

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

BOARD OF DIRECTORS

Mr. Saurabh Kumar Tayal – Chairman
Mr. Mahendra Kumar Agarwal — Managing Director
Ms. Mrinal Tayal
Mr. Utpal Kumar Mukhopadhyay
Mr. Harinder Kumar
Mr. Rajshekhar S. Ganiger
Mr. Farindra Bihari Rai
Mr. Mahesh Prasad Mehrotra
Mr. Pritam Singh Pritam
Mr. Ram Bharosey Lal Vaish

COMPANY SECRETARY

Mrs. Nishtha Goyal

BANKERS

IOB, Allahabad Bank, UCO Bank
OBC, Bank of Maharashtra, Bank of India

AUDITORS

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

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

MONDKAR COMPUTERS PVT. LTD.
21, Shakil Nivas, Opp Satya Sai Baba Temple,
Mahakali Caves Road, Andheri (East)
Mumbai - 400 093

PLANTS

Pulgaon, Maharashtra.

CONTENTS

Notice	2
Directors' Report	4
Corporate Governance Report	7
Management Discussion and Analysis Report	13
Auditors' Report	17
Balance Sheet	20
Profit and Loss Account	21
Schedules and Notes	22
Notes on Accounts	27
Cash Flow Statement	30
Auditors Certificate	30
Balance-Sheet Abstract	31
Consolidated:	
Auditors Report	33
Balance-Sheet & Profit & Loss Account	34
Notes on Accounts	41

ANNUAL GENERAL MEETING on Saturday 17th July, 2010, at 11:00 a.m., at
Village Salvav, Taluka Pardi, Vapi, Dist. Valsad, Gujarat 396 191.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that 25th Annual General Meeting of the members of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** will be held at the Registered Office of the Company at Village Salvav, Taluka Pardi, Near Vapi, Dist, Valsad - 396191 at 11.00 A.M. on Saturday, 17th July, 2010 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended on that date and Reports of Directors' and Auditors' thereon.
2. To declare Dividend for the financial year 2009-10.
3. To appoint a Director in place of Mr. Farindra Bihari Rai, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajshekhar S. Ganiger, 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 resolution as an **Ordinary Resolution**:

6. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Ms. Mrinal Tayal, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."
7. RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Pritam Singh Pritam, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation."
8. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Ram Bharosey Lal Vaish, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."
9. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Mahesh Prasad Mehrotra, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."
10. "RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Utpal Kumar Mukhopadhyay, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company who shall be liable to retire by rotation."

BY Order of the Board
Sd/-
Saurabh Kumar Tayal
Chairman

Place: Mumbai
Dated: 21st May, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. 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.
4. Members are requested to bring their copy of the Annual Report to the Meeting and produce the Attendance Slip at the entrance where the Annual General Meeting will be held.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 15th July, 2010 to 17th July, 2010 (both days inclusive) to comply with Annual Book Closure requirements.
6. The dividend after declaration will be paid to those Shareholders, whose names stand on Register of Members on 15th July, 2010. The dividend in respect of shares held in the Electronic form will be paid to the beneficial owners of Shares, whose names appear in the list furnished by the Depositories for this purpose as on 15th July, 2010.
7. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as 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

For and Behalf of the Board of Directors
Sd/-
Saurabh Kumar Tayal
Chairman

Place: Mumbai
Date: 21st May, 2010

ANNEXURE TO THE NOTICE

Explanatory Statements Pursuant to SECTION 173(2) of the Companies Act, 1956

ITEM NO. 6

Ms. Mrinal Tayal was appointed as an Additional Director by the Board on 19th January, 2010 under Section 260 of the Companies Act, 1956. She 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 Ms. Mrinal Tayal for the office of the director of the Company.

Ms. Mrinal Tayal is not disqualified from being appointed as Director in terms of Section 274(1) (g) of the Act. The Company has received the requisite Form 'DD-A' from Ms. Mrinal Tayal, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956 Rules 2003, confirming her eligibility for such appointment.

Ms. Mrinal Tayal is B.Tech. (Computer Science), M.B.A. (Finance & Marketing). She has rich experience of working in Banking Sector. Ms. Mrinal Tayal was Corporate Relationship Manager in Citibank. She has worked with ICRA to profile credit ratings for SME's. She has also worked with Barclays Capital for the project on Syndicated INR Loans.

The Board recommends the passing of this resolution. Except, Ms. Mrinal Tayal, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO. 7

Mr. Pritam Singh Pritam was appointed as an Additional Director by the Board on 16th March, 2010, 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 Mr. Pritam Singh Pritam for the office of the director of the Company.

Mr. Pritam Singh Pritam is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Pritam Singh Pritam, 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.

Mr. Pritam Singh Pritam is Post Graduate in Arts faculty, LLB., Ph.D. and F.I.I.I. He has rich experience of 36 years in working with the Financial Institutions. During his tenure, he has held top position in LIC. He has worked in diverse functional areas like Accounts, Legal, Sales & Marketing, Client Servicing, Underwriting, etc. He was also National Head of Alliance Bajaj Life Insurance Company. He is currently on the Board of Escorts Limited.

The Board recommends the passing of this resolution. Except, Mr. Pritam Singh Pritam, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No. 8

Mr. Ram Bharosey Lal Vaish was appointed as an Additional Director by the Board on 16th March, 2010 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 Mr. Ram Bharosey Lal Vaish for the office of the director of the Company.

Mr. Ram Bharosey Lal Vaish is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Ram Bharosey Lal Vaish 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.

Mr. Ram Bharosey Lal Vaish is Graduate in Bachelor of Commerce, F.C.A. (Chartered Accountant). He has worked as Chief Vigilance Officer of New India Assurance Co. Ltd., and General Manager in Audit, Investment & HR in LIC Housing Finance Ltd. and Joint General Manager in Marketing of LIC Mutual Fund at Mumbai.

He is currently working as Executive Director in Institute of Actuaries of India. He is also Director on the Board of Axis Bank and OTCEI Securities Ltd.

The Board recommends the passing of this resolution. Except, Mr. Ram Bharosey Lal Vaish, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No. 9

Mr. Mahesh Prasad Mehrotra was appointed as an Additional Director by the Board on 16th March, 2010 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 Mr. Mahesh Prasad Mehrotra for the office of the director of the Company.

Mr. Mahesh Prasad Mehrotra is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Mahesh Prasad Mehrotra 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.

Mr. Mahesh Prasad Mehrotra is Graduate in Bachelor of Commerce, LL.B. and Fellow Chartered Accountant. He is a founder partner of M/s. Mehrotra and Mehrotra, Practising Chartered Accountants, Kanpur and Delhi.

Mr. Mahesh Prasad Mehrotra is on the Board of several well known companies such as India Securities Ltd. (Essar Group), Dhampur Sugar Mills Ltd., Delton Cables Ltd., etc. He is also a Member of PHD Chambers of Commerce Industry and ASSOCHAM.

The Board recommends the passing of this resolution. Except, Mr. Mahesh Prasad Mehrotra, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

Item No. 10

Mr. Utpal Kumar Mukhopadhyay was appointed as an Additional Director by the Board on 21st May, 2010 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 Mr. Utpal Kumar Mukhopadhyay for the office of the director of the Company.

Mr. Utpal Kumar Mukhopadhyay is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Mr. Utpal Kumar Mukhopadhyay 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.

Mr. Utpal Kumar Mukhopadhyay is a retired IAS Officer with more than 35 years experience in the Maharashtra Government, the Central Government and the World Bank. He has developed institutions for urban governance and environment management in India and countries in East Asia as a senior executive of the World Bank, Washington D.C.

Presently, he is MD & CEO of Tata Housing Development Company.

The Board recommends the passing of this resolution. Except, Mr. Utpal Kumar Mukhopadhyay, none of the Directors of the Company is, in any way, concerned or interested in the Resolution.

For and on Behalf of the Board of Directors

**Sd/-
Saurabh Kumar Tayal
Chairman**

**Place: Mumbai
Date: 21st May, 2010**

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 25th Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March 2010.

FINANCIAL RESULTS

	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
Sales	53739.75	48724.51
Profit before Depreciation, Interest and Tax	7815.90	7296.24
Interest & Finance Charges	2153.12	1882.25
Depreciation	3038.46	2366.20
Provision for Tax & Deferred Tax	702.90	395.63
Net Profit (Loss)	1921.42	2652.16
Profit/(Loss) brought forward from Previous Year	1804.96	0.00
Appropriated Transfer to General Reserve	500.00	250.00
Proposed Dividend	382.84	510.45
Tax on Dividend	65.06	86.75
Profit/(Loss) carried to Balance Sheet	2778.47	1804.96

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

DIVIDEND:

Your Directors have recommended dividend @ Re. 0.10 per share on 38,28,37,500 Equity Shares of Rs. 2/- each aggregating to Rs. 3,82,83,750/-.

REVIEW OF OPERATIONS:

The Company has achieved a Sales Turnover of Rs. 53739.75 Lacs in Financial Year 2009-10 as against Rs. 48724.51 Lacs in Financial Year 2008-09. The Net Profits have declined to Rs. 1921.42 Lacs in Financial Year 2009-10 from Rs. 2652.16 Lacs in Financial Year 2008-09 due to higher interest outgo of Rs. 2153.12 Lacs from Rs. 1882.25 Lacs in the year under review.

SUBSIDIARY COMPANY:

The Company has two subsidiaries named 1) Pulgaon Cotton Mills Limited, 2) Real Time Properties Limited. The Statement of Subsidiary Companies pursuant to Section 212 of the Companies Act, 1956 is annexed to this report. Members who wish to receive the full Report and Accounts including the Report and Accounts of the Subsidiary Companies will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Mr. Rajshekhar Ganiger and, Mr. Farindra Bihari Rai, Directors, retire by rotation and, being eligible, offer himself for re-appointment.

Mr. Vijay Kumar Chopra, Mr. T.M. Nagarajan and Mr. Surendra Dave resigned as a Director of the Company w.e.f. 13th March, 2010. 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 appointed additional directors as follows:

Date of Board Meeting

19th January, 2010
16th March, 2010
21st May, 2010

Appointed as Additional Director

Ms. Mrinal Tayal
Mr. M.P. Mehrotra, Mr. P.S. Pritam and Mr. R.B.L. Vaish
Mr. Utpal Kumar Mukhopadhyay

PARTICULARS OF EMPLOYEES:

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

ANNUAL REPORT 2009-2010

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable Accounting Standards had been followed along with proper explanation relating to material departures except revised AS-15 applicable to accounting treatment for gratuity and leave encashment which are accounted for on cash basis;
- ii) 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 of the Profit of the Company for the year under review;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2010 on a going concern basis.

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 in accordance with the clause 49 of the Listing Agreement and the detailed information is given in the Report on Corporate Governance.

SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE

The composition of shareholders'/investors Grievance Committee is as given in the Report on Corporate Governance.

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.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report and a Corporate Governance Report are made as a part of this Annual Report.

A certificate from M/s. A. F. Khasgiwala & Co., Chartered Accountants regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this report.

AUDITOR'S REPORT:

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

AUDITORS:

M/s. A.F. Khasgiwala & Co., the Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. A. F. Khasgiwala & Co., Chartered Accountants, expressing their willingness to continue as Statutory Auditor of the Company, if approved by Shareholder will be within limit prescribed u/s 224(i)B of the Companies Act 1956, is placed for consideration and approval of the members of the Company.

EMPLOYEE RELATIONS:

The management employee relations continue to be cordial the Board is committed to strengthen the same and to work towards ensuring health, safety, welfare and a healthy working environment for its employees.

ACKNOWLEDGEMENT:

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

For and on Behalf of the Board of Directors

Sd/-
Saurabh Kumar Tayal
Chairman

Place: Mumbai
Date: 21st May, 2010

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 2009 – 2010.

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 upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

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

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

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

The Company has 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 AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2010	Year ended 31.03.2009
A. Power and Fuel Consumption in respect of:		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	116.46	133.50
2. Total amount (Rs. in Lacs)	596.29	651.48
3. Rate per unit (Rs./Unit)	5.12	4.88
(b) Own Generation (Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	411.61	304.93
2. Units per litre of fuel	3.82	3.59
3. Cost per unit (Rs./Unit)	6.90	6.96
2. Coal		
3. Furnace Oil		
Others/Internal Generation		
B. Consumption per unit of production (Product: Yarn & Fabric)		
1. Electricity (KWH/Tonne)	1682.84	1486.71
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 AS PER FORM B OF THE ANNEXURE TO THE RULES.

1. Research and Development (R & D)

(a) Specified areas in which R & D Activities are carried out by the Company.

R & D activities are being carried out continuously to produce better quality of yarn and fabrics.

(b) Benefits derived as a result of the above

With the help of R & D activities, the Company has been able to produce quality yarn and fabrics of international standards.

(c) Future Plan of Action

Efforts aimed at cost reduction, improvement in quality of existing products and development of new process will continue.

(d) Expenditure on R & D

Expenditure on R & D is being booked under the respective heads of expenditure in the Profit & Loss Account as no separate account is maintained for the purpose.

(e) Technology Absorption, Adoption and Innovation

The Company has not utilised any imported technology.

III. FOREIGN EXCHANGE EARNINGS AND OUT-GO:

(a) Activities relating to export Markets for products and services and export plan

The Company has set up an Export Division for export of premium quality yarns and garments.

(b) Foreign Exchange Outgo (Rs. in Lacs)

Year ended
31.03.2010

Year ended
31.03.2009

(c) Foreign Exchange earned (Rs. in Lacs)

Nil
Nil

Nil
Nil

For and on behalf of the Board of Directors,

Sd/-

Saurabh Kumar Tayal
Chairman

Place: Mumbai
Date: 21st May, 2010

ANNUAL REPORT 2009-2010

CORPORATE GOVERNANCE REPORT

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

1. Company's Philosophy on Code of Governance

The 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 objectives in relation to its shareholders, employees, customers, suppliers, regulatory authorities and society at large.

The Company has ensured that the Directors of the Company are subject to their duties, obligations and responsibilities in the best interests 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. The Company remains committed to imbibe the principles of Corporate Governance in its functioning in true letter and spirit.

2. Board of Directors

2.1 The Board of directors consists of professional Directors including the Chairman being Non Executive Director.

During the year 2009-2010, the Board met 7 times on the following dates namely 19th May, 2009, 6th June, 2009, 21st July, 2009, 18th September, 2009, 22nd October, 2009, 19th January, 2010 and 16th March, 2010.

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

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

Name	Category	Attendance Particulars		Number of other Directorships and Total Committee Member/Chairmanships		
		Board Meetings	Last AGM	Other Directorships in Indian Public Limited Companies	Committee Memberships (Including Jaybharat Textiles and Real Estate Limited)	Committee Chairmanships
Mr. Saurabh Kumar Tayal	NEC	7	Yes	7	1	1
Mr. Mahendra Kumar Agarwal	MD	7	Yes	2	Nil	Nil
Mr. Rajshekhar S. Ganiger	ID	6	Yes	1	2	1
Mr. Farindra Bihari Rai	ID	5	Yes	7	3	Nil
Mr. Harinder Kumar	ID	2	Yes	6	2	Nil
Mr. Surendra Ambalal Dave*	ID	6	No	10	7	1
Mr. Vijay Kumar Chopra**	ID	6	No	12	Nil	Nil
Mr. T.M. Nagarajan***	ID	4	Yes	5	Nil	Nil
Mr. R.B.L. Vaish#	ID	1	No	2	2	Nil
Mr. P.S. Pritam##	ID	0	No	3	2	Nil
Ms. Mrinal Tayal@	NED	1	No	3	Nil	Nil
Mr. M.P. Mehrotra@@	ID	0	No	14	4	2
Mr. Utpal Mukhopadyay@@@	ID	0	No	3	Nil	Nil

* Resigned as a Director w.e.f. 13th March, 2010

** Resigned as a Director w.e.f. 13th March, 2010

*** Resigned as a Director w.e.f. 13th March, 2010

Appointed as a Director w.e.f. 16th March, 2010

Appointed as a Director w.e.f. 16th March, 2010

@ Appointed as a Director w.e.f. 19th March, 2010

@@ Appointed as a Director w.e.f. 16th March, 2010

@@@ Appointed as a Director w.e.f. 21st May, 2010

NEC = Non-Executive Chairman, MD = Managing Director, ID = Independent Director.

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

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

2.2 Re-appointment of Directors

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

Sl. No.	Name of Director	Area of Expertise	Other Directorships	Other Committee Memberships	Other Committee Chairmanships
1.	Mr. Farindra Bihari Rai	Planning, Administration & Finance	7	3	Nil
2.	Mr. Rajshekhar S. Ganiger	Textile Technology & Administration	1	2	1

2.3 Non-Executive Directors Compensation Disclosures

Details of Sitting Fees paid to Non-Executive Directors/Independent Directors of the Company during the year is as follows:

Name of Director	Category	Attendance Particulars	
		Board Meetings	Sitting Fees Paid
Mr. Rajshekhar S. Ganiger	ID	6	60,000/-
Mr. Farindra Bihari Rai	ID	5	50,000/-
Mr. Harinder Kumar	ID	2	20,000/-
Mr. Surendra Ambalal Dave	ID	6	60,000/-
Mr. Vijay Kumar Chopra	ID	6	60,000/-
Mr. T.M. Nagarajan	ID	4	40,000/-
Mr. R.B.L. Vaish	ID	1	10,000/-
Mr. P.S. Pritam	ID	0	0
Mr. M.P. Mehrotra	ID	0	0
Ms. Mrinal Tayal	ID	1	10,000/-
		Total Rs.	3,10,000/-

3. Audit Committee

3.1. Brief description and terms of reference

The Terms of reference of the Audit Committee are as follows:

1. Oversight of the Company's financial reporting process and disclosure of financial information.
2. Reviewing with the management Annual and Quarterly Financial Statements before submission to the board for approval.
3. Reviewing the adequacy of Internal Control Systems and reporting by Internal Auditors.
4. Discussion with the Statutory Auditors before the Audit Commences as well as post Audit discussion to ascertain any area of concern.
5. Management Discussion and Analysis of financial Conditions and Results of Operations.
6. Any other function as may be assigned by the Board.

The Audit Committee also has authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose has full access to information contained in the records of the Company and external professional advice, if necessary. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board.

3.2 Composition, name of members and Chairman

The Audit Committee comprised of Mr. Harinder Kumar, as Chairman of the Committee, with Mr. Rajshekhar S. Ganiger, Mr. Farindra Bihari Rai as members of the Committee.

3.3 Attendance

During the year 2009-2010, the Audit Committee met 4 times on the following dates namely 05th June 2009, 20th July 2009, 21st October 2009 and 19th January 2010.

Name of Member	Designation	Attendance
Mr. Harinder Kumar	Chairman	3
Mr. Rajshekhar Ganiger	Member	3
Mr. Farindra Bihari Rai	Member	3

ANNUAL REPORT 2009-2010

4. Remuneration Committee

The Remuneration Committee comprises of Shri Rajshekhar S. Ganiger as Chairman of the Committee with Shri Harinder Kumar as members and Shri Farindra Bihari Rai as members of the Committee.

5. Shareholders'/Investors' Grievance Committee

The Committee comprises of Mr. Saurabh Kumar Tayal, Chairman, Mr. Rajshekhar S. Ganiger, and Mr. Farindra Bihari Rai, as members of the Committee. The Committee, *inter alia*, looks into redressing of shareholders/investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Share Department of the Company and recommends measures for overall improvement of the quality of investor services. The Board of Directors has delegated the power for approving transfer of securities to the Managing Director and Chairman of the Company.

5.1 Meetings of the Committee:

During the year 2009-10, the Investor Grievance Committee met 4 times on the following dates namely 5th June 2009, 20th July 2009, 21st October 2009 and 19th January 2010. The Committee reconstituted on 06/06/2009.

Name of Member	Designation	Attendance
Mr. Rajshekhar Ganiger	Chairman	3
Mr. Saurabh Kumar Tayal	Member	3
Mr. Farindra Bihari Rai	Member	3

No. of Shareholder's Complaint received so far - 10

Number solved to the satisfaction of shareholders - 10

Number of pending complaints – Nil

6. General Body Meetings

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

Year	Location	Date	Time
2008-09	Village Salvav, Taluka Pardi, Near Vapi, Dist. Valsad - Gujarat 396191	4th September, 2009	12.30 P.M.
2007-08	Village Salvav, Taluka Pardi, Near Vapi, Dist. Valsad - Gujarat 396191	9th August, 2008	12.00 P.M.
2006-07	Village Salvav, Taluka Pardi, Near Vapi, Dist. Valsad - Gujarat 396191	9th June, 2007	11.30 A.M.

6.2 Four Special Resolution have been passed since the last Annual General Meeting.

- Capitalizing General Reserve of Rs. 25,52,25000/- and same applied for allotment of 12,76,12,500 equity shares of Rs. 2/- each credited as fully paid Bonus Shares to the existing equity shareholders.
- Issue of further issue of securities pursuant to section 81(1A) of the Companies Act, 1956.
- During the year the Company has passed a special Resolution through Postal Ballot: (a) under the Provision of section 293(1)(a), (b) section 372A for increasing the borrowing limits and to make investments, give guarantees etc.

7. Disclosures

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

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

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

As on 12th March, 2010, SEBI had restrained the Company along with 30 entities from accessing the securities market and further prohibited from buying, selling or dealing in shares directly or indirectly in any manner whatsoever till further order.

In consequences, 2 entities out of 30 had filed a writ petition in Bombay High Court, Nagpur Bench, and bench issued interim relief order as follows:

"We (judges) have considered the contentions canvassed by the learned Senior Counsel for the petitioners. The impugned order dated 12/03/2010 being *ex parte* order passed by the respondent no. 2 (SEBI) behind the back of the petitioners and others as well as being in violation of principles of natural justice, we are of the view that prima facie is made out for grant of ad interim relief. Hence, the respondent no. 2 is restrained from acting against the petitioners pursuant to the impugned order dated 12/03/2010.

Further, the Company has also filled writ petition in Rajasthan High Court at Jaipur.

(c) **Disclosure of accounting treatment:**

The Company has followed Accounting Standards as applicable and proper explanation has been given in the Financial Statement relating to any treatment different from that prescribed in Accounting Standards.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

(d) Risk Management:

The Board of Directors has laid down procedures to inform Board Members about the risk assessment and minimization procedures and such procedures are reviewed periodically.

(e) Proceeds from Public issues, Right issues, Preferential Issues, etc.

The Company has not raised any money through Public Issues, Right Issues and Preferential Issues etc. during the year under report.

8. Means of Communication

- (a) The Company has published its quarterly results in The Economic Times the English Daily National Newspaper Loksatta-Jansatta the Hindi Daily National Newspaper.
- (b) The Company sends regular intimation of any official news releases to the Bombay Stock exchange Limited where the shares of the Company are Listed
- (c) Management Discussion and Analysis forms integral part of this annual report.

9. General Shareholder Information

9.1 Annual General Meeting

- Date and time : 17th July, 2010 at 11.00 A.M.
- Venue : Village Salvav, Taluka Pardi, N.H. 8
Near Vapi, Dist, Valsad Gujarat

9.2 Financial Year

- Financial Calendar 2010-2011** : 1st April to 31st March
- (Tentative) : Annual General Meeting – (Next year)
July 2011

Board Meetings

- Results for the quarter ending June 30, 2010 : Second week of August 2010
- Results for the quarter ending September 30, 2010 : Second week of November 2010
- Results for the quarter ending December 31, 2010 : Second week of February 2011
- Results for the year ending March 31, 2010 : Last week of May, 2011

9.3 Book Closure date

- (Both Days Inclusive) : 15th July 2010 to 17th July 2010

9.4 (a) Listing of Equity shares

: The Bombay Stock Exchange, Limited

(b) ISIN allotted to Equity Shares

: INE091E01039

(Note: Annual listing fees for the year 2010-2011 have been duly paid to the Bombay Stock Exchange Ltd.)

9.5 Stock Code

: 512233

9.6 Stock Market Data (As on 31st March 2010)

Jaybharat Textiles and Real Estate Limited				
Month	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
April 2009	272.00	212.10	225.70	3,85,788
May 2009	405.95	220.00	405.95	3,66,254
June 2009	495	325.95	362.50	1,94,651
July 2009	531.65	340.00	413.35	3,13,859
August 2009	470.15	365.00	470.15	3,52,435
September 2009	578.95	327.50	370.85	3,54,270
October 2009	379.95	306.00	345.15	3,52,460
November 2009	413.00	320.50	395.55	4,88,759
December 2009	430.10	372.00	414.15	4,49,978
January 2010	465.50	386.00	440.90	4,44,632
February 2010	541.00	293.45	388.20	3,67,092
March 2010	431.90	305.00	364.75	2,19,549

Source: www.bseindia.com

ANNUAL REPORT 2009-2010

9.7 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.

9.8 Registrar & Share Transfer Agent

: Mondkar Computers Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Opp. Satya Sai Baba Temple, Andheri (E),
Mumbai – 400 093.

9.9 Share Transfer System

: The Shares of the Company, being in the compulsory Demat list, are transferable through the Depository system. All the transfers received are processed and approved by Share Transfer Committee which normally meets twice a month. Shares under objection are returned within two weeks.

9.10 Shareholding Pattern as on 31st March 2010

Category		No. of Shares Held	Percentage of Shareholding
1.	Promoter's Holding	262436155	68.55
2.	Mutual Funds, Banks, Financial Institutions, FIIs, NRIs & OCBs	2364615	0.62
3.	Domestic Companies	2689422	0.70
4.	Resident Individuals	115347308	30.13
Total		382837500	100.00

9.11 Distribution of Shareholding as on 31st March 2010

From	Category	To	Number of Shareholders	Number of Shares Held
Upto	–	500	421	25265
501	–	1000	15	11135
1001	–	2000	9	13382
2001	–	3000	2	5079
3001	–	4000	2409	9033432
4001	–	5000	2	9326
5001	–	10000	4	27977
10001	–	Above	33	373711904
TOTAL			2895	382837500

9.12 Dematerialization of Shares

: Shares of the Company can be held and traded in Electronic Form.

9.13 Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity

: N.A.

9.14 Plant Location

: Pulgaon, Maharashtra

9.15 i) Address for Investor Correspondence

: Mondkar Computers Pvt. Ltd.
21, Shakil Niwas, Mahakali Caves Road,
Opp. Satya Sai Baba Temple, Andheri (E),
Mumbai – 400 093

ii) Any query on Annual Report

: Village Salvav, Taluka Pardi, Near Vapi,
Gujarat – 396 195

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to 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, 2010, 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, 2010.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Place: Mumbai
Date: 21st May, 2010

Sd/-
Mahendra Kumar Agarwal
Managing Director

CEO CERTIFICATION

I, Mahendra Kumar Agarwal, Managing Director of JAYBHARAT TEXTILES AND REAL ESTATE LIMITED, do certify to the Board 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 or 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) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Place: Mumbai
Date: 21st May, 2010

Sd/-
Mahendra Kumar Agarwal
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

We have examined the compliance of the conditions of Corporate Governance by JAYBHARAT TEXTILES AND REAL ESTATE LIMITED for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March 2010 no investor grievances are pending against the Company as on 20th May, 2010 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

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

For A.F. Khasgiwala & Co.
Chartered Accountants

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

Place: Mumbai
Date: 21st May, 2010

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

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

(A) TEXTILE INDUSTRY:

The Textile Industry occupies a unique place in our country by contributing 14% of the country's industrial production and 4% of India's GDP. India is the 2nd largest producer of cotton and accounts for 24% of Country's exports. In fact, it is the largest foreign exchange earning sector in the country. Moreover, it provides employment to over 35 million people.

In the year 2000, the Government of India formulated a comprehensive textile policy called as Vision 2010 aimed at developing a globally competitive textile industry in India through modernization and consolidation. This policy is intended to take advantage of the free quota regime and increase India's export turnover to US\$ 50 billion by the end of 2010.

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.

The textile industry is estimated offer an incremental revenue potential of no less than US\$ 50 billion by 2014 and over US\$ 125 billion by 2020.

It is expected that India's share of exports to the world would also increase from the current 4 per cent to around 10 per cent by 2015.

— Cotton

Cotton production in India, the world's second-biggest grower, may climb by 10% next year as farmers increase the crop area to benefit from record domestic prices. Indian is the second largest producer of cotton (4.15 metric tonnes) in the world, accounting for 16.75 per cent of the global production. 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.

— Spinning

The spinning sector in India is completely (100 per cent) organized and is globally competitive in terms of variety, process and production quantity. India has about 40 million spindles (23 per cent of the world).

— Knitting

India's weaving/knitting sector is highly unorganized, with the organized sector contributing to just 5 per cent of the total production. There are about 3.9 million hand looms and 1.8 million powers – looms in India.

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

— Processing

Indian processing sector is largely decentralized with low levels of automation, marked by hand/independent processing units.

i) Opportunity and Threats

The textile industry is undergoing a major re-orientation 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. There is ample scope in the market by promoting research and development in this sector. Disbandment of 84% of quota from January 2005 is expected to trigger a US\$ 500 billion (roughly three-fold) rise in global textile trade.

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 chain 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:

- ❖ Large and growing domestic market.
- ❖ Excellence in fabric and garment designing.
- ❖ Second-largest textile producer in the world.
- ❖ Adequate raw material supplies.
- ❖ Self reliant industry producing the entire supply chain fibre/cotton to garments/home textiles.
- ❖ Low labour cost and availability of skilled and technical labour force.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Weaknesses:

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

Opportunities:

- ❖ Shift in domestic market towards readymade garments, and domestic textile consumption increasing with growing disposable income.
- ❖ End of quota system and full integration of the textile industry.

Threats:

- ❖ Stiff competition from other Asian countries.
- ❖ Survival of the fittest-in term of quality, size delivery and cost.
- ❖ Increase in regional trade could reduce share of market opened for India, China and other countries.
- ❖ Pricing pressures.

ii) Government Initiatives

In an effort to increase India's share in the world textile market, the government has introduced a number of progressive steps.

- 100 per cent FDI allowed through the automatic route.
- De-reservation of readymade garments, hosiery and knitwear from the small-scale industries sector in end-2000.
- Technology Mission on Cotton was launched in February 2000 to make quality raw material available at competitive prices.
- Technology Upgradation Fund Scheme (TUFS) which was launched to facilitate the modernisation and upgradation of the textiles industry in 1999 has been given further extension till 2011-12. A total of 18773 applications involving a project cost of US\$ 24.91 billion have been sanctioned under TUFS upto March 31, 2008.
- 40 textile parks are being set up under the Scheme for Integrated Textile Parks (SITP) which will attract an investment of US\$ 4.38 billion.

In current times of a global melt-down, the government has come out with an economic stimulus package for the textile industry. This includes:

- Extension of interest rate subvention of 2 per cent on pre- and post-shipment credit.
- Additional allocation of US\$ 285.66 million to clear the entire backlog in TUFS, which would enhance cash flow of the exporters.
- Additional fund of US\$ 224.42 million for refund of terminal excise duty.

(B) REAL ESTATE INDUSTRY:

The importance of real estate sector can be gauged from the fact that it is the 2nd largest employer next only to agriculture. Its size is around US\$ 12 billion and is growing at about 30% per annum, 5% of country's GDP is contributed by housing sector as in the next 5 years this is expected to rise to 6%. About 80% of the real estate developed in the country is residential in nature, the rest comprises of commercial, shopping, hotel and hospital space.

The real estate sector in the country is one of great importance. According to the report of the Technical Group on Estimation of Housing Shortage, an estimated shortage of 26.53 million houses during the Eleventh Five Year Plan (2007-12) provides a big investment opportunity.

The Company has ventured into the Real Estate Sector. The Company is constructing a Commercial Complex at Vapi (Gujarat) comprising of a shopping mall, a five screen multiplex, restaurants, food courts and Commercial Offices is under completion.

i) Real Estate Sector

Strength

- ❖ Greater professionalism in the industry
- ❖ Better product design and quality
- ❖ Technologically innovative products

Weakness

- ❖ Difficulties in procuring local sanctions
- ❖ Inadequate backup by local authorities
- ❖ High pricing and limited demand
- ❖ Difficulties in the exit route

Opportunities

- ❖ Competitive market creation
- ❖ Mass investments in the economy
- ❖ REITS/MFs
- ❖ Improved business environment

Threats

- ❖ Displacement of existing players
- ❖ Financial risks
- ❖ Market risks
- ❖ High susceptibility to Litigation

ii) Government Initiatives

The government has introduced many progressive measures to unlock the potential of the sector and also to meet the increasing demand levels.

- 100 per cent FDI allowed in townships, housing, built-up infrastructure and construction development projects through the automatic route, subject to guidelines as prescribed by DIPP
- 100 per cent FDI is allowed under the automatic route in development of Special Economic Zones (SEZ), subject to the provisions of Special Economic Zones Act 2005 and the SEZ Policy of the Department of Commerce
- FDI is not allowed in Real Estate Business

In the Union Budget 2010-11, the Finance Minister made the following announcements with regard to the real estate sector:

- Allocation for urban development were increased by more than 75 per cent from US\$ 660.3 million to US\$ 1.17 billion in 2010-11
- Allocation for housing and urban poverty alleviation were raised from US\$ 183.4 million to US\$ 215.8 million in 2010-11

Scheme of 1 per cent interest subvention on housing loan up to US\$ 21,576 where the cost of the house does not exceed US\$ 43,153 announced in the last Budget has been extended up to March 31, 2011 and US\$ 151 million has been earmarked for this scheme for 2010-11.**

** Disclaimer: This information has been collected through <http://www.ibef.org/industry/realestate.aspx>

(C) SEGMENT-WISE PERFORMANCE

The Company's operations can be categorized into two segments namely Textile and Real Estate. However since the operations of the Company in the Real Estate Segment are in the implementation stage, the current financial years performance relates only to the Textile Segment. The same has been detailed in the Financial Results of the Company.

(D) OUTLOOK

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

(E) RISK AND CONCERN

Forward looking statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trends may differ materially from historical results, depending on variety of factors. The risk and concerns faced by the Company are similar to those faced by any growing organization in today's dynamic industrial and economic scenario.

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.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

(F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company ensures adherence to all Internal Control policies and procedures as well as compliance with all regulatory guidelines. The adequacy of internal controls is reviewed by the Audit Committee of the Board of Directors.

The Company's internal control systems are adequate, considering size and nature of operation of the Company, to meet regulatory/statutory requirements assure recording of all transactions and report reliable and timely financial information. Additionally, it also provides protection against misuse or loss of any of the Company assets.

(G) FINANCIAL PERFORMANCE VS. OPERATIONAL PERFORMANCE

The Company has achieved Net Sales of Rs. 53739.75 Lacs during the year ended 31st March, 2010 as against Net Sales of Rs. 48724.51 Lacs during the previous year ended 31st March, 2009.

The net profit for the year 2009-10 decreased to Rs. 1921.42 Lacs from previous year profit of Rs. 2652.16 Lacs due to higher interest outgo.

(H) DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATION FRONT

Human resources represent the strength of your Company with a team of qualified and dedicated personnel who have contributed to the consolidation of the operations of your Company. The team ensured timely completion of the various projects undertaken by 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 of the Company.

The focus of Human Resource is on building and developing intellectual capital through innovative ideas and by providing the training of the employees is an ongoing process. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

(I) RESEARCH AND DEVELOPMENT

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

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

ANNUAL REPORT 2009-2010

AUDITORS' REPORT

To,
The Members of
JAYBHARAT TEXTILES & REAL ESTATE LIMITED

We have audited the attached Balance Sheet of **JAYBHARAT TEXTILES & REAL ESTATE LIMITED** as at 31st March, 2010, the Profit and Loss Account of the Company for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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, 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.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that: -
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 31st March, 2010,
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and;
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR A.F. KHASGIWALA & CO
Chartered Accountants

Sd/-
A.F. KHASGIWALA
Partner
M. No. 6491

Firm Registration No. 105114W

Place: Mumbai
Date 21/05/2010

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2010 OF JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

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

1. In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the Fixed Assets.
 - (b) The management has at reasonable intervals carries out the physical verification of the fixed assets. No material discrepancies have been noticed on such verification.
 - (c) No assets have been disposed by the Company during the year, therefore reporting under this clause does not arise.
2. In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of the stocks, the frequency of such verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, company is maintaining proper records of inventory. 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 Act and aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs only) or more in respect of each party have been made at prices which are reasonable having regards to the prevailing market price for such goods, materials or services or the prices at which the transactions for similar goods are services have been made with other parties, where applicable.
6. The Company has not accepted any deposits from the public; hence question of complying with the provision of Sections 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.
9. In respect of statutory dues:
 - (a) According to the records of the Company, the Provident Fund and Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Cess and other material statutory dues have been regularly depositing during the year with appropriate authorities
 - (b) There are no disputed statutory dues.

ANNUAL REPORT 2009-2010

10. The Company does not have any accumulated losses as at 31st March, 2010 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 explanations given to us, the Company has given the corporate guarantee to Bank of India Rs. 90 Crores and UCO Bank Rs. 100 Crores against Realtime Properties Ltd. (100% Subsidiary Company)
16. 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.
17. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
18. The Company has not made any preferential allotment of shares during the Year.
19. During the year covered by our audit report the Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year
21. 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
M. No. 6491

Firm Registration No. 105114W

Place: Mumbai
Date 21/05/2010

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	AS ON 31.03.2010 (Rs. in Lacs)	AS ON 31.03.2009 (Rs. in Lacs)
(A) SOURCES OF FUNDS:			
1. Share Holders Fund:			
(a) Share Capital	“A”	7656.75	5104.50
(b) Reserves and Surplus	“B”	5039.54	6118.28
		<u>12696.29</u>	<u>11222.78</u>
SHARE APPLICATION MONEY		10000.00	0.00
2. Deferred Tax Liability		1391.32	1134.55
		<u>1391.32</u>	<u>1134.55</u>
3. Loan Fund	“C”	35448.08	27258.76
TOTAL		<u><u>59535.69</u></u>	<u><u>39616.09</u></u>
(B) APPLICATION OF FUNDS			
1. Fixed Assets	“D”		
Gross Block		45191.32	30732.98
Less: Depreciation		7929.37	5008.55
Net Block		<u>37261.95</u>	<u>25724.44</u>
2. Investment	“E”	840.53	840.53
3. Current Assets Loans and Advances:	“F”		
(a) Sundry Debtors		11108.72	8119.89
(b) Inventories		11778.61	7349.28
(c) Cash and Bank Balances		331.56	277.64
(d) Loans and Advances		1022.89	2336.99
		<u>24241.78</u>	<u>18083.80</u>
Less: Current Liabilities and Provisions	“G”	2844.57	5032.67
Net Current Assets		<u>21397.21</u>	<u>13051.13</u>
MISCELLANEOUS EXPENDITURE (To the extent not adjusted or written off)	“H”	36.00	0.00
TOTAL:		<u><u>59535.69</u></u>	<u><u>39616.09</u></u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS	“O”		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 006491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21st May, 2010

Sd/-
Company Secretary

ANNUAL REPORT 2009-2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST, MARCH, 2010

	Schedules	AS ON 31.03.2010 (Rs. in Lacs)	AS ON 31.03.2009 (Rs. in Lacs)
(A) INCOME			
(a) Income from Operation	“I”	53739.75	48724.51
(b) Other income	“J”	0.00	40.45
(c) Increase in stock		321.01	1814.06
TOTAL		54060.76	50579.02
(B) EXPENSES			
(a) Material and Goods Consumed	“K”	37450.35	36012.24
(b) Manufacturing Expenses	“L”	7564.08	6231.54
(c) Selling and Administrative Expenses	“M”	1226.43	1039.00
(d) Interest and Financial Charges	“N”	2153.12	1882.25
(e) Depreciation		3038.46	2366.20
(f) Miscellaneous Expenditure Written off		4.00	0.00
TOTAL:		51436.44	47531.23
Profit/(Loss) Before Taxation		2624.32	3047.79
Less: Provision For Taxation		446.13	346.68
Deferred Tax Liabilities		256.77	48.95
Profit after Tax		1921.41	2652.16
Profit B/F From Previous Year		1804.96	0.00
AMOUNT AVAILABLE FOR APPROPRIATION		3726.37	2652.16
APPROPRIATIONS			
Transfer to General Reserve	“B”	500.00	250.00
Proposed Dividend		382.84	510.45
Tax on Dividend		65.06	86.75
Profit Carried to Balance Sheet	“B”	2778.47	1804.96
		3726.37	2652.16
Basic/Diluted Earning Per Share: (Note ‘N’) (Face value of Rs. 2/- each) (Rupees)		0.50	1.04
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS			
	“O”		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 006491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

Sd/-
Company Secretary

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "A": SHARE CAPITAL		
Authorised		
75,00,00,000 Equity Shares of Rs. 2/- each (Previous year 35,00,00,000 Equity Shares of Rs. 2/- each)	15000.00	7000.00
	15000.00	7000.00
Issued, Subscribed and Paid up		
38,28,37,500 Equity Shares of Rs. 2/- each (Previous year 25,52,25,000 Equity Shares of Rs. 2/- each) (Of the above Equity Shares, 127612500 Shares were allotted as bonus shares by capitalisation of reserves)	7656.75	5104.50
TOTAL	7656.75	5104.50
SCHEDULE "B": RESERVE & SURPLUS		
General Reserve		
As per last Balance Sheet	4313.32	4063.32
Add: Transfer From Profit and Loss Account	500.00	250.00
	4813.32	4313.32
Less: Amount transferred to share Capital account for issue of Bonus Shares	2552.25	0.00
TOTAL (A)	2261.07	4313.32
Profit & Loss Account	2778.47	1804.96
TOTAL (B)	2778.47	1804.96
TOTAL (A) + (B)	5039.54	6118.28
SCHEDULE "C": LOANS FUNDS		
SECURED LOANS		
Term Loans	12423.35	14723.00
(Secured by 1st charge over the fixed assets both movable and immovable and 2nd charge over the entire Current Assets and personal Guarantee of Director) (Due repayment within one year Rs. 2753.64 Lacs)		
Interest Accrued and Due	125.65	153.97
Working Capital Loan		
Banks	12399.08	6881.79
Interest Accrued and Due (Secured by first charge on all current assets & second charge on <i>pari passu</i> basis with other banks and personal guarantee of Director)		
TOTAL: A	24948.08	21758.76
UNSECURED LOANS		
Long Term		
From Corporates	10500.00	5500.00
TOTAL: B	10500.00	5500.00
TOTAL: A + B	35448.08	27258.76

ANNUAL REPORT 2009-2010

SCHEDULE "D": FIXED ASSETS AS AT 31.03.2010

(Rs. in Lacs)

SL. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AT COST AS ON 01-04-2009	ADDI-TION	DEDUC-TION	AS ON 31.3.2010	UP TO 01-04-2009	DURING THE YEAR	WRITTEN BACK	UPTO 31.03.10	AS ON 31.03.10	AS ON 31-03-2009
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	838.00	20.00	0.00	858.00	0.00	0.00	0.00	0.00	858.00	838.00
4.	PLANT & MACHINERIES	19955.74	12163.46	525.63	31593.56	4466.92	2690.55	117.66	7039.82	24553.76	15488.81
5.	BUILDING	9120.26	2045.63	0.00	11165.89	521.31	338.69	0.00	859.99	10305.90	8598.95
6.	FURNITURE & FIXTURE	114.55	0.00	0.00	114.55	12.10	7.25	0.00	19.34	95.21	102.45
7.	MOTOR VEHICLE	20.76	0.00	0.00	20.76	8.24	1.97	0.00	10.21	10.55	12.52
	TOTAL	30732.98	14229.09	525.63	44436.44	5008.57	3038.46	117.66	7929.37	36507.08	25724.40
8.	Capital Work-in-Progress	0.00	14963.97	14209.09	754.88	0.00	0.00	0.00	0.00	754.88	0.00
	TOTAL	30732.98	29193.06	14734.72	45191.32	5008.57	3038.46	117.66	7929.37	37261.96	25724.40
	PREVIOUS YEAR	29948.76	784.22	0.00	30732.98	2642.35	2366.20	0.00	5008.55	25724.43	27306.41

**As on
31.03.2010
(Rs. in Lacs)**

As on
31.03.2009
(Rs. in Lacs)

SCHEDULE "E": INVESTMENT

LONG TERM INVESTMENT

Trade/Unquoted

PULGOAN COTTON MILLS (22749993(22749993) Eq.Sh. of Rs. 10/- each fully paid up)

523.53

523.53

REALTIME PROPERTIES LIMITED (49994(49994) Eq.Sh. of Rs. 10/- each fully paid up)

5.00

5.00

ASAHI FIBRES LTD. (32225870 (32225870) Eq.Sh. of Rs. 1/- each fully paid up)

312.00

312.00

TOTAL:

840.53

840.53

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "F": CURRENT ASSETS, LOAN AND ADVANCES		
(A) CURRENT ASSET		
1. Sundry Debtors (Unsecured considered good)		
(a) Debtors more than 6 Months	73.65	15.60
(b) Others	11035.07	8104.29
TOTAL:	<u>11108.72</u>	<u>8119.89</u>
2. Inventories		
Raw Material	6910.63	2936.55
Finished Goods	3150.19	2829.18
Stock in Process	1660.52	1544.92
Consumables Spares	57.27	38.63
TOTAL:	<u>11778.61</u>	<u>7349.28</u>
3. Cash & Bank Balance		
Cash in hand	16.78	9.18
Balance with Banks		
Current Accounts	239.78	191.87
Fixed Deposits (Pledged with bank)	75.00	76.59
TOTAL:	<u>331.56</u>	<u>277.64</u>
(B) LOANS & ADVANCES		
Advances Recoverable in cash or kind or for value to be received	519.91	519.91
Subsidy Receivable	502.97	1817.08
TOTAL:	<u>1022.89</u>	<u>2336.99</u>
GRAND TOTAL:	<u>24241.78</u>	<u>18083.80</u>
SCHEDULE "G": CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
<u>SUNDRY CREDITORS</u>		
For Goods	425.63	484.02
For Project Creditors	12.30	0.00
For Expenses & Other Liabilities	1512.61	3394.21
	<u>1950.54</u>	<u>3878.23</u>
(B) PROVISIONS		
Provision for Taxation	446.13	557.24
Proposed Dividend	382.84	510.45
Tax on Dividend	65.06	86.75
	<u>894.04</u>	<u>1154.44</u>
TOTAL:	<u>2844.57</u>	<u>5032.67</u>
SCHEDULE "H": MISCELLANEOUS EXPENDITURE		
(To the extent not adjusted or written off)		
Balance as per last Balance Sheet	40.00	0.00
Less: Written off During the Year	4.00	0.00
	<u>36.00</u>	<u>0.00</u>

ANNUAL REPORT 2009-2010

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "I": INCOME FROM OPERATIONS		
Domestic Sales	53739.75	48724.51
	<u>53739.75</u>	<u>48724.51</u>
 SCHEDULE "J": INCOME FROM OTHERS		
Others	0.00	40.45
	<u>0.00</u>	<u>40.45</u>
 SCHEDULE "K": MATERIALS AND GOODS CONSUMED		
Opening Stock Raw Material	2936.55	1366.27
Stock in Process	1544.92	558.61
	<u>4481.47</u>	1924.88
Add: Purchases	41540.03	38568.83
	<u>46021.50</u>	40493.71
Less: Closing Stock		
Raw Material	6910.63	2936.55
Stock in Process	1660.52	1544.92
	<u>8571.15</u>	4481.47
Material an Goods Consumed	<u>37450.35</u>	<u>36012.24</u>
Increase in stock of finished Goods		
Closing Stock	3150.19	2829.18
Opening Stock	2829.18	1015.12
	<u>321.01</u>	<u>1814.06</u>
 SCHEDULE "L": MANUFACTURING EXPENSES		
Labour Charges	2663.23	2346.41
Power and Fuel Exp.	3436.41	2773.76
Repair and Maintenance to Building	30.65	28.86
Repair and Maintenance to Plant and Machinery	83.25	53.60
Spares, consumable and Packing Material	1350.54	1028.91
	<u>7564.08</u>	<u>6231.54</u>

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "M": SELLING & ADMINISTRATIVE EXPENSES		
Salaries and Bonus	180.25	141.26
Staff Welfare Expenses	15.45	12.16
Electricity Charges	34.95	32.65
General Expenses	68.56	45.46
Insurance	24.51	20.23
Repairs and Maintenance others	30.28	33.25
Postage and Telegram	45.68	37.55
Registration and Filing Fees	13.68	12.35
Auditors Remuneration	1.10	1.10
Rent, Rates and Taxes	39.76	38.65
Listing Fees	0.54	0.54
Consultancy Charges	6.00	9.00
Legal and Professional Charges	26.25	23.88
Conveyance/Travelling Expenses	102.34	85.50
Advertisement Expenses	20.34	17.60
Printing and Stationary	75.69	61.83
Transportation/Carriage Outward	103.25	97.63
Discount and Commission	287.33	241.58
Sale and Business Promotion	76.45	63.53
Directors Remuneration	6.00	6.00
Director Sitting Fees	1.70	1.70
Telephone Charges	45.87	39.38
Motor Car Expenses	20.45	16.17
TOTAL:	1226.43	1039.00
 SCHEDULE "N": INTEREST & FINANCIAL CHARGES		
Interest for Term Loan	928.30	1231.09
Interest for Cash Credit	1194.56	576.80
Bank & Processing Charges	30.26	74.36
TOTAL:	2153.12	1882.25

SCHEDULE 20: NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

SCHEDULE "O": SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS AS ON 31st March, 2010

I SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL

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

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

2. REVENUE RECOGNITION:

Sales are recognised on dispatch of goods to customers.

3. VALUATION OF INVENTORIES:

Inventory consists of Raw material, finished goods, which are valued, at cost or net realizable value, whichever is lower and Stock in progress (WIP) valued at cost.

4. 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.

5. 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.

6. FOREIGN CURRENCY TRANSACTION:

Foreign currency transactions are converted at the rates prevailing on the dates of the transactions. Foreign currency assets and liabilities are converted at contracted/year-end rates as applicable. Gain/(Loss) on closing rates of reporting date of revenue transaction in the same year are charged to 'Exchange Gain/(Loss) Account' in the Profit & Loss Account.

7. RETIREMENT BENEFITS:

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

8. TAXES ON INCOME:

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

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

The Deferred tax liability as on 31st March, 2010 amounting to Rs. 256.77 Lacs is the difference between depreciation as per income tax act and companies act.

9. NOTE ON SECURITY FOR TERM LOAN:

Term Loan: Indian Overseas Bank, Allahabad Bank, Uco Bank, Oriental Bank of Commerce & Bank of Maharashtra: Term Loan is Secured by 1st Charge over the Fixed Assets both Movable and Immovable and 2nd Charge over the entire current Assets of the Company and Personal guarantee of Mr. Saurabh K. Tayal, Chairman of the Company.

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

II NOTES OF ACCOUNTS

1. There are no contracts remaining to be executed on Capital account therefore no advance is to be paid against such contracts.
2. Contingent liabilities not provided during the year ended on 31 March 2010 in respect of Corporate Guarantee in favour of Bank of India to secure Loan of Rs. 90 Crore (Previous year Rs. 90 crore) & Uco bank to secure Loan Rs. 100 Crores (Previous year 100 crore) granted to Real Time Properties Limited (100% Subsidiary of the Company). Bank Guarantee issued on behalf of the Company aggregating Rs. 116.90 Lacs (Previous year Rs. 116.90 Lacs).
3. 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
REAL TIME PROPERTIES LTD.	100% Subsidiary company
ASAHI FIBRES LIMITED	Associate Company

4. 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 : M.K. Agarwal – Managing Director
- iii) Relative of Key Management Personnel : Nil

5. **Additional information pursuant to the provision of paragraphs 4a, 4b and 4c of part II of schedule VI to the Companies Act 1956**

- (a) Auditor's remuneration is including Service Tax and Other expenses. The break up is as follows:

	CURRENT YEAR	PREVIOUS YEAR
i) As Auditors	1.10 Lacs	1.10 Lacs
ii) In other Capacity	—	—

- (b) The Company has paid 6.00 Lacs remuneration to Managing director. (Previous year 6.00 Lacs).

- (c) Particulars in respect of goods manufactured:

	As at 31.03.2010	As at 31 .03.2009 (In tones per annum)
i) Licensed Capacity	N.A.	N.A.
ii) Installed Capacity		
— TFO Division	13000	13000
— Processing Division	10700	10700
— Spinning	39610	23500
iii) Actual Production (Tonnes)	31379.72	29490.07

ANNUAL REPORT 2009-2010

- (d) Quantitative information pertaining to goods manufacturing, turnover, stock and Raw Material Consumed (Rs. in Lacs)

	2009-10		2008-09	
	Qty. (Tonnes)	Value (in Lacs)	Qty (Tonnes)	Value (in Lacs)
i) MANUFACTURING				
I Opening Stock				
Raw Material	3887.11	2936.55	2352.11	1366.27
Stock in process	1461.20	1544.92	684.78	558.61
Finished Goods	2259.97	2829.18	969.22	1015.12
II Closing Stock				
Raw Material	9877.37	6910.63	3887.11	2936.55
Stock in process	1566.92	1660.52	1461.20	1544.92
Finished Goods	2483.31	3150.19	2259.97	2829.18
III Purchase				
Raw Cotton	39068.00	41540.03	33223.67	38568.83
IV Sales				
	31156.38	53739.75	28199.32	48724.51
Raw Material Consumed		37450.35		36012.24

6. The balance of advances, debtors and creditors are confirmed by majority of parties and efforts are being made for obtaining confirmation from remaining parties
7. The Company has two business segment namely "Textiles" and "Real Estate" hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for certain business enterprises is applicable in case of company.
8. There are no parties which can be classified as small scale industries to whom the companies owes a sum exceeding Rs. 1 Lacs , which is outstanding for more than 30 days
9. Gratuity and Leave encashment is accounted for on cash basis as and when paid.
10. 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) Rs. 1921.42
 - ii) Weighted Average No. of Equity shares outstanding at the end of the year 382837500
 - iii) Basic and Diluted Earning per share of Rs. 2/- each Rs. 0.50
11. Previous year figures have been rearranged and regrouped wherever necessary to confirm to this year's classification.
12. Balance sheet Abstract & companies general business profile as required by part IV schedule VI to the Companies Act, 1956 is enclosed in Annexure ' A ' .

SIGNATURE TO SCHEDULE "A" to "N"

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 006491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

Sd/-
Company Secretary

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

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

	2009-2010 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	2624.32	3047.79
Adjustment for Non Cash Charges		
Depreciation & Amortisation	2884.82	2366.20
Dividend	0.00	0.00
Other Income	0.00	(40.45)
Interest (net)	2153.12	1882.25
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7662.26	7255.79
Adjustment for:		
Trade and Other Receivables	(1674.73)	(5416.26)
Inventories	(4429.33)	(4409.28)
Trade Payable	(1927.69)	1274.06
CASH GENERATED FROM OPERATION	(369.50)	(1295.68)
Direct taxes paid	(557.24)	(993.04)
NET CASH FROM OPERATING ACTIVITIES	(926.74)	(2288.72)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(14458.34)	(784.23)
Sale of Fixed Assets	0.00	0.00
Purchase of investments	0.00	0.00
Dividend and Other Income received	0.00	40.45
NET CASH USED IN INVESTING ACTIVITIES	(14458.34)	(743.77)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issue of shares capital	0.00	0.00
Interest paid	(2153.12)	(1882.25)
Total proceeds from borrowing	8189.32	5653.73
Share application money	10000.00	0.00
Dividend paid	(597.20)	(597.20)
NET CASH FROM FINANCING ACTIVITIES	15439.00	3174.28
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	53.93	141.78
CASH AND CASH EQUIVALENTS (Opening Balance)	277.64	135.86
CASH AND CASH EQUIVALENTS (Closing Balance)	331.56	277.64

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 006491

Place: Mumbai
Date: 21/05/2010

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

AUDITORS CERTIFICATE

We have examined the attached cash flow statement of **Jaybharat Textiles and Real Estate Ltd.** For the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with various Stock Exchanges and is based on and is in Agreement with the corresponding Profit and Loss account and Balance Sheet of the Company by our report to the members of the Company

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

Sd/-
A.F. KHASGIWALA
Partner
Membership. No. 006491
Place: Mumbai
Date: 21/05/2010

ANNUAL REPORT 2009-2010

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

(Rs. in Lacs)

I. REGISTRATION DETAILS

Registration No. L99999GJ1988PLC011553 State Code : 04
Balance sheet Date : 31.03.2010

II. CAPITAL RAISED DURING THE YEAR (In Lacs)

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

III. POSITION TO THE MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities : 59535.68 Total Assets : 59535.68

SOURCE OF FUNDS

Paid-up Capital : 7656.75 Secured Loans : 24948.08
Reserves & Surplus : 5039.54 Unsecured Loans : 10500.00
Share Application Money 10000.00 Deferred Tax liability : 1391.32

APPLICATION OF FUNDS

Net Fixed Assets : 37261.95 Investments : 840.53
Net Current Assets : 24241.78 Misc. Expenditure : Nil
Accumulated Losses : Nil

IV PERFORMANCE OF COMPANY

Turnover : 53739.75 Other Income : 0.00
Total Expenses : 51436.44 Profit/(Loss) before Tax : 2624.32
Profit/(Loss) after Tax : 1921.41 Earning Per Share (in Rs.) : 0.50
Dividend Rate % : 5%

V General Names of Principal

Product/Trading : 60-02
Item Code No. (ITC Code)
Product description : Cotton yarn

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 006491

Place: Mumbai
Date: 21/05/2010

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR FINANCIAL YEAR 2009-10

Name of the Subsidiary Company	Pulgaon Cotton Mills Ltd.	Realtme properties Ltd.
1 Financial Year of the Subsidiary Company	31st March, 2010	31st March, 2010
2 Date from which they became Subsidiary Company the subsidiary company:	14th March, 2005	6th March, 2007
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	22749993 Eq.sh. of Rs. 10/- each.	49994 Eq.sh. of Rs 10/- each
(b) Extent of Interest of holding company at the end of the financial year of subsidiary company	100%	100%

DETAILS OF SUBSIDIARY COMPANY

	(Rs. in Lacs)	(Rs. in Lacs)
1 Capital	2275.00	1405.00
2. Reserve	0	1237.58
3. Total Assets	2284.80	19250.20
4. Total Liabilities	2284.80	19250.20
5. Details of Investment	0.00	0.00
6. Total Income	241.43	36.23
7. Profit (Loss) Before Taxation	0.82	26.27
8. Provision for taxation	0.28	8.93
9. Profit (Loss) after Taxation	0.54	16.10

ANNUAL REPORT 2009-2010

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of
JAYBHARAT TEXTILES & 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 31st March 2010, 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 Reaal Estate Limited and its subsidiaries as at 31st March, 2010;
 - 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

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

Place: Mumbai
Date 21/05/2010

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	AS ON 31.03.2010 (Rs. in Lacs)	AS ON 31.03.2009 (Rs. in Lacs)
(A) SOURCES OF FUNDS:			
1. Share Holders Fund:			
(a) Share Capital	"A"	9056.75	6504.50
(b) Reserves and Surplus	"B"	6259.94	7322.05
		<u>15316.69</u>	<u>13826.55</u>
SHARE APPLICATION MONEY		10000.00	0
2. Deferred Tax Liability		1392.56	1134.55
3. Loan Funds	"C"	52064.25	36468.56
		<u>52064.25</u>	<u>36468.56</u>
	TOTAL:	<u>78773.50</u>	<u>51429.66</u>
(B) APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	"D"	44596.55	30893.09
Less: Depreciation		7938.65	5015.24
Net Block		<u>36657.90</u>	<u>25877.85</u>
Add: Capital WIP		27183.33	24094.24
		<u>63841.23</u>	<u>49972.09</u>
Goodwill		484.67	484.67
2. Investments	"E"	<u>312.00</u>	<u>312.00</u>
3. Current Assets Loans and Advances:			
(a) Sundry Debtors	"F"	11111.84	8124.67
(b) Inventories		11778.61	7349.28
(c) Cash and Bank Balances		339.70	284.83
(d) Loans and Advances		1423.48	2711.27
		<u>24653.63</u>	<u>18470.05</u>
Less: Current Liabilities & Provisions	"G"	<u>10559.25</u>	<u>17816.08</u>
NET CURRENT ASSETS		<u>14094.38</u>	<u>653.97</u>
Miscellaneous Expenditure (To the extent not adjusted or written off)	"G(C)"	41.22	6.92
	TOTAL:	<u>78773.50</u>	<u>51429.66</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS			
"N"			

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 6491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

ANNUAL REPORT 2009-2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST March, 2010.

	Schedules	AS ON 31.03.2010 (Rs. in Lacs)	AS ON 31.03.2009 (Rs. in Lacs)
(A) INCOME			
(a) Income from Operation	“H”	53979.98	48881.70
(b) Other Income	“I”	37.43	75.34
(c) Increase/(Decrease) in stock		321.01	1814.06
TOTAL:		<u>54338.42</u>	<u>50771.10</u>
 B. EXPENSES			
(a) Material and Goods Consumed	“J”	37688.61	36167.91
(b) Manufacturing Expenses	“K”	7564.12	6231.58
(c) Selling and Administrative Expenses	“L”	1234.38	1044.95
(d) Interest and Financial Charges	“M”	2153.14	1882.26
(e) Depreciation		3041.05	2368.81
(f) Miscellaneous Exp. Written off		5.70	1.70
TOTAL:		<u>51687.01</u>	<u>47697.22</u>
Profit/(Loss) before Taxation		2651.42	3073.88
Less: Provision For Taxation		455.34	355.55
Deferred Tax Liabilities		258.02	48.95
Profit after Tax		1938.06	2669.38
Profit/(Loss) B/F From Previous Year		1822.18	0
AMOUNT AVAILABLE FOR APPROPRIATION		<u>3760.24</u>	<u>2669.38</u>
APPROPRIATIONS			
Transfer to General Reserve		500.00	250.00
Proposed Dividend		382.84	510.45
Tax on Dividend		65.08	86.75
Profit/(Loss) Carried to Balance Sheet		<u>2812.32</u>	<u>1822.18</u>
		<u>3760.24</u>	<u>2669.38</u>

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES FORMING PART OF THE ACCOUNTS

“N”

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 6491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

SCHEDULE A TO N ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "A": SHARE CAPITAL		
AUTHORISED		
75,00,00,000 Equity Shares of Rs. 2/- each	15000.00	7000.00
(Previous year 35,00,00,000 Equity Shares of Rs. 2/- each)		
1400000 0.01% Redeemable non cumulative Preference Shares of Rs. 100/- each (of Subsidiary Company)	1400.00	1400.00
	<u>16400.00</u>	<u>8400.00</u>
ISSUED, SUBSCRIBED, & PAID UP		
38,28,37,500 Equity Shares of Rs. 2/- each	7656.75	5104.50
(Previous year 25,52,25,000 Equity Shares of Rs. 2/- each)		
1400000 0.01% Redeemable non cumulative Preference shares of Rs. 100/- each (of Subsidiary Company)	1400.00	1400.00
TOTAL:	<u>9056.75</u>	<u>6504.50</u>
SCHEDULE "B": RESERVES AND SURPLUS		
General Reserve		
As per last Balance Sheet	4295.87	4045.87
Add: Transfer From Profit & Loss Account	0.00	250.00
	4295.87	4295.87
Less: Amount transferred to Share Capital Account for issue of Bonus Share	2552.25	0.00
TOTAL (A)	<u>1743.62</u>	<u>4295.87</u>
SHARE PREMIUM		
Profit & Loss Account		
Opening Balances		
Less: Amount transferred to Share Capital Account for issue of Bonus Share	2812.32	1822.18
Add: Transferred from Profit & Loss	4016.32	1822.18
TOTAL: (B)	<u>4016.32</u>	<u>1822.18</u>
TOTAL (A+B)	<u>5759.94</u>	<u>7322.05</u>
SCHEDULE "C": LOAN FUNDS		
SECURED LOANS		
Term Loans		
(Secured by 1st charge over the fixed assets both movable and immovable and 2nd charge over the entire Current Assets and personal Guarantee of Director) (Due repayment within one year Rs. 2753.64 Lacs)	19744.04	14723.00
Interest Accrued and Due	211.33	153.97
Working Capital Loan		
Banks	12399.08	6788.96
Interest Accrued and Due	0.00	92.83
(Secured by first charge on all current assets & second charge on <i>pari passu</i> basis with other banks and personal guarantee of Director)		
TOTAL: A	<u>32354.45</u>	<u>21758.76</u>
UNSECURED LOANS		
Long Term		
From Corporates	19700.00	14700.00
From Others — Vinar & Co.	0.80	0.80
90, 7.75% Debenture of 10000/- each	9.00	9.00
TOTAL: B	<u>19709.80</u>	<u>14709.80</u>
GRAND TOTAL	<u>52064.25</u>	<u>36468.56</u>

ANNUAL REPORT 2009-2010

SCHEDULE "D": CONSOLIDATED FIXED ASSETS AS AT 31ST MARCH, 2010

(Rs. in Lacs)

SL. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AT COST AS ON 01-04-2009	ADDI-TION	DEDUC-TION	AS ON 31.3.2010	AS ON 01-04-2009	DURING THE YEAR	WRITTEN BACK	UPTO 31.03.10	AS ON 31.03.10	AS ON 31-03-2009
1.	LAND & BUILDING	660.67	0.00	0	660.67	0	0	0	0	660.67	660.67
2.	LAND	23.10	0	0	23.10	0	0	0	0	23.10	23.10
3.	LAND AND SITE DEVELOPMENT	838.00	20.00	0	858.00	0	0	0	0	858.00	838.00
4.	PLANT & MACHINERY	19955.74	12163.46	525.63	31593.57	4466.93	2690.54	117.66	7039.81	24553.76	15488.81
5.	BUILDING	9280.27	2045.63	0	11325.90	527.99	341.29	0.00	869.28	10456.62	8752.28
6.	FURNITURE & FIXTURES	114.55	0.00	0	114.55	12.10	7.25	0.00	19.35	95.20	102.45
7.	MOTOR VEHICLE	20.76	0	0	20.76	8.24	1.97	0.00	10.21	10.55	12.52
		30893.09	14229.09	525.63	44596.55	5015.26	3041.05	117.66	7938.65	36657.90	25877.83
	CAPITAL WORK IN PROGRESS	24094.24	17298.19	14209.09	27183.33	0.00	0.00	0.00	0.00	27183.33	24094.24
	TOTAL	54987.33	31527.28	14734.72	71779.89	5015.26	3041.05	117.66	7938.65	63841.23	49972.07
	PREVIOUS YEAR	39211.99	15775.34	0.00	54987.33	2646.43	2368.81	352.96	5015.24	49972.09	36565.56

**As At
31.03.2010
(Rs. in Lacs)**

**As At
31.03.2009
(Rs. in Lacs)**

SCHEDULE "E": INVESTMENTS

ASAHI FIBRES LTD. (32225870 SHARES OF Rs. 1/- EACH)
PULGOAN COTTON MILLS (100% SHARE HOLDING)
REALTIME PROPERTIES LIMITED (100% SHARE HOLDING)

312.00
0.00
0.00

312.00
0.00
0.00

TOTAL:

312.00

312.00

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "F": CURRENT ASSETS, LOAN AND ADVANCES		
(A) CURRENT ASSET		
1. Sundry Debtors (Unsecured considered good)		
(a) Debtors exceeding 6 Months	73.65	15.60
(b) Others	11038.19	8109.07
TOTAL:	<u>11111.84</u>	<u>8124.67</u>
2. Inventories		
Raw material	6910.63	2936.55
Finished Goods	3150.19	2829.18
Stock in Process	1660.52	1544.92
Stores, Spares, Packing materials, fuel, etc., and non moving items	57.27	38.63
TOTAL:	<u>11778.61</u>	<u>7349.28</u>
3. Cash & Bank Balance		
Cash in Hand	20.71	12.99
Balance with Banks		
Current Accounts	243.99	195.25
Fixed Deposits (Pledge with bank)	75.00	76.59
TOTAL:	<u>339.70</u>	<u>284.83</u>
B. LOANS & ADVANCES		
(Recoverable in cash or kind or for value to be received)	902.71	876.40
Sundry Deposits	17.58	17.58
Tax deducted at Source	0.21	0.21
Subsidy Receivable	502.97	1817.08
TOTAL:	<u>1423.46</u>	<u>2711.27</u>
GRAND TOTAL:	<u>24653.62</u>	<u>18470.05</u>
SCHEDULE "G": CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
1. SUNDRY CREDITORS		
For Goods	429.45	486.68
For Project creditors	309.72	0.00
For Expenses and Other Liabilities	8916.81	16164.89
	<u>9655.98</u>	<u>16651.57</u>
(B) PROVISIONS		
Provision for Taxation	455.34	567.31
Proposed Dividend	382.84	510.45
Tax on Dividend	65.08	86.75
	<u>903.26</u>	<u>1164.51</u>
TOTAL:	<u>10559.23</u>	<u>17816.08</u>
(C) MISCELLANEOUS EXPENDITURE		
(To the extent not adjusted or written off)		
Differed Revenue Expenditure	46.92	8.62
Less: W/O. during the year.	5.70	1.70
	<u>41.22</u>	<u>6.92</u>

ANNUAL REPORT 2009-2010

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "H": INCOME FROM OPERATIONS		
Sales	53979.98	48881.70
	53979.98	48881.70
 SCHEDULE "I": OTHER INCOME		
Other Income	36.23	74.14
Rent Received	1.20	1.20
	37.43	75.34
 SCHEDULE "J": MATERIALS AND GOODS CONSUMED		
Opening Stock: Raw Material	2936.55	1366.27
Stock in Process	1544.92	558.61
	4481.47	1924.88
Add: Purchases	41778.29	38724.50
	46259.76	40649.38
Less: Closing Stock: Raw Material	6910.63	2936.55
Stock in Process	1660.52	1544.92
	8571.15	4481.47
Material & Goods Consumed	37688.61	36167.91
Increase in stock of finished Goods		
Closing Stock	3150.19	2829.18
Opening Stock	2829.18	1015.12
	321.01	1814.06
 SCHEDULE "K": MANUFACTURING EXPENSES		
Labour Charges	2663.23	2346.41
Power & Fuel Expenses	3436.41	2773.76
Repair & Maintenance to Building	30.69	28.90
Repair & Maintenance to Plant & Machinery	83.25	53.60
Spares, consumable & Packing Material	1350.54	1028.91
	7564.12	6231.58

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

	As At 31.03.2010 (Rs. in Lacs)	As At 31.03.2009 (Rs. in Lacs)
SCHEDULE "L": SELLING & ADMINISTRATIVE EXPENSES		
Salaries and Bonus	180.90	144.65
Staff Welfare Expenses	19.13	12.21
Electricity Charges	34.95	32.65
General Expenses	69.47	46.10
Insurance	24.51	20.23
Repairs and Maintenance to others	30.38	33.31
Postage and Telegram	45.92	37.78
Registration and Filing Fees	13.70	12.37
Auditors Remuneration	1.30	1.30
Rent, Rates and Taxes	40.31	39.03
Listing Fees	0.54	0.54
Consultancy Charges	6.00	9.00
Legal and Professional Charges	26.90	24.39
Conveyance/Travelling Expenses	102.73	85.77
Advertisement Expenses	20.34	17.60
Printing and Stationery	76.04	62.02
Transportation/Carriage Outward	103.25	97.63
Discount and Commission	287.33	241.58
Sales and Business Promotion Expenses	76.45	63.53
Director Sitting Fees	6.00	1.70
Director Remuneration	1.70	6.00
Telephone Charges	46.07	39.38
Motor Car Expenses	20.45	16.17
TOTAL:	1234.38	1044.94
SCHEDULE "M": INTEREST AND FINANCIAL CHARGES		
Interest for		
Term Loan	928.30	1231.09
Cash Credit	1194.56	576.80
Bank and Processing Charges	30.28	74.37
TOTAL:	2153.14	1882.26

SCHEDULE FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 'N'

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH, 2010

1. (a) **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.

(b) **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

(c) **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

(d) **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.

(e) **INVENTORIES**

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

NOTES ON ACCOUNTS TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

1. 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%
Real Time Properties Ltd.	India	100%

The Company has invested Rs. 523.53 Lacs to acquire 100% equity of

Pulgaon Cotton Mills Limited located at Pulgaon. As at 31st March, 2010 the Company has Total Reserve of Rs. NIL and total Accumulated Losses were 2253.32 Lacs. And The Company has invested Rs. 5.00 Lacs to acquire 100% equity of Realtime Properties Limited located at Vapi. As at 31st March, 2010 the Company has Total Reserve of Rs. 311.15 Lacs

The necessary adjustments in consolidated accounts are made in accordance with the Accounting Standard- 21 "Consolidated Financial Statement" and Goodwill of Rs. 484.67 Lacs recognized on such consolidation.

2. The Company has two business segment namely "Textiles" and "Real Estate", hence segment reporting as required under AS-17 issued by ICAI and made mandatory w.e.f. 1/04/2001 for certain business enterprises is applicable in case of company. The segment wise details are as under:

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

(Rs. in Lacs)

Sl. No.	Particulars	Year Ended 31st March, 2010 Audited	Year Ended 31st March, 2009 Audited
1.	Segment Revenue		
	Textile	53981.18	48923.35
	Real Estate	36.23	33.69
	Total	54017.41	48957.04
2.	Segment Results		
	Real-Estate	-909.09	24.95
	Textile	2625.14	3048.93
	Profit Before Tax	1716.05	3073.88
	Less:		
	Provision for taxation	446.41	355.55
	Deferred Tax Liabilities.	258.02	48.95
	Total Profit After Tax	1011.62	2669.38
3.	Capital Employed		
	Real-Estate	18318.55	11819.57
	Textile	59935.22	40207.29
	Total	78253.77	52026.86
3.	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)		Rs. 1011.62
	ii) Weighted Average No. of Equity shares outstanding at the end of the year		382837500
	iii) Basic and Diluted Earning per share of Rs. 2- each		Rs. 0.26
4.	Figures of previous year have been re-grouped/re-arranged wherever necessary.		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 6491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

ANNUAL REPORT 2009-2010

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

	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ACTIVITIES	2651.42	3073.88
Adjustment for Non Cash Charges		
Depreciation & Amortisation	3046.75	2370.51
Other Income	37.43	75.34
Interest (Net)	2153.14	1882.26
	<u>7888.74</u>	<u>7401.99</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		
Adjustment for:	0	0
Trade and Other Receivables	-1699.38	-5517.35
Inventories	-4429.33	-4409.28
Trade Payable	-6995.59	13624.08
CASH GENERATED FROM OPERATION	-5235.54	11099.44
Direct taxes paid	-567.31	-993.13
	<u>-5802.85</u>	<u>10106.31</u>
NET CASH FROM OPERATING ACTIVITIES		
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed assets	-16910.22	-15775.34
Sale of Fixed Assets	0	0
Purchase of Investments/Goodwill	0	0
Dividend and Other Income received	-37.43	-75.34
Increase/Decrease in Miscellaneous Expenditure	-40.00	-8.40
NET CASH USED IN INVESTING ACTIVITIES	<u>-16987.65</u>	<u>-15859.08</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Share Capital	0.00	2604.00
Interest Paid	-2153.14	-1882.26
Total Proceeds from borrowing	15595.69	5653.73
Share Application Money	10000.00	0.00
Dividend paid	-597.20	-597.20
NET CASH FROM FINANCING ACTIVITIES	<u>22845.35</u>	<u>5778.27</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	54.87	25.49
CASH AND CASH EQUIVALENTS (Opening Balance)	284.83	259.34
CASH AND CASH EQUIVALENTS (Closing Balance)	<u>339.70</u>	<u>284.83</u>
	54.87	25.49

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-

A.F. KHASGIWALA
Partner
Membership No. 6491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

AUDITORS CERTIFICATE

We have examined the attached consolidated cash flow statement of Jaybharat Textiles and Real Estate Ltd. For the year ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreement Clause 32 with various Stock Exchanges and is based on and is in Agreement with the corresponding Profit and Loss account and Balance Sheet of the Company by our report to the members of the Company.

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

Sd/-

A.F. KHASGIWALA
Partner
Membership. No. 006491
Place: Mumbai
Date: 21/05/2010

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV OF THE SCHEDULE VI TO THE COMPANIES ACT, 1956

(Rs. in Lacs)

REGISTRATION DETAILS

Registration No. : L99999GJ1988PLC011553 State Code : 04
Balance sheet Date : 31.03.2010

CAPITAL RAISED DURING THE YEAR (In Lacs)

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

POSITION TO THE MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities : 78773.50 **Total Assets** : 78773.50

SOURCE OF FUNDS

Paid-up Capital : 9056.75 Secured Loans : 32354.45
Reserves & Surplus : 6259.94 Unsecured Loans : 19709.80
Minority Interest : Nil Deferred Tax liability : 1392.56

APPLICATION OF FUNDS

Net Fixed Assets : 63841.23 Investments : 312.00
Net Current Assets : 14094.38 Misc. Expenditure : 41.22
Goodwill : 484.67

PERFORMANCE OF COMPANY

Turnover : 54300.99 Other Income : 37.43
Total Expenses : 51687.00 Profit/(Loss) before Tax : 2651.42
Profit/(Loss) after Tax : 1938.06 Earning Per Share (In Rs.) : 0.76
Dividend Rate % : 5%

General Names of Principal Product/Trading

Item Code No. (ITC Code)

Product description Cotton yarn

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Sd/-
A.F. KHASGIWALA
Partner
Membership No. 6491

Sd/-
Chairman

Sd/-
Managing Director

Place: Mumbai
Date: 21/05/2010

ANNUAL REPORT 2009-2010

ATTENDANCE SLIP

JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Registered Office: Village Salvav, Taluka Pardi, Near Vapi, Dist. Valsad, Gujarat - 396191
(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

TWENTY-FIFTH ANNUAL GENERAL MEETING

Member's Name (in capital letters)

Folio No. No. of Shares Held

DP ID*	
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Client ID*	
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I hereby record my presence at the Twenty-fifth Annual General Meeting of the Company being held on Saturday, 17th July, 2010 at 11.00 a.m. at Village Salvav, Taluka Pardi, Near Vapi, Dist. 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 Salvav, Taluka Pardi, Near Vapi, Dist. Valsad, Gujarat - 396191

DP ID*	
--------	--

Regd. Folio No.	
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Client ID*	
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I/We

of

being a member/members of the Company, hereby appoint

of

or failing him of in the District of

as my/our Proxy to vote for me/us on my/our behalf at the Twenty-fifth Annual General Meeting of the Company to be held on Saturday, 17th July, 2010 at 11.00 a.m. or at any adjournment thereof.

Signed this Day of 2010

Affix
Re. 1/-
Revenue
Stamp

* 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 48 hours before the meeting.

.....
Signature of Member(s)

AS PER SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) MANDATE, THE SECURITIES OF YOUR COMPANY ARE TO BE TRADED ONLY IN DEMAT FORM W.E.F. 8TH MAY, 2000, FOR ALL THE INVESTORS. MEMBERS ARE, THEREOF, REQUESTED TO COMPLETE ALL FORMALITIES FOR CONVERSION OF THEIR SHARES FROM PHYSICAL TO ELECTRONIC FORM.