



JAGJANANI TEXTILES LIMITED

Annual Report 2008-2009



JAGJANANI TEXTILES LIMITED

BOARD OF DIRECTORS

Mr S.G. Vyas
Mr S.K. Singhal
Mr N.K. Khurana
Mrs Shakuntala Vyas
Mr Anil Goyal
Mr Akash Bharatbhai Shah
Mr Narendra Mahajani

COMPANY SECRETARY

Mr Naresh Sharma

AUDITORS

G.Dutta & Co.
Chartered Accountants
36, New Colony,
Jaipur

REGISTERED OFFICE

S-25, Shyam Nagar,
Jaipur – 302 019.

HEAD OFFICE

F-14, Ashok Vihar,
Phase I,
Delhi – 110 052

MILLS

E-228, RIICO Industrial Area,
Bagru Extn.,
Bagru – 303 007

REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg
Bhandup (W), Mumbai-400 078
Tel : 022-25960320 (9 Lines)



NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Members of JAGJANANI TEXTILES LIMITED will be held at its Registered Office at S-25 Shyam Nagar, Jaipur on Wednesday the 30th day of September, 2009 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2009 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. S G Vyas, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr Anil Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolution with or without modification as a Special resolution :

“RESOLVED that subject to the provisions of Section 198, 268, 269, 309, 310, 311 read with schedule XIII of the Companies Act, 1956 and subject to such other approvals as may be applicable, approval be and is hereby granted for re-appointment of Mr S G Vyas as Managing Director for a period of three years w.e.f 1st October, 2009 and to his receiving remuneration as detailed in the Explanatory Statement annexed.

RESOLVED further that the Board of Directors (hereinafter referred to as “the Board”, which expression shall be deemed to include its committee constituted for the purpose) be and is hereby authorized to increase, vary or amend the remuneration and other terms of his appointment from time to time as deemed expedient or necessary, provided however that such remuneration shall not exceed the limits prescribed under Schedule XIII thereto or any amendment or re-enactment thereof or otherwise as may be permissible from time to time.”

6. To consider and if thought fit to pass the following resolution with or without modification as a Special resolution :

“RESOLVED that subject to the provisions of Section 198, 268, 269, 309, 310, 311 read with schedule XIII of the Companies Act, 1956 and subject to such other approvals as may be applicable, and in supersession of resolution dated 30th September, 2008 passed in the AGM of the Company, approval be and is hereby granted for revision of remuneration payable to Mr S K Singhal, Whole-time Director as detailed in the Explanatory Statement annexed and his term of appointment shall be three years from 1st October, 2009.

RESOLVED further that the Board of Directors (hereinafter referred to as “the Board”, which expression shall be deemed to include its committee constituted for the purpose) be and is hereby authorized to increase, vary or amend the remuneration and other terms of his appointment from time to time as deemed expedient or necessary, provided however that such remuneration shall not exceed the limits prescribed under Schedule XIII thereto or any amendment or re-enactment thereof or otherwise as may be permissible from time to time.”

By Order of the Board

Place: Jaipur

Date: 01/08/2009

(NARESH SHARMA)
COMPANY SECRETARY



NOTES:

- (i) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the Meeting.
- (ii) The information pursuant to Corporate Governance Clause of the Listing Agreement regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in item no. 5 & 6 of the Notice is also being annexed hereto separately and forms part of the Notice.
- (iii) The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2009 to 30th September, 2009.
- (iv) The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
- (v) Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
- (vi) Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
- (vii) Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.

By Order of the Board

(NARESH SHARMA)
COMPANY SECRETARY

Place : Jaipur
Date : 01/08/2009



ANNEXURE TO THE NOTICE

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

Item 5.

Mr S G Vyas was appointed as the Whole-Time Director of the Company for a period of five years with effect from 1st October, 2004. His term of appointment expires on 30th September, 2009. Directors at their meeting held on 30th June, 2009 have approved his re-appointment as the Managing Director of the company for a further period of three years with effect from 1st October, 2009, subject to necessary approvals, as may be required. The remuneration committee constituted by the Board has subject to necessary consents approved the following remuneration :

Basic Salary : Rs. 100,000/- per month.

Perquisites : Besides the above salary, Mr S G Vyas shall be entitled to the perquisites which may include accommodation/HRA, reimbursement of expenses of gas, electricity, water and furnishings, medical insurance for self and family, LTC, PF and Superannuation, Car with driver for official use and Telephone for official use.

None of the Directors, except the appointee himself and Mrs Shakuntala Vyas who is related to him as wife, may be deemed to be concerned or interested in the said resolution.

Item 6

Mr S K Singhal was appointed as the Whole-Time Director of the Company for a period of five years with effect from 1st June, 2008. Directors at their meeting held on 30th June, 2009 have approved revised remuneration payable to him w.e.f 1st October, 2009 and his term of appointment will expire on completion of three years from 1st October, 2009, subject to necessary approvals, as may be required. The remuneration committee constituted by the Board has subject to necessary consents approved the following remuneration :

Basic Salary : Rs. 100,000/- per month.

Perquisites : Besides the above salary, Mr S K Singhal shall be entitled to the perquisites which may include accommodation/HRA, reimbursement of expenses of gas, electricity, water and furnishings, medical insurance for self and family, LTC, PF and Superannuation, Car with driver for official use and Telephone for official use.

None of the Directors, except the appointee himself may be deemed to be concerned or interested in the said resolution.

Information pursuant to corporate governance clause of the Listing Agreement regarding the Directors seeking appointment/re-appointment in the Annual General Meeting.

Name of the Director	Mr. S G Vyas	Mr. Anil Goyal
Date of Birth	05.04.1953	06.06.1962
Date of appointment	01.04.1997	25.07.2006
Expertise in specific or more functional area	Industrial & business experience of more than 31 years.	Financial expert
Qualification	Chartered Accountant	Chartered Accountant
Directorships of other Companies as on 31 st March, 2009	Nil	MIC Electronics Ltd.
Chairman/Member of Committees of other Companies as on 31 st March, 2009	Nil	Nil
No. of shares held	10,60,000	Nil



CORPORATE GOVERNANCE REPORT

This Report on Corporate Governance forms part of the Annual Report. Your Company is committed to follow prevalent laws, rules, guidelines and good corporate practices to meet its obligation to optimize value for all stakeholders and fulfill its responsibilities to the society at large. It is a constant endeavour of your Company to enhance long-term shareholders' value by achieving excellence through efficient conduct of business. We are committed to transparency and ethics in running our business.

1. COMPANY'S PHILOSOPHY

- Faith in sustainable economic growth of India and its textile industry.
- Introduction of the best available technology for creation of world class production facilities to produce globally acceptable quality products.
- Customer orientation at all levels of operations for total satisfaction of buyers from our products and services.
- Involvement of employees at all levels for best work practices, knowledge enrichment, innovations and personal satisfaction.

2. BOARD OF DIRECTORS :

- a) Board Meetings :
During the financial year 2008-09 Board Meetings were held 30.4.2008, 20.6.2008, 31.7.2008, 21.8.2008, 30.8.2008, 3.9.2008, 30.10.2008, 9.1.2009, 30.1.2009 and 24.2.2009.
- b) Composition as on March 31st, 2009 :
The Board of Directors comprises of two Whole-time Directors, one Non Executive and four Non Executive & Independent Directors.



JAGJANANI TEXTILES LIMITED

The composition of the Board of Directors and their attendance at the Board Meetings during the year and at last Annual General Meeting of the Company as also the number of Directorship/Chairmanship of Board and Chairmanship/Membership of Committees (as stipulated in clause 49 of the listing agreement) of other Indian Public Limited Companies are as follows :

Name of Director	Designation & Category	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorships in other companies	No. of committee memberships in other companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other Companies
Mr. S G Vyas	Whole time Director	10	Yes	Nil	Nil	Nil	Nil
Mr. S K Singhal	Whole time Director	10	Yes	Nil	Nil	Nil	Nil
Mr. N K Khurana	Non-Executive and Independent Director	6	No	Nil	Nil	Nil	Nil
Mr. Anil Goyal	Non-Executive and Independent Director	2	No	One	Nil	Nil	Nil
Mr. Akash Bharatbhai Shah	Non-Executive and Independent Director	6	No	Nil	Nil	Nil	Nil
Mrs. Shakuntala Vyas	Non-Executive and Non-Independent Director	10	Yes	Nil	Nil	Nil	Nil
Mr. Narendra Mahajani	Non-Executive and Independent Director	6	No	Nil	Nil	Nil	Nil

Notes :

- Number of directorships excluding directorship in foreign company, alternate directorships, companies registered under Section 25 of the Companies Act, 1956 and private companies.
- Committee includes Shareholders'/Investors' Grievance Committee and Audit Committee.
- None of the directors is related to any other director except Mr S G Vyas and Mrs Shakuntala Vyas.

Disclosure of Change

Since the date of last AGM, Mr H K Agarwal has resigned from the Directorship of the Company.

**3. AUDIT COMMITTEE :**

As at 31st March, 2009, the Audit Committee comprised of following Directors. The terms of reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance Clause of the Listing Agreement.

Sr.No	Name of Director	Designation	Nature of Directorship
1.	Mr Narendra Mahajani	Chairman	Non-Executive, Independent
2.	Mr N K Khurana	Director	Non-Executive, Independent
3.	Mrs Shakuntala Vyas	Director	Non-Executive, Non-Independent

The Audit Committee met six times during the financial year 2008-09 on 30.4.2008, 31.7.2008, 30.8.2008, 3.9.2008, 30.10.2008 and 30.1.2009. All the members of the Audit Committee attended all the meetings.

4. SHAREHOLDING OF DIRECTORS AS ON 31.3.2009

The shareholding of the Directors in the Equity Share Capital of the Company is given as follows:

Name of Directors	Number of Shares held
Mr. S G Vyas	10,60,000
Mr. S K Singhal	20,60,000
Mrs. Shakuntala Vyas	20010

No other Director holds any share in the Equity Share Capital of the Company.

5. SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE :

The Shareholders'/ Investors' Grievance Committee consisting of the following Directors as Members.

Sr.No	Name of Director	Designation	Nature of Directorship
1.	Mrs. Shakuntala Vyas	Chairman	Non-Executive, Non-Independent
2.	Mr. N K Khurana	Director	Non-Executive, Independent
3.	Mr. Akash Bharatbhai Shah	Director	Non-Executive, Independent

The Shareholders'/ Investors' Grievance Committee met 6 times during the year 2008-09 on 30.4.2008, 31.7.2008, 30.8.2008, 3.9.2008, 30.10.2008 and 30.1.2009. The Compliance Officer for this Committee is Mr Naresh Sharma, Company Secretary.

During the financial year 2008-09, the Company received no complaint from investor.

**6. GENERAL BODY MEETINGS:**

The details of General Body Meetings held during the last three financial years are given as follows:

Meeting	Day, Date and Time of the Meeting	Venue	No. of Special Resolutions
11 th Annual General Meeting for the financial Year ended 31 st March, 2008	Tuesday, 30 th September, 2008	Regd Office : S-25, Shyam Nagar Jaipur - 302019 (Rajasthan)	-
10 th Annual General Meeting for the financial Year ended 31 st March, 2007	Saturday, 29 th September, 2007	Regd Office : S-25, Shyam Nagar Jaipur - 302019 (Rajasthan)	-
9 th Annual General Meeting for the financial Year ended 31 st March, 2006	Wednesday, 27 th September, 2006	Regd Office : S-25, Shyam Nagar Jaipur - 302019 (Rajasthan)	2
Extra ordinary General Meeting	Friday, 25 th August, 2006	Regd Office : S-25, Shyam Nagar Jaipur- 302019 (Rajasthan)	2

7. DISCLOSURES :

During the year, there was no transaction of material nature with the Directors, management and their relatives etc. that have any potential conflict with the interest of the Company at large except, as disclosed under the related party transaction as per the Accounting Standard 18 Related Party Disclosures' issued by the Institute of Chartered Accountants of India which are set out in the Annual Report. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchange, the Securities and Exchange Board of India or any other statutory authority during the last three years. In preparation of the financial statements, the Company has followed the Accounting standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Further, the Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company may also take up the non-mandatory requirements of Clause 49 in due course of time.

8. MEANS OF COMMUNICATION:

The Company communicates with the shareholders at large through its Annual Reports, publication of financial results, press releases in leading newspapers and by filing of various reports and returns with the Statutory Bodies like Stock Exchanges and the Registrar of Companies. The Quarterly Financial Results are published in prominent daily newspapers.

**GENERAL SHAREHOLDERS' INFORMATION**

I. 12th Annual General Meeting

Date : 30th September, 2009
Time : 11.00 AM
Venue : Regd Office :
S-25, Shyam Nagar, Jaipur-302019 (Rajasthan)

- ii) Financial Calendar 2009-10
First Quarter Results : July, 2009
Second Quarter Results : October, 2009
Third Quarter Results : January, 2010
Annual Results : June, 2010
- iii) Dates of Book Closure : 23/09/2009 to 30/09/2009
- iv) Dividend payment date : No dividend has been recommended by the Board of Directors
- v) Listing : The equity shares of the company are listed on Bombay Stock Exchange Limited, Mumbai (BSE)

The Company has duly paid the listing fee to the aforesaid Stock Exchange for the financial year 2009-10.

- vi) Stock Code :
The Bombay Stock Exchange Limited, Mumbai (BSE) : **532825**

vii) Stock Market Data :

Financial Year 2008-09	Share prices of Jagjanani Textiles Limited		BSE Sensex	
	Highest (Rs)	Lowest (Rs)	Highest	Lowest
April, 08	7.99	7.61	17480.74	17241.88
May, 08	7.81	7.40	17735.70	16196.02
June, 08	7.81	7.40	16632.72	13405.54
July, 08	6.16	5.81	15130.09	12514.99
Aug., 08	5.88	5.64	15579.78	14002.43
Sept., 08	5.88	5.64	15107.01	12153.55
Oct., 08	3.05	2.82	13203.86	7697.39
Nov., 08	3.49	3.02	10945.41	8316.39
Dec., 08	3.05	3.01	10188.54	8467.43
Jan., 09	3.05	3.01	10469.72	8631.60
Feb., 09	2.80	2.54	9724.87	8619.22
Mar., 09	2.64	2.08	10127.09	8047.17



JAGJANANI TEXTILES LIMITED

- viii) Registrar & Transfer Agent:
The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s Link Intime India Private Limited at the address given below:
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg
Bhandup (W), Mumbai-400 0078
Tel: 022-25960320 (9 Lines)

- ix) Share Transfer System:
The Company has constituted a Share Transfer Committee of its directors. The Committee meets on an average once a fortnight. The list of valid transfers prepared by the Transfer Agent in respect of transfer cases received by them and objections, if any, are placed before the Committee for its approval/confirmation. The Share Certificates are returned back to the shareholders by Transfer Agent normally within 15 days from the date of receipt by them.

The shares of the Company are traded on the stock exchange compulsorily in demat form. The Company has participated as an issuer both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders may operate through any of the depositories, based on tariffs, quality and range of services being offered by them. The International Securities Identification Number (ISIN) of the Company is **INE702H01018**.

- x) Distribution of Shareholding as on 31st March, 2009 :

Range No. of shares	SHAREHOLDERS		SHARES	
	Number of total holders	% to Total Holders	Numbers to total shares	% to Total Shares
Upto -2500	2042	35.706	288249	1.848
2501-5000	1434	25.074	587243	3.764
5001-10000	1091	19.077	937077	6.007
10001-20000	605	10.579	963058	6.173
20001-30000	226	3.952	591964	3.795
30001-40000	66	1.154	240003	1.538
40001-50000	76	1.329	365486	2.343
50001-100000	96	1.679	716188	4.591
100001 & Above	83	1.451	10910732	69.941
Total	5719	100.000	15600000	100.000



Shareholding Pattern as on 31st March, 2009:

Category	No.of shares	As percentage of shares
1. Promoters	3120000	20.00
2.Directors & their relatives and related person/s	4380000	28.08
3. Public	8100000	51.92
	15600000	100.00

- xi) Dematerialisation of shares:
As on 31st March, 2009, 57.083 % of the Capital comprising 89,04,985 shares out of total 15600000 were dematerialized.

- xii) Plant Location:
E228, RIICO Industrial Area, Bagru Extension,
Bagru, Jaipur (Rajasthan)

- xiii) Address for correspondence :
Registered Office : S-25, Shyam Nagar, Jaipur-302019 (Rajasthan)
Telephone : 0141-2294776, 2293858
Fax : 0141-2293818
E mail(exclusively for redressal
of Investors' grievances) : compliance@jagjanani.com

- xiv) CEO/CFO certification
A certificate from the Chairman and Whole-time Director and the finance head on the financial statements of the company was placed before the Board.

- xv) Review of directors' responsibility statement
The Board in its report have confirmed that the annual accounts for the year ended March 31, 2009 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting 12th Annual Report together with Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	(Rs.000) Year ended On 31/03/2009	(Rs.000) Year ended On 31/03/2008
Gross sales including other income	391,843	353,208
Gross profit/(loss)	(11,288)	37,953
Depreciation	34,190	12,708
Profit/(Loss) before tax	(45,478)	25,245
Provision for Tax	81	5,422
Profit/(Loss) after tax	(45,559)	19,823
Surplus/(Loss) carried to Balance Sheet	(46,531)	16,121

MANAGEMENT DISCUSSION AND ANALYSIS

The year 2008-09 saw a severe global recession which started from USA in the last quarter of 2007 with financial crisis in housing sector and later developed into global economic crisis. Textile industry in India is dependent on exports for growth. The decline in exports have severely affected this industry. India exports nearly 40% of textile production mainly to USA and Europe market. The exports of Textile took a major hit. This led to excess supply in domestic market and put pressure on selling prices and thereby on margins. The un-remunerative prices of finished goods coupled with steep rise in MSP of cotton by Government of India, an increase of over 40% over last year, have crippled textile industry. The textile industry has been steadily growing during last 5 years. This growth trend has attracted huge investments and the entire Textile chain has expanded on the hope of demand growth, which currently is not growing and instead has shrunk.

The global downturn in Textiles, underutilisation of capacities and non-availability of adequate working capital facilities affected the operation of your Company. The Company is in discussions with Banks for release of need based working capital limits. However, much would depend on Government policies like, creating level playing field viz a viz other countries like China, Bangladesh etc in terms of non- interference in cotton prices, easy export finance and at competitive interest costs.

The Company achieved a sales turnover of Rs. 3918.44 Lacs in 2008-09 as against Rs. 3532.08 Lacs in the previous year registering a growth of about 11%. However it had a net loss of Rs. 455.59 Lacs against net profit of Rs. 198.23 Lacs in the immediately preceding year. The main reasons for the loss are global recession, higher cotton prices, un-remunerative selling rates due to selling pressure in domestic market, under- utilisation of capacities and higher interest cost and depreciation.

MANAGEMENT PERCEPTION OF RISK & CONCERN

1. Management feels that intense competition in the international market due to shrinkage in demand in USA and Europe would keep profitability under pressure for some time to come.
2. Textile industry in India has been exporting 40% of the production and drastic fall in exports is likely to adversely affect the prices in domestic market and consequently the margins.



3. The Government policies have a major bearing on the competitiveness of our products and unless Government takes steps in favour of textile industry, Indian textiles would lose market share to competitors from China, Pakistan and Bangladesh etc.
4. Your Company has created weaving capacities and optimum utilisation of such capacity and stabilisation of operations will be our priority.
5. Management is striving to cope up with the present crisis with several measures including diversification of products, rationalisation of costs, improved efficiencies and a strong customer orientation.

INTERNAL CONTROL SYSTEM

The Company has well defined internal control system commensurate to the size and nature of its business. The Company takes abundant care to design, review and monitor the working of internal control system for optimal utilization and protection of resources. All significant issues are brought to the attention of the Audit Committee of the Board.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

Your Company lays emphasis on building and sustaining an excellent organization climate based on human performance. Performance management is the key word for the Company. The Company has developed an environment of harmonious and cordial relations with its employees.

As the Company is in Textile business only, segment reporting is not required.

DIVIDEND

No dividend is being recommended for the year under review in view of the losses.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, the Directors hereby confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period ;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

Mr. H K Agarwal, who has been associated with the company for last 12 years resigned from the Board due to his other engagements. The directors record their appreciation for the service and guidance provided by him during his tenure.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr S G Vyas and Mr Anil Goyal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.



JAGJANANI TEXTILES LIMITED

Mr. S G Vyas was appointed as Whole Time Director w.e.f. 01.10.2004 for a period of 5 years. His term of appointment expires on 30th September, 2009. Directors at their meeting held on 30th June, 2009 have approved his re-appointment as the Managing Director of the company for a further period of three years with effect from 1st October, 2009, subject to necessary approvals, as may be required. His terms of appointment are mentioned in the notice for the Annual General Meeting.

OTHER INFORMATION

Information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975:

None of the employee was in receipt of remuneration in excess of limit prescribed under Section 217 (2A) of the Companies Act, 1956.

Energy Conservation, Technology Absorption & Foreign Exchange

The information 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 with respect to Conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto and form part of this report.

AUDITORS

M/s G. Dutta & Co., Chartered Accountants, Auditors of the Company retire and being eligible offer themselves for re-appointment.

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and significant Accounting Policies and need no further elaboration. As regards interest on income tax, the same shall be provided at the time it is finally ascertained and paid.

CORPORATE GOVERNANCE

As per Clause 49 of the listing agreement with the Stock Exchange, a separate section on Corporate Governance forms part of the Annual Report.

A Certificate from the Auditors of the Company confirming compliance with conditions of Corporate Governance as stipulated under the Clause 49 of the listing agreement is annexed to this Report.

ACKNOWLEDGEMENT

The Board acknowledges the valuable assistance and cooperation received from Government Authorities, I D B I Bank Ltd, Bank of Baroda and UCO Bank and looks forward to their continued support.

Your Directors express their deep appreciation for the commitment and hard work put in by all employees.

For and on behalf of the Board

(S.G.VYAS)
MANAGING DIRECTOR

Place: Jaipur

Dated: 30/06/2009

**Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988****A. Conservation of Energy:**

- a. Energy conservation measures taken
Your Company is continuously striving energy conservation measures to make the plant energy efficient to the extent possible and reviews & explores various steps to conserve energy. In order to develop the energy efficiency approach among the staff, the company has organized a complete training program in partnership with CII to train the staff in the direction of energy conservation and its optimum utilization. Apart from these measures the management regularly discuss and checks with the concerned departments the existing energy conservation measures and suggestions to improve the same.
- b. Total energy consumption and energy consumption per unit of production

FORM 'A'

Form for Disclosure of Particulars with respect to Conservation of Energy

A. Power & Fuel Consumption

		Current Year	Previous Year
1	Electricity		
a)	Purchased Units	2341545	2610610
	Total Amount (Rs.000)	10377	11581
	Rate / Unit (Rs.)	4.43	4.44
b)	Own Generation		
	i) Through Diesel Generator Units	-	-
	Cost / Unit (Rs.)	-	-
	ii) Through steam Turbine/Generators	-	-
2	Coal (specify quantity & where used)	-	-

**JAGJANANI TEXTILES LIMITED**

3	Furnace Oil		
	Diesel / Light Diesel Oil		
	Quantity Consumed (Ltrs)	-	-
	Total Amount (Rs.000)	-	-
	Average Rate (Rs.)	-	-

	Other / Internal Generation –		
4	Steam (Wooden & Brequets)		
	Quantity Produced (Tonnes)	281.94	-
	Total Cost (Rs.000)	798	-
	Rate / Kg (Rs.)	2.83	-

B. Consumption per unit of production :

Product	Unit	Current Year				Previous Year			
		Elect KWH	Coal	Furn Oil	Steam	Elect KWH	Coal	Furn Oil	Steam
Cotton Yarn	KG	1.53	-	-	-	0.94	-	-	-
Fabric	MTR	0.69	-	-	0.27	-	-	-	-

C. Technology absorption:

The Company has neither imported any technology nor has incurred any expenditure on Research and Development during the year.

D. Foreign exchange earnings and outgo:

	2008-09 (Rs. 000)	2007-08 (Rs. 000)
Foreign exchange earnings	41460	138719
Foreign exchange outgo		
Capital goods	-	132633
Stores & Spares parts	1918	1262
Travelling	84	177



**Auditors' Certificate on Compliance of Corporate Governance
under Corporate Governance Clause of the Listing Agreements**

To,

The Members of
Jagjanani Textiles Limited

We have examined the compliance of the conditions of Corporate Governance by Jagjanani Textiles Limited for the year ended on 31st March, 2009 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

As per records maintained by the company no investor grievance is pending for a period exceeding one month.

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 G Dutta & Co.
Chartered Accountants**

**(Gopal Dutta)
Partner
Membership no: 71312**

Place :Jaipur
Dated: 30.06.2009



AUDITORS' REPORT

To the Members of Jagjanani Textiles Limited,

We have audited the attached Balance Sheet of Jagjanani Textiles Limited as at 31st March, 2009, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto:

1. 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 misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statement presentation. 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 provided a reasonable basis for our opinion
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, (Amendment) 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
4. Further to our comments 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 purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



JAGJANANI TEXTILES LIMITED

- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G.Dutta & Co.
Chartered Accountants

(GOPAL DUTTA)
Partner
Membership No.71312

Place : Jaipur
Date : 30.06.2009



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. All the fixed assets have been physically verified during the year by the Management and the frequency of such verification was reasonable. Further, we are informed that no material discrepancies were noted during such verification.
2. None of the fixed assets of the Company have been re-valued during the year.
3. (a) The Company has maintained records pertaining to finished goods, stores, spares, raw materials, purchases, sale of goods, by-products, scrap and book debts.
(b) Inventories have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable.
(c) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(d) The discrepancies noticed on physical verification of stocks as compared to book records which were not material, have been properly dealt with in the books of account.
4. In our opinion the valuation of stocks is fair and proper and in accordance with generally accepted accounting principles.
5. The Company has not taken any loan from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
6. The Company has not granted any loan to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
7. According to the information and explanations given to us, no loans and advances in the nature of loans have been given to parties including the employees.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
9. We are informed that there are no transactions with any party for the 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 during the year under review.
10. The Company has not accepted any deposits from the public during the year.
11. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
12. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.



JAGJANANI TEXTILES LIMITED

13. The Company has been regularly paying dues under the provisions of Employees' Provident Fund Act and E.S.I Act with the appropriate authorities.
14. According to the books and records examined by us and the information and explanations given to us, except Rs.45.94 lacs payable in respect of income tax and interest of Rs. 6.35 lacs thereon, there were no undisputed amounts payable in respect of wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at March 31st, 2009 for a period exceeding six months from the date they became payable.
15. According to the information and explanations given to us, no personal expense of employees or Directors have been charged to revenue accounts other than those payable under contractual obligations or in accordance with generally accepted business practice.
16. The Company has no accumulated losses as at 31st March, 2009. The company has incurred cash loss of Rs. 112.88 lacs in the financial year under report. There were no cash losses in the immediately preceding financial year.
17. Based on our audit procedures and according to the information and explanation given to us, the company is not in default in repayment of dues to the Banks and certain instalments which become due for payment during the year have since been rescheduled by the Banks. During the year there were some delays in repayment which were made good before the year end.
18. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
19. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society.
20. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
21. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
22. On the basis of information and explanation given to us, term loan raised during the year have been applied for the purposes for which they were raised.
23. According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company or vice versa.
24. The Company has not made any preferential allotment of shares during the year.
25. The Company has not raised any money through public issue during the year.
26. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

For G.Dutta & Co
Chartered Accountants

(GOPAL DUTTA)
Partner
Membership No.-71312

Place : Jaipur
Date : 30.06.2009

**JAGJANANI TEXTILES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule No.	As at 31st March, 2009 Rs.000	As at 31st March, 2008 Rs.000
I. SOURCES OF FUNDS			
1.SHAREHOLDERS' FUNDS			
Share Capital	A	156,000	156,000
Reserves & Surplus	B	152,548	197,053
2.LOAN FUNDS			
Secured Loan	C	397,014	385,623
Unsecured Loan	D	10,298	1,715
Total		715,860	740,391
II.APPLICATION OF FUNDS			
1. FIXED ASSETS			
Fixed Assets	E	433,187	440,695
Less: Depreciation		129,961	96,170
Net Fixed Assets		<u>303,226</u>	<u>344,525</u>
Capital Works in Progress & Advance against Capital Goods		211,777	148,104
2.INVESTMENTS		39	39
3.CURRENT ASSETS			
Inventories	F	80,931	50,128
Sundry Debtors	G	199,461	58,415
Cash & Bank Balance	H	14,250	40,363
Loans & Advances	I	<u>162,554</u>	<u>184,880</u>
		457,196	333,786
4. LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	250,744	79,710
Provisions	K	<u>5,634</u>	<u>6,353</u>
Net Current Assets		200,818	247,723
III.MISCL. EXPENDITURE			
(To the extent not written off or adjusted)		-	-
Total		715,860	740,391
Significant Accounting Policies and notes to the Accounts S			

For and on behalf of the Board

Naresh Sharma
SecretaryS G Vyas
Managing DirectorS K Singhal
Whole-time DirectorAs per our attached report of even date
For G Dutta & Co.
Chartered AccountantsPlace : Jaipur
Date : 30.6.2009**(Gopal Dutta)**
Partner



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	2008-09 Rs.000	2007-08 Rs.000
INCOME			
Sales including other Income	L	391,843	353,208
Increase in Closing Stock	M	12,169	6,426
		<u>404,012</u>	<u>359,634</u>
EXPENDITURE			
Manufacturing Expenses	N	123,814	167,476
Purchase of Goods		243,961	122,936
Empolyees Expenses	O	8,927	5,206
Administrative & Other Expenses	P	6,765	3,154
Selling & Distribution Expenses	Q	5,948	14,553
Interest & Financial Charges (Net)	R	25,885	8,295
Preliminary Expenses Written off		-	61
		<u>415,300</u>	<u>321,681</u>
Gross Profit/(Loss) for the Year		(11,288)	37,953
Depreciation		34,190	12,708
Net Profit/(Loss) before tax		<u>(45,478)</u>	<u>25,245</u>
Less : Provision for Tax		-	5,325
Less : Fringe Benefit Tax		81	97
Profit/(Loss) after tax		(45,559)	19,823
Add : Deferred Tax Asset/(Deferred Tax Liability)		(972)	(3,702)
Surplus/(Loss) carried to Balance Sheet		<u>(46,531)</u>	<u>16,121</u>
Significant Accounting Policies and notes to the Accounts	S		

For and on behalf of the Board

Naresh Sharma
SecretaryS G Vyas
Managing DirectorS K Singhal
Whole -time Director

As per our attached report of even date

For G Dutta & Co.
Chartered AccountantsPlace : Jaipur
Date : 30.06.2009**(Gopal Dutta)**
Partner



SCHEDULES A TO S ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

		As at 31 st March, 2009 Rs.000	As at 31 st March, 2008 Rs.000
<u>SCHEDULE - A</u>	<u>SHARE CAPITAL</u>		
	<u>Authorised</u>		
	180,00,000 Equity Shares of Rs. 10/- each(Previous year 180,00,000 equity shares of Rs. 10/- each)	<u>180,000</u>	<u>180,000</u>
	<u>Issued, Subscribed & Paid up</u>		
	156,00,000 Equity Shares of Rs. 10/- each (Previous year 156,00,000 equity shares of Rs. 10/- each)	<u>156,000</u>	<u>156,000</u>
<u>SCHEDULE - B</u>	<u>RESERVES & SURPLUS</u>		
	<u>General Reserve</u>		
	Opening Balance	96,766	80,644
	Add :		
	Transferred from Profit & Loss A/c	(46,531)	50,235
	<u>Share Premium A/c</u>		
	Opening Balance	100,288	
	Add: Share Issue expenses excess w/o in earlier years now written back	<u>2,025</u>	
		<u>102,313</u>	<u>100,288</u>
		<u>152,548</u>	<u>197,053</u>
<u>SCHEDULE - C</u>	<u>SECURED LOANS</u>		
	a) Term Loans		
	- IDBI	6,390	12,987
	- Bank of Baroda	155,800	172,420
	- UCO Bank	110,000	110,000
	- FITL- UCO Bank	5,712	--
	- Accrued Interest	6,269	--
	b) Working Capital (BOB)		
	- Cash Credit	84,551	47,084
	- Letter of Credit	12,909	15,164
	c) Vehicle Loan	421	533
	d) Loan against FD	--	27,435
	e) OD Facility from IDBI Bank Ltd	14,962	--
		<u>397,014</u>	<u>385,623</u>



JAGJANANI TEXTILES LIMITED

Notes :

- Term loans from Bank of Baroda and UCO Bank are secured by way of equitable mortgage of land and building created or to be created at G-206,207 and 209, RIICO Industrial Area, Bagru Extension, Bagru of the Company and hypothecation of buildings and all the movable properties of Weaving unit and Ring Spinning unit of the Company (save and except book debts) including movable machinery, spares, tools and accessories etc, present and future subject to prior charge created and / or to be created in favour of the Company's banker on stock of raw materials, semi-finished goods, store and spares and other movables as may be required for securing the borrowings for working capital requirements in the course of business. The mortgage and charges referred to above rank pari-passu. The term loans are further personally guaranteed by two Directors of the Company. These term loans are additionally secured by 2nd charge of all immovable properties and fixed assets situated at E-228, RIICO Industrial Area, Bagru Extension, Bagru and entire current assets of proposed ring spinning unit.
- Cash Credit and Letter of Credit facilities are secured by hypothecation of raw materials, finished goods, stock in process, stores and spares, and book debts, both present and future and also personally guaranteed by two Directors of the Company. Additionally secured by mortgage of immovable properties situated at G-206, 207 & 209 RIICO Industrial Area, Bagru Extension, Bagru and 2nd charge over the entire fixed assets of the Company.
- Vehicle loan is secured by hypothecation of the vehicle.
- Term Loan and OD facility from IDBI Bank Ltd is secured by way of equitable mortgage of land situated at E-228 RIICO Industrial Area, Bagru Extension, Bagru and Building and Plant & Machineries of Open end spinning unit of the company(present and future). These are further guaranteed by three directors.
- Amount due for repayment within one year out of Term Loans is Rs.136.17 lacs (Previous year Rs.209.09 lacs).

<u>SCHEDULE - D</u>	<u>UNSECURED LOANS</u>	As at 31 st	As at 31 st
		March, 2009	March, 2008
		Rs.000	Rs.000
	From Bank	8,400	--
	From Others	1,565	1,392
	Security Deposit	333	323
		<u>10,298</u>	<u>1,715</u>



JAGJANANI TEXTILES LIMITED

SCHEDULE - E FIXED ASSETS

Rs. 000								
Assets	Original Cost				Depreciation for the year	To date depreciation	Written down Value	
	As at 01-04-2008	Addition	Sale/Adjustments	As at 31-03-2009			As at 31-03-2009	As at 31-03-2008
Land	4,389	1,840	-	6,229	-	-	6,229	4,389
Building	82,486	8		82,494	2,756	8,278	74,216	76,964
Plant & Machinery	348,342	4,798	15,151	337,989	30,843	117,941	220,048	261,244
Computer	583	-	-	583	95	552	31	126
Furniture, Fixtures	3,334	404	-	3,738	316	2,519	1,219	1,130
Vehicles	1,561	593	-	2,154	180	671	1,483	672
Total	440,695	7,643	15,151	433,187	34,190	129,961	303,226	344,525
Previous Year	177,678	263,541	524	440,695	12,708	96,170	344,525	94,216

SCHEDULE - F

INVENTORIES

(As taken, valued & certified by the Management)

Raw Material Stock including
With outside parties
Finished Goods
Stock in Process
Stores & Spares

As at 31st March, 2009 Rs. 000	As at 31st March, 2008 Rs. 000
--------------------------------------	--------------------------------------

29,849	28,679
7,772	489
19,059	14,173
24,251	6,787
80,931	50,128

**JAGJANANI TEXTILES LIMITED**

	As at 31st March, 2009 Rs. 000	As at 31st March, 2008 Rs. 000	
<u>SCHEDULE - G</u>	<u>SUNDRY DEBTORS</u>		
	(Unsecured & Considered Good)		
	Over six Months	154,799	4,103
	Other Debts	44,662	54,312
		<u>199,461</u>	<u>58,415</u>
<u>SCHEDULE - H</u>	<u>CASH & BANK BALANCES</u>		
	Cash in hand	139	1,159
	Cheques in hand	91	1,100
	Balances with Scheduled banks		
	In Current Accounts	2,481	2,842
	In Fixed Deposit A/c	11,539	35,262
		<u>14,250</u>	<u>40,363</u>
<u>SCHEDULE - I</u>	<u>LOANS & ADVANCES</u>		
	Interest accrued on investment & FD's	1,833	300
	Security Deposit	8,285	5,757
	Prepaid Expenses	381	293
	Advance tax and Tax deducted at source	536	731
	Deferred Tax Credit	21,747	22,719
	Advances for Raw Material	37,286	34,930
	Advances Recoverable in cash or in kind or for value to be received	92,486	120,150
		<u>162,554</u>	<u>184,880</u>
<u>SCHEDULE - J</u>	<u>CURRENT LIABILITIES</u>		
	Sundry Creditors for raw material	12,798	766
	Sundry Creditors for raw material (Trading)	187,763	31,008
	Sundry Creditors- Capital goods	8,633	3,317
	Sundry Creditors-others	32,218	36,551
	Trade Advances	1,768	1,829
	Liability for Expenses	6,298	6,007
	Statutory Liabilities	1,266	232
		<u>250,744</u>	<u>79,710</u>
<u>SCHEDULE - K</u>	<u>PROVISIONS</u>		
	For tax	4,594	5,325
	For leave encashment & Gratuity	1,040	1,028
		<u>5,634</u>	<u>6,353</u>

**JAGJANANI TEXTILES LIMITED**

	2008-09	2007-08
	Rs. 000	Rs. 000
<u>SCHEDULE - L</u>		
<u>SALES & OTHER INCOME</u>		
Sales	388,612	337,755
Export- Incentive	3,207	15,421
Miscellaneous Receipts	24	32
	<u>391,843</u>	<u>353,208</u>
<u>SCHEDULE - M</u>		
<u>INCREASE / (DECREASE) IN STOCK</u>		
Opening Stock		
Finished Goods	489	221
Stock in Process	14,173	8,015
	14,662	8,236
Closing Stock		
Finished Goods	7,772	489
Stock in Process	19,059	14,173
	26,831	14,662
INCREASE IN STOCK	<u>12,169</u>	<u>6,426</u>
<u>SCHEDULE - N</u>		
<u>MANUFACTURING EXPENSES</u>		
Raw materials consumed	104,159	147,677
Packing Material consumed	2,265	3,397
Power & Fuel	13,695	11,581
H. Y. O. Transfer Charges	122	106
Water Charges	133	127
Rep. & Maint. – Plant & Machinery	3,114	4,280
Rep. & Maint. – D. G. Set	310	308
Mending Expenses	16	-
	<u>123,814</u>	<u>167,476</u>
<u>SCHEDULE - O</u>		
<u>EMPLOYEES' EXPENSES</u>		
Salaries & Wages	8,094	4,631
Staff Welfare & Mess Expenses	148	117
Contribution to Provident Fund, ESI etc.	685	458
	<u>8,927</u>	<u>5,206</u>



JAGJANANI TEXTILES LIMITED

		2008-09 Rs. 000	2007-08 Rs. 000
<u>SCHEDULE - P</u>	<u>ADMINISTRATIVE & OTHER EXPENSES</u>		
	Audit Fee	35	35
	Auditor's Fee-Other Capacity	15	15
	Auditor's Out of Pocket Expenses	25	26
	Bank Charges	191	128
	Books & Periodicals	9	11
	Business Communication Expenses	547	314
	Donation	6	5
	Electricity & Water Charges	79	43
	Festival & Festivities	43	13
	Freight & Cartage	128	80
	Gardening & Housekeeping	60	5
	Insurance Expenses	682	442
	Legal Costs & Stamps	1,958	142
	Membership Fee & Licence fee	298	42
	Misc. Expenses	29	164
	Printing & Stationery	128	114
	Professional Fee	1,086	457
	Rates & Taxes	266	94
	Recruitment Expenses	34	-
	Repair & Maintenance - General	37	45
	Repair & Maintenance - Office Equip.	26	53
	Repair & Maintenance - Vehicles	324	234
	Travelling & Conveyance - Directors	170	5
	Travelling & Conveyance - Others	118	68
	Watch & Ward Expenses	125	112
	Rent Paid	328	24
	Repair & Maintenance - Building	-	7
	Bad debts W/o	18	400
	Loss on Sale of Fixed Assets	-	76
		6,765	3,154
<u>SCHEDULE - Q</u>	<u>SELLING & DISTRIBUTION EXPENSES</u>		
	Advertisement Expenses	25	16
	Sampling Expenses	-	79
	Freight & Cartage (Outward)	169	219
	Freight & Cartage (Export)	2,316	9,476
	Freight & Forwarding	215	499
	Cash Discount	781	93
	Business Promotion Expenses	180	196
	Commission on Sales	1,146	718
	Sales Tax	1,060	3,223
	Yarn Testing Charges	7	1
	Discount & Rabate Allowed	49	33
		5,948	14,553
<u>SCHEDULE - R</u>	<u>INTEREST & FINANCIAL CHARGES</u>		
	Interest on Term Loan	11,447	2,674
	Interest - Working Capital	11,570	5,411
	Bill Discounting & financing charges	3,305	4,776
	Interest Paid - Others	1,939	483
		28,261	13,344
	Less: Interest Income	2,376	5,049
		25,885	8,295



SCHEDULE S
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. Significant Accounting Policies

(1) Basis of Accounting

Financial statements are prepared under the historical cost convention, in accordance with generally accepted Accounting Standards applicable in India and the provisions of Companies Act, 1956

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties relating to income.

(2) Revenue Recognition

(i) Sales are recognized on completion of sale of goods and are recorded gross of excise but net of trade discounts & rebates.

(ii) Export entitlements under the duty entitlement pass book (DEPB) Scheme are recognized in the Profit & Loss Account on the basis of dispatch.

(3) Fixed Assets

Fixed Assets are recorded at cost. The Company capitalizes all costs relating to acquisitions and installations of fixed assets. Direct financing cost, if any, incurred during construction period in respect of major projects is also capitalized.

(4) Depreciation

Depreciation is provided on straight line method on all Fixed Assets at the rates prescribed in Schedule XIV of the Companies Act, 1956. In respect of assets acquired during the financial year, depreciation is provided on Pro-rata basis with reference to the period each assets was put to use during the financial year.

(5) Investments

Investments are valued at cost.

(6) Inventories

(i) All inventories are valued at cost or market value whichever is lower.

(ii) For arriving cost of Finished Goods and stock in process all production expenses and depreciation except financing and marketing cost are considered.

(iii) In respect of raw materials, stores and spares cost is computed on weighted average basis.

(iv) Fixed overheads are allocated for inclusion in the cost of conversion on the basis of normal levels of production capacity. Conversion cost is apportioned to finished goods in process on the basis of estimated values and proportions arrived at by the cost sheet of the last month of financial period in which production had taken place.

(7) Foreign Currency Transactions

Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction. Any exchange variation realized in subsequent Financial Year is shown separately on realization.



(8) Retirement Benefits

- (i) Liabilities in respect of gratuity and leave encashment are provided on the basis of actual calculations.
(ii) Contributions to Employees Provident Fund Scheme are paid to Regional Commissioner of Provident Fund.

B. Notes:

1. (a) Estimated amount of contracts on capital account to be executed and not provided for is Rs. 1937.46 lacs net of advances (previous year : Rs. 2113.64 lacs).
(b) Claims against the Company not acknowledged as debts and under litigation aggregates Rs.52,855/-
2. Investment of Rs.39000/- in the form of National Saving Certificates has been pledged with Sales Tax Authorities.
3. Remuneration to Whole-time Directors consists of:

	2008-2009 (Rs.in lacs)	2007-2008 (Rs.in lacs)
Salary	11.20	7.20
Contribution to Provident Fund	1.22	0.86
Accommodation	2.00	--
Medical Expenses	<u>0.13</u>	<u>0.14</u>
	<u>14.55</u>	<u>8.20</u>

4. Certain balances of sundry debtors, sundry creditors and trade advances are subject to confirmation.
5. Interest of Rs. 6.35 lacs on the unpaid income tax amount of Rs. 45.94 lacs was not provided for resulting in under statement of Net loss to that extent.
6. Related party disclosures:

A. Relationship

- (a) Mrs Rita Singhal – wife of Shri S K Singhal, Whole-time Director
(b) Mr S G Vyas - Managing Director
(c) Mrs Shakuntala Vyas-wife of Shri S G Vyas- Managing Director

B. Transaction with related parties (Rs.000)

Rent Paid

Mrs Rita Singhal	212
Mr S G Vyas	12

7. (a). Capital work in progress includes under noted pre-operative expenditure ending allocation on commencement of commercial production.

	2008-09	2007-08
Salary & Wages	821	607
Power & Fuel	4223	4038
Water Charges	16	--
Interest & Financing Charges	8103	5076
Rates & Taxes	0	39
Share issue expenses	0	407
Rent	3197	-
Administration expenses	852	972
Total	<u>17212</u>	<u>11139</u>



JAGJANANI TEXTILES LIMITED

(b) Additions to Fixed Assets include under noted pre-operative expenses

	2008-09	(Rs.000) 2007-08
Salary & Wages	--	1262
Power & Fuel	--	8392
Interest & Financing	--	10549
Rates & Taxes	--	81
Share issue expenses	--	845
Administration expenses	--	2021
Total	--	23150

8. The break-up of Net Deferred Tax Assets/Liability is as under:

	For year ending 31 March, 2009		For year ending 31 March, 2008	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Timing difference between book and tax depreciation	---	Rs.28,59,654/-	---	Rs.108,90,386/-
Tax on above	---	Rs.9,71,997/-	---	Rs.37,01,642/-

9. Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

10. Additional information pursuant to the provisions of paragraphs (3) to (4D) of Part II of Schedule VI of the Companies Act, 1956.

I. Particulars in respect of the installed capacities and the actual production:

A. Installed Capacity:

<u>Particular</u>	<u>Unit</u>	<u>Installed Capacity</u>	
		<u>Current Year</u>	<u>Previous Year</u>
Rotors	Nos.	960	960
Looms	Nos.	42	42

B. Actual Production	<u>Current Year</u>	<u>Previous Year</u>
Yarn (Kgs.)	1575657.63	2783987
Waste (Kgs.)	163062	131269
Fabric (Mtrs)	1058692	1260
Fents, Rags & Chindies (Kgs)	6986	0



JAGJANANI TEXTILES LIMITED

II. Particulars in respect of stocks of Finished goods and sales:

A.	Manufacturing Activities	2008-2009		2007-2008	
		Quantity	Value	Quantity	Value
i)	Opening Stock of Finished Goods:				
	Yarn (Kgs)	6195	418	2593	182
	Waste (Kgs)	7678	8	12969	39
	Fabric (Mtrs)	1260	63	0	0
	Fents, Rags & Chindies (Kgs)	0	0	0	0
ii)	Closing stock of finished goods				
	Yarn (Kgs)	37954.67	3108	6195	418
	Waste (Kgs)	16440	42	7678	8
	Fabric (Mtrs)	101058	4424	1260	63
	Fents, Rags & Chindies (Kgs)	6560.72	197	0	0
iii)	Sales				
	Yarn (Kgs)	1126610.60	92963	2780385	205233
	Waste (Kgs)	154300	321	136560	269
	Fabric (Mtrs)	958894	47271	0	0
	Fents, Rags & Chindies (Kgs)	425	0.85	0	0

Note: 417287.36 Kgs of Yarn has been consumed internally for manufacture of fabrics.

B.	Trading Activities	Current Year						Previous Year					
		Cotton		Fabric		Polyester Filamant Yarn		Cotton		Fabric		Polyester Filamant Yarn	
		Qty. (Kgs.)	Value (Rs.)	Qty. (Mtrs.)	Value (Rs.)	Qty. (Kgs.)	Value (Rs.)	Qty. (Kgs.)	Value (Rs.)	Qty. (Mtrs.)	Value (Rs.)	Qty. (Kgs.)	Value (Rs.)
			'000		'000		'000		'000		'000		'000
	Opening Stock	0	0	0	0	0	0	0	0	0	0	0	0
	Closing Stock	0	0	0	0	0	0	0	0	0	0	0	0
	Purchase	0	0	4014780	243961	0	0	908709	41572	713900	81364	45961	3402
	Sale	0	0	4014780	244089	0	0	908709	47127	713900	81507	45961	3619



JAGJANANI TEXTILES LIMITED

III Analysis of Raw Material Consumed				
	Current Year		Previous Year	
	Qty. (Kgs.)	Value (Rs.) 000	Qty. (Kgs.)	Value (Rs.) 000
Cotton	1482536	75677	1810086	74216
Polyester	246370	163230	1141928	70059
Cotton Yarn	157629	12160	0	0
Filament Yarn	0	0	45961	3402

IV	CIF Value of imports		Current Year		Previous Year	
	Capital Goods		0		132633	
	Spare parts		1918		1262	
V	Expenditure in Foreign					
	Currency					
	Travelling		84		177	
VI	Value of raw materials, stores & spares consumed during the year		Imported Rs. 000	Indigenous Rs. 000	Imported Rs. 000	Indigenous Rs. 000
	Raw Materials		-	104159	-	147677
	Percentage		-	100	-	100
	Stores & Spares		13	13355	3218	1370
	Percentage		.001	99.999	70	30
VII	Earnings in Foreign					
	Exchange					
	Export of goods calculated on FOB value			41460		138719

11. There was no amount due to units registered under SSI and declared to us as on 31.3.2009 and further there was no claim from suppliers under the "interest on delayed payment to Small scale undertaking Act, 1993".

**JAGJANANI TEXTILES LIMITED**

12. Earning per share

	Current Year	Previous Year
Net Profit as per Profit & Loss A/c (in Rs.000)	(46531)	16121
No. of Shares	15600000	15600000
Basic Earning per share of Rs.10/- each	(2.98)	Rs. 1.03
Diluted Earning per share of Rs.10/- each	(2.98)	Rs. 1.03

Signatures to Schedules A to S

For and on behalf of the Board

Naresh Sharma
SecretaryS.G.Vyas
Managing DirectorS.K.Singhal
Whole-time Director

As per our attached report of even date

For G.Dutta & Co.
Chartered AccountantsPlace : Jaipur
Dated:30.06.2009(Gopal Dutta)
Partner



JAGJANANI TEXTILES LIMITED

CASH FLOW STATEMENT for the year ended 31st March, 2009

Particulars	2009 Rs. 000	2008 Rs. 000
"A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax"	(46531)	16121
Adjustments for:		
Depreciation	33791	12708
Interest/Dividend Income	0	0
Preliminary expenses Written off	0	61
Interest	25885	8295
Operating Profit before Working Capital Changes	13145	37185
Change in Trade and Other Receivables	(141046)	(13406)
Change in Inventories	(30803)	(38478)
Change in Other Current Assets	22327	(62816)
Change in Current Liabilities	141797	62518
Prior Period Expenditure	0	0
Net Cash Flow from Operating Activities	5420	(14497)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	7508	(263017)
Change in sundry creditors - Capital Goods	5316	
Change in other non current assets	23202	
Change In Capital WIP	(61648)	502553
Interest Received	2376	5049
Net Cash Flow used in Investing Activities	(23246)	244585
C. CASH FLOW FROM FINANCING ACTIVITIES		
Changes in Borrowings	19974	(298487)
Proceeds from Issuance of Capital	0	0
Share Premium	0	0
Miscellaneous Exp incurred	0	(61)
Interest & Financing Charges	(28261)	(13344)
Exchange Gain	0	0
Dividend Paid	0	0
Net Cash Flow from Financing Activities	(8287)	(311892)
Net increase in cash and cash equivalents	(26113)	(81804)
Cash and Cash Equivalents (Opening Balance)	40363	122167
Net increase in cash and cash equivalents	(26113)	(81804)
Cash and Cash Equivalents (Closing Balance)	14250	40363

For and on behalf of the Board

Naresh Sharma
Secretary

S G Vyas
Managing Director

S K Singhal
Whole-time Director

As per our attached report of even date
For G Dutta & Co.
Chartered Accountants

(Gopal Dutta)
Partner

Information required as per Part IV of Schedule VI of the Companies Act, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS
PROFILE

I. Registration Details:

Registration No.					State Code		
1	3	4	9	8	1	7	
Balance Sheet Date							
3	1	0	3	2	0	0	9
D	D	M	M	Y	Y	Y	Y

II. Capital Raised during the year (Amount in Rupees Thousands)

Public Issue			Rights Issue			Bonus Issue			Private Placement			
N	I	L	N	I	L	N	I	L		N	I	L

III. Position of Mobilization and Deployment of Funds (Amount in Rupees Thousands)

Total Liabilities						Total Assets							
7	1	5	8	6	0			7	1	5	8	6	0
Sources of Funds						Reserves & Surplus							
Paid up Capital						Reserves & Surplus							
1	5	6	0	0	0	1	5	2	5	4	8		
Share Application Money						Unsecured Loans							
	-	-				1	0	2	9	8			
Secured Loans						Investments							
3	9	7	0	1	4			3	9				
Application of Funds						Misc. Expenditure							
Net Fixed Assets						Capital WIP & Advance against Capital goods							
3	0	3	2	2	6	2	1	1	7	7	7		
Net Current Assets						Dividend rate %							
2	0	0	8	1	8			-	-				
Accumulated Losses						Dividend rate %							
N	I	L						-	-				

IV. Performance of Company (Amount in Rupees Thousands)

Turnover						Total Expenditure					
3	9	1	8	4	3	4	3	7	3	2	1
+/- Profit/Loss Before Tax						+/- Profit/Loss After Tax					
-	4	5	4	7	8	-	4	6	5	3	1
Earning per Share (in Rs.)						Dividend rate %					
(Annualised)						Dividend rate %					
			(2	9	8)	N	I	L			

V. General Names of Three Principal Products/Services of Company

(As per Monetary terms)

ITEM CODE NO. (ITC Code)

5	2	.	0	5
---	---	---	---	---

Product Description

C	O	T	T	O	N		Y	A	R	N
---	---	---	---	---	---	--	---	---	---	---

ITEM CODE NO. (ITC Code)

5	5	.	0	9
---	---	---	---	---

Product Description

B	L	E	N	D	F	D		Y	A	R	N
---	---	---	---	---	---	---	--	---	---	---	---

ITEM CODE NO. (ITC Code)

5	5	.	0	9
---	---	---	---	---

Product Description

F	A	B	R	I	C														
---	---	---	---	---	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--



JAGJANANI TEXTILES LIMITED

Regd. Office : S-25, Shyam Nagar, Jaipur-302 019

ATTENDANCE SLIP

Please complete the attendance slip and hand it over at the entrance of the Meeting venue.
(member's particulars to be furnished below)

Folio No. _____ DPID _____ Client ID _____

Member's/Proxy's name (in Block Letters) _____

Address _____

I hereby record my presence at the 12th Annual General Meeting of the Company at S-25, Shyam Nagar, Jaipur-302019 (Rajasthan), on Wednesday the 30th September 2009 at 11.00 a.m.

Signature of the member / proxy present _____

1. Please hand over the attendance slip at the entrance of the meeting venue.
2. This attendance is valid only in case shares are held on the date of meeting.



JAGJANANI TEXTILES LIMITED

Regd. Office : S-25, Shyam Nagar, Jaipur-302 019

PROXY FORM

FOLIO NO.

DS/CLIENT ID

I/We _____ of _____

_____ being a member / members of JAGJANANI TEXTILES LIMITED.

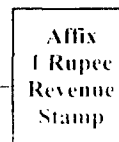
hereby appoint _____ of _____

_____ or failing him _____

of _____ as my / our

proxy to attend and vote for me / us on my / our behalf at the 12th Annual General Meeting of the Company to be held on Wednesday the 30th September 2009 at 11.00 a.m.

Signed this _____ day of _____, 2009 Signature _____



Note: The form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

Book-Post

If Undelivered please return to :

JAGJANANI TEXTILES LIMITED

S-25, Shyam Nagar, Jaipur-302 019