012)**

(₹ In Lacs)

Particulars Description	Gross Block			Depreciation					Net Block	
	As on 01.04.2011	Additon	Deduction	As on 31.03.2012	As on 01.04.2011	Deduction	During The year	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
1 LAND & BUILDING	660.67	0.00	0.00	660.67	0.00	0.00	0.00	0.00	660.67	660.67
2 LAND	23.10	0.00	0.00	23.10	0.00	0.00	0.00	0.00	23.10	23.10
3 LAND AND SITE DEVELOPMENT	858.00	0.00	0.00	858.00	0.00	0.00	0.00	0.00	858.00	858.00
4 PLANT & MACHINERIES	34180.27	0.00	0.00	34180.27	10373.79	3534.24	0.00	13908.03	20272.23	23806.48
5 BUILDING	11454.91	0.00	0.00	11454.91	1235.33	382.59	0.00	1617.93	9836.98	21430.74
6 FURNITURE & FIXTURE	114.55	0.00	0.00	114.55	26.60	7.25	0.00	33.85	80.70	87.95
7 MOTOR VEHICLE	20.76	0.00	0.00	20.76	12.19	1.97	0.00	14.17	6.59	8.57
<b>TOTAL</b>	<b>47312.27</b>	<b>0.00</b>	<b>0.00</b>	<b>47312.25</b>	<b>11647.91</b>	<b>3926.06</b>	<b>0.00</b>	<b>15573.98</b>	<b>31738.26</b>	<b>46875.53</b>
Capital Work In Progress	0.00	87.03	0.00	87.03	0.00	0.00	0.00	0.00	87.03	16226.99
<b>TOTAL</b>	<b>47312.27</b>	<b>87.03</b>	<b>0.00</b>	<b>47399.28</b>	<b>11647.91</b>	<b>3926.06</b>	<b>0.00</b>	<b>15573.98</b>	<b>31825.30</b>	<b>63102.52</b>
Previous Year	71779.89	17109.57	14032.96	74856.51	7938.65	3815.33	0.00	11753.99	63102.52	63841.23

**Note : 2.10 Fixed Assets Others**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Miscellaneous Expenditure (To the extent not adjusted or written off)		
Deffered Revenue Expenditure	32.00	41.22
Less : w/o During the year	4.00	5.70
<b>Total</b>	<b>28.00</b>	<b>35.52</b>

**Note : 2.11 Non Current Investment**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) Investment in Equity Instruments ;		
(i) Quoted Shares		
Asahi Fibres Ltd. Of ₹ 1/- each Fully paid up	32225870	312.00
(ii) Unquoted Shares		
In Others Companies		
Madhu Crimpers Pvt.Ltd.of ₹ 10/-each fully paid up	10010	-
Real Time Properties Limited Equity shares of ₹ 10/- each fully paid up	49994	5.00
<b>Total</b>	<b>32,285,874</b>	<b>317.00</b>
Aggregate Book Value of Quoted Investments	312.00	312.00
Aggregate Market Value of Quoted Investments	10747.33	12503.64
Aggregate Book Value of Unquoted Investments	5.00	1.00

**Note : 2.12 Inventories**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Raw Material	16,298.02	8,812.42
2 Work-in-Progress	3,281.30	1,843.12
3 Finished Goods	148.42	2,310.22
4 Consumables	55.07	46.89
<b>Total</b>	<b>19,782.82</b>	<b>13,012.66</b>

**Note : 2.13 Trade Recievables**

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Outstanding for more than six months		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	65.04	68.31
c) Doubtful	-	-
2 Others		
a) Secured, Considered Good :	-	-
b) Unsecured, Considered Good :	15,370.85	12,769.93
c) Doubtful	-	-
<b>Total</b>	<b>15,435.89</b>	<b>12,838.24</b>

# Annual Report 2011-2012

## Note : 2.14 Cash & Cash Equivalent

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) Cash-in-Hand Cash Balance	8.52	31.60
<b>Sub Total (a)</b>	<b>8.52</b>	<b>31.60</b>
(b) Bank Balance In Current Account	40.29	125.32
<b>Sub Total (b)</b>	<b>40.29</b>	<b>125.32</b>
(c) Fixed Deposit	86.75	76.54
<b>Sub Total (c)</b>	<b>86.75</b>	<b>76.54</b>
<b>Total [ A + B + C ]</b>	<b>135.56</b>	<b>233.46</b>

## Note : 2.15 Short Terms Loans and Advances

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
1 Others Advance Recoverable in cash or in kind or for value to be considered good	741.05	1,666.13
2 Sundry Deposit	17.58	17.58
3 Subsidiary receivable	347.12	475.08
4 Tax Deducted at source	0.21	0.21
<b>Total</b>	<b>1,105.96</b>	<b>2,159.00</b>

## Note : 2.16 Revenue from Operations

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
(a) sale of Product :	75,550.29	62,972.66
Less : Discount / Rebate	1,605.62	
	73,944.67	62,972.66
(b) Sale of Services :	1.20	
(c) other Income :		196.72
<b>Total</b>	<b>73,945.87</b>	<b>63,169.38</b>

## Note : 2.17 Cost of Sales

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
<b>a) MATERIALS AND GOODS CONSUMED</b>		
Opening Stock	7,847.20	6,910.63
Add : Purchases	63,036.81	46,983.58
	70,884.01	53,894.21
Less : Closing Stock	16,298.02	7,847.20
Raw Material Consumed	54,585.99	46,047.01
Sub total (a)		
<b>b) Change in inventories</b>		
Opening Stock :		
Finished goods	2,310.22	3,150.19
Work in progress	1,843.12	1,660.52
Total (i)	4,153.34	4,810.71
Closing Stock :		
Finished goods	148.42	2,310.22
Work in progress	3,281.30	1,843.12
Total (ii)	3,429.72	4,153.34
Sub total (b)(i-ii)	723.62	657.37
<b>c) DIRECT/PRODUCTIONS EXPENSES</b>		
Power & Fuel	5,395.49	3,865.32
Stores & chemical	1,366.12	1,458.66
Packing Material Consumed	819.70	-
Machinery Spare Parts	472.55	-
Water Charges	78.73	-
Labour Charges	4,152.16	2,962.69
Repair & Maintenance Machinery	226.93	97.84
Processing Charges	228.62	-
Sub total ©	12,740.30	8,384.51
<b>Total (a+b+c)</b>	<b>68,049.90</b>	<b>55,088.89</b>

## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

### Note : 2.18 Finance Cost

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Interest Cost	3,670.00	2,596.32
Other borrowing cost	46.55	35.98
<b>Total</b>	<b>3,716.55</b>	<b>2,632.30</b>

### Note : 2.19 Depreciation & Amortization Expenses

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Depreciation	3,926.06	3,815.33
Miscellaneous Expenses W/off	4.00	5.70
<b>Total</b>	<b>3,930.06</b>	<b>3,821.03</b>

### Note : 2.20 Other Administrative Expenses

PARTICULARS	AS AT 31.03.2012 (₹ in Lacs)	AS AT 31.03.2011 (₹ in Lacs)
Commission & Brokerage,Discount	15.24	291.26
Sales Promotion Expenses	248.16	77.45
Transportation Charges	172.65	105.55
Insurance Charges	23.01	24.10
Rent,Rates and Taxes	69.48	52.38
Directors Remuneration	6.00	6.40
Directors Sitting Fees	3.64	3.10
Legal & Professional & Consultancy Charges	30.73	12.46
Consultancy Charges	-	6.54
Travelling & Conveyance	222.72	122.02
Auditors Remuneration	1.24	1.57
Telephone Charges	119.17	48.65
Salary & Bonus	302.42	267.74
Staff Welfare Expenses	33.47	19.98
Postage & Telegram	31.06	53.28
Printing & Stationery	153.27	80.64
General Expenses	62.81	78.10
Motor Car Expenses	88.11	22.11
Electricity Charges	88.62	52.05
Repairs and Maintenace others	226.03	145.30
Repairs and Maintenace Building	101.23	48.81
Advertisement Expenses	48.01	27.34
Security Charges	16.44	6.94
Registration & filling Fees	1.24	1.27
Listing Fees	1.93	0.80
<b>Total</b>	<b>2,066.68</b>	<b>1,555.84</b>

# Annual Report 2011-2012

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### (1) SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 ACCOUNTING CONVENTION & CONCEPTS :

The financial statements have been prepared under the historical cost convention on an accrual basis and accordance with applicable mandatory Accounting Standard.

#### 1.2 PRINCIPLE OF CONSOLIDATION :

- i) The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) issued by the Institute of Chartered Accountants of India. The consolidated financial statements have been prepared on the following basis:
- ii) The financial statement of Jaybharat Textiles and Real Estate Limited And its subsidiary companies have been consolidated on a line-by line basis by adding together the book values of like items of assets , liabilities, Income and expenses, after fully eliminating intra-group balances and intra-group transaction and are presented to the extent possible in the same manner as the company's separate financial statement
- iii) Notes on Accounts of the financial statement of the company and all the subsidiaries are set out in their respective financial statement

#### 1.3 FIXED ASSETS

Fixed Assets are stated at cost less depreciation. Cost includes all identifiable expenditure to bring the assets to its present location and condition

#### 1.4 DEPRECIATION

Depreciation on fixed assets is provided on straight line method on a pro rata basis at the rates specified in the schedule XIV to the companies Act 1956.

#### 1.5 INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower and Stock in progress (WIP) valued at cost.

#### 2.21 OTHERS

- a. The subsidiary companies considered in the consolidated financial statements is :

Name of Subsidiary	Country of Incorporation	%Shareholding & Voting Power
Pulgaon Cotton Mills Ltd.	India	100%

The company has invested ₹ 523.53 Lacs to acquire 100% equity of Pulgaon Cotton Mills Limited located at Pulgaon as at 31<sup>st</sup> March, 2012 the Company has Total Reserve of ₹ NIL and total Accumulated Losses were ₹ 2251.80 Lacs. Accounting Standard - 21 "Consolidated Financial Statement" and Goodwill of ₹ 484.67 Lacs recognized on such consolidation.

- c. Earnings per Share: In accordance with the Accounting Standard -22 Earning per share issued by ICAI

i. Net Profit available to Equity Shareholder (in Lacs)	₹ - 3864.03
ii. Weighted Average No. of Equity shares outstanding at the end of the year	382837500
iii. Basic and Diluted Earning per share of ₹ 2- each	₹ -1.00

- d. Figures of previous year have been re-grouped/re-arranged wherever necessary.

# **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED**

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AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR A.F.KHASGIWALA & CO  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR A.F.KHASGIWALA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
A. F. KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Company Secretary

PLACE : MUMBAI  
DATED : 28.04.2012

# Annual Report 2011-2012

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012

	PARTICULARS	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
<b>I</b>	<b>CASH INFLOWS</b>		
(1)	<b>From Operating activities</b>		
	a) Profit from operating activities		
	Adjustments :	--	71.06
	Depreciation and amortization	2930.06	3821.03
	b) Working capital changes :		
	Decrease in inventories		
	Decrease in trade receivables		
	Decrease in short-term loans and advances	1053.04	--
	Decrease in other current assets		
	Increase in trade payables		
	Increase in other current liabilities		
	Increase in provisions	183.82	--
	<b>Total of ( 1 )</b>	<b>4166.92</b>	<b>3892.09</b>
(2)	<b>From Investing activities</b>		
	a) Proceeds from Tfd. of fixed assets	28354.66	--
	b) Proceeds from sale of investments		
	c) Realisation of long-term loans and advances from subsidiaries / associates / business ventures		
	d) Decrease in other long-term loans and advances		
	e) Decrease in other non-current assets		
	f) Dividend received		
	g) Interest received		
	h) Other income		
	<b>Total of ( 2 )</b>	<b>28354.66</b>	<b>--</b>
(3)	<b>From Financing activities</b>		
	a) Proceeds from issue of share capital		
	b) Share application money pending allotment		
	c) Proceeds from long-term borrowings	--	3050.36
	d) Proceeds from short-term borrowings	8354.24	--
	<b>Total of ( 3 )</b>	<b>8354.24</b>	<b>3050.36</b>
	<b>Total cash inflows ( 1+2+3 )</b>	<b>40875.82</b>	<b>6942.45</b>
<b>II</b>	<b>CASH OUTFLOWS</b>		
(1)	<b>From Operating activities</b>		
	a) Loss from operating activities		
	Adjustments :	5075.11	--
	Depreciation and amortization		
	b) Working capital changes :		
	Increase in inventories	6770.16	1234.05
	Increase in trade receivables	2597.65	2461.92
	Increase in short-term loans and advances		
	Increase in other current assets		
	Decrease in trade payables	599.14	174.93
	Decrease in other current liabilities	3215.94	--
	Decrease in provisions		
	c) Direct taxes paid (Net of refunds)		484.00
	<b>Total of ( 1 )</b>	<b>18258.00</b>	<b>4354.90</b>
(2)	<b>From Investing activities</b>		
	a) Purchase of tangible assets / capital work -in-progress	--	3076.60
	b) Purchase of intangible assets /assets under development		
	c) Purchase of investments	4.00	--
	d) Investment in subsidiaries / associates / business ventures		
	e) Payment of long-term loans and advances to subsidiaries / associates / business ventures		
	f) Increase in other long-term loans and advances		
	g) Increase in other non-current assets		
	<b>Total of ( 2 )</b>	<b>4.00</b>	<b>3076.60</b>



## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

<b>(3) From Financing activities</b>		
a) Repayment of long-term borrowings	22711.73	--
b) Repayment of short-term borrowings		
c) Dividends paid (including distribution tax )	--	(382.80)
d) Interest and other finance costs		
e) Share issue expenses		
<b>Total of ( 3 )</b>	<b>22711.73</b>	<b>(382.80)</b>
<b>Total cash inflows ( 1+2+3 )</b>	<b>40973.73</b>	<b>7048.70</b>
<b>III Net (decrease) / increase in cash and cash equivalents ( I - II )</b>	<b>(97.90)</b>	<b>(106.24)</b>
Add : Cash and cash equivalents at the beginning of the period	<b>233.46</b>	<b>339.70</b>
<b>IV Cash and cash equivalents at the end of the period</b>	<b>135.56</b>	<b>233.46</b>
	<b>(97.90)</b>	<b>(106.24)</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR A.F.KHASGIWALA & CO  
CHARTERED ACCOUNTANTS

sd/-  
A. F. KHASGIWALA  
Partner  
Membership No. : 006491  
Firm Reg. No.: 105114W

PLACE : MUMBAI  
DATED : 27.04.2012

FOR AND ON BEHALF OF BOARD OF DIRECTORS

sd/-  
MANAGING DIRECTOR

sd/-  
DIRECTOR

sd/-  
COMPANY SECRETARY

### AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Phulgaon Cotton Mills Ltd. for the year ended 31st March 2012. The Statement has been prepared by the company in accordance with the requirements of Listing Agreement Clause 32 with Bombay Stock Exchanges and is based on and is in Agreement with the corresponding Statement of Profit and Loss account for the year and Balance Sheet as at 31.03.2012 of the company as per report to the members of the company.

For A.F.KHASGIWALA & CO.  
Chartered Accountants

sd/-  
A.F.Khasgiwala  
Partner  
Membership no.6491  
Firm Regn No.105114W  
Place : Mumbai  
Date : 27.04.2012

# Annual Report 2011-2012

## ATTENDANCE SLIP

### JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Registered Office: Village Savlav N.H.No.8, Taluka Pardi Near Vapi, Valsad, Gujarat - 396191.  
(Please complete this slip and hand it over at the entrance of the Meeting Hall)

### 27<sup>TH</sup> ANNUAL GENERAL MEETING

Dp. ID*	
---------	--

Client ID*	
------------	--

Member's Name (in capital letters) .....

Regd. Folio No. .... No. of Shares held .....

I hereby record my presence at the 27th Annual General Meeting of the Members of the Company being held on Saturday, 21<sup>st</sup> July, at 3:00 p.m. at Village Savlav N.H.No. 8, Taluka Pardi Near Vapi, Valsad, Gujarat - 396191.

.....  
Signature of the Shareholder or Proxy

\* Applicable for investors holding shares in electronic form.

----- CUT HERE -----

## PROXY FORM

### JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Registered Office : Village Savlav N.H.No. 8, Taluka Pardi Near Vapi, Valsad, Gujarat - 396191.

Dp. ID*	
---------	--

Regd. Folio No.	
-----------------	--

Client ID*	
------------	--

I/We .....

of ..... in the district of .....

being a Member/Members of the Company, hereby appoint .....

of ..... in the district of .....

or failing him..... of ..... in the district of .....

as my/our Proxy to vote for me/us on my/our behalf at the 27<sup>th</sup> Annual General Meeting of the Members of the Company to be held on Saturday, 21<sup>st</sup> July, 2012 at 3:00 p.m. or at any adjournment thereof.

Signed this ..... Day of ..... 2012.

Affix Re.1/- Revenue Stamp
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\* Applicable for investors holding shares in electronic form.

**Note :** The Proxy form duly completed and signed must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



A Tayal Enterprise

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Village- Salvav N. H. No. 8, Taluka Pardi, Near Vapi, Dist. Valsad (Gujarat) - 396 191.