



# JAYATMA INDUSTRIES LIMITED

Regd. Office : 259, 3rd Floor, New Cloth Market, O/s Raipur Gate, Ahmedabad-380 002, Gujarat. (INDIA) Tel. : +91-79-22167030/40/41  
Email : info@jayatmaindustries.com • Website : www.jayatmaindustries.com • CIN : L17110GJ1983PLC006462

Date: 3<sup>rd</sup> September, 2020

To,  
The Listing Department,  
BSE Limited,  
P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

**Subject: Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref.: Jayatma Industries Limited;**

**Scrip Code: 531323**

This is with reference to the captioned subject, please find herewith the Annual Report of the Company for the Financial Year 2019-20 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly consider the same and take on record.

For and on behalf of,  
Jayatma Industries Limited,

  
Charvi Nayani,  
Company Secretary.

Encl.: As above.



# JAYATMA INDUSTRIES LIMITED

(FORMERLY KNOWN AS "SANTARAM SPINNERS LIMITED")

## 36TH ANNUAL REPORT 2019-20

### Regd. Office

259, 3rd Floor, New Cloth Market,  
Outside Raipur Gate,  
Ahmedabad - 380002,  
Gujarat, India.

CONTENTS

Corporate Information.....	1
Notice .....	3
Directors' Report .....	6
Management Discussion and Analysis Report .....	23
Independent Auditors' Report .....	25
Balance Sheet .....	31
Profit & Loss Statement .....	32
Cash Flow Statement .....	33
Notes forming part of the Accounts.....	35

CORPORATE INFORMATION

**Board of Directors:**

Mr. Nirav K. Shah  
Mr. Janak G. Nanavaty  
Ms. Toshi B. Mehta  
Mr. Rajan P. Parikh  
Mr. Fenil R. Shah

Chief Executive Officer & Director  
Chairman & Independent Director  
Non Executive Director  
Independent Director  
Independent Director

**Chief Financial Officer**

Mr. Mayank C. Thaker

**Company Secretary**

Ms. Charvi Nayani

**Registered Office:**

259, 3<sup>rd</sup> Floor, New Cloth Market,  
Outside Rajpur Gate,  
Ahmedabad – 380002

**Corporate Office:**

1, Laxmi Nagar Society,  
Naranpura,  
Ahmedabad – 380013

**Works:**

Survey No. 1433,  
Near Rajpur Bus Stand,  
Ta.: Kadi, Dist.: Mehsana  
Gujarat

**Contact us:**

www.jayatmaindustries.com  
[cs@jayatma.com](mailto:cs@jayatma.com)  
(079) 22167030/40

**Bankers:**

Union Bank of India  
Punjab National Bank

Nutan Nagarik Sahakari Bank Ltd.  
State Bank of India

**Auditors:**

M/s. Keyur Bavishi & Co.  
Chartered Accountants,  
C-202, 2<sup>nd</sup> Floor, Indraprastha Tower,  
Nr. Drive in Cinema,  
Drive in road,  
Ahmedabad – 380052

**Secretarial Auditor:**

M/s. Patel & Associates,  
Practicing Company Secretaries,  
16, Arasuri Society,  
Nr. Vyasvadi,  
Nava Vadaj,  
Ahmedabad – 380013

**Registrar & Share Transfer Agent:**

Purva Sharegistry (India) Private Limited  
(Mumbai Office)  
Unit No. 9, Ground floor, Shiv Shakti Ind. Estt., J. R. Boricha Marg,  
Lower Parel (East),  
Mumbai – 400 011  
Tel.: (022) 2301 2518 / 6761  
[support@purvashare.com](mailto:support@purvashare.com)

**COMPOSITION OF COMMITTEES OF THE COMPANY:**

**1. Audit Committee:**

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Janak G. Nanavaty	Chairman
Mr. Nirav K. Shah	Member
Mr. Fenil R. Shah	Member
Rajan P. Parikh	Member

**2. Nomination & Remuneration Committee:**

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Fenil R. Shah	Chairman
Janak G. Nanavaty	Member
Rajan P. Parikh	Member

**3. Stakeholder Relationship Committee:**

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Janak G. Nanavaty	Chairman
Rajan P. Parikh	Member
Mr. Fenil R. Shah	Member

**NOTICE**

NOTICE is hereby given that the 36<sup>th</sup> Annual General Meeting of the Members of Jayatma Industries Limited (formerly known as "Santaram Spinners Limited") will be held as scheduled below:

Date : 26<sup>th</sup> September, 2020

Day : Saturday

Time : 09.00 A.M.

Place : 259, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380002

to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2020 and the Balance Sheet as on that date along with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Toshi Bipinchandra Mehta (DIN: 08438628), who retires by rotation and, being eligible, offers herself for re-appointment.

Date: 31st August, 2020

Place: Ahmedabad

By order of the Board of Directors

Sd/-

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336

**NOTES:**

1. The 36<sup>th</sup> Annual General Meeting (AGM) is being held through video conferencing / other audio visual means (VC) in accordance with the procedure prescribed in circular number 20/2020 dated May 05, 2020 read with circular number 14/2020 dated April 08, 2020 and circular number 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (the e-AGM Circulars). The Members can attend the AGM through VC by following instructions given in note number 12 of the Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the Registered Office of the Company at 259, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380002, Gujarat, India. Keeping in view the guidelines to fight COVID-19 pandemic, the members are requested to attend the AGM from their respective locations by VC and do not visit the registered office to attend the AGM.
2. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing / other audio visual means, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and/or vote.
3. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2020 are annexed/attached herewith.
4. Electronic copy of the Annual Report for F.Y 2019-20 including the Notice which includes the process and manner of attending the Annual General Meeting through video conferencing / other audio visual means, and e-voting is being sent to all the Members whose e-mail address are registered with the Company/Depository Participants.
5. Printed copy of the Annual Report (including the Notice) is not being sent to the Members in view of the e-AGM circulars.
6. The Members who have not registered their e-mail addresses are requested to register them with the Company to receive e-communication from the Company. For registering e-mail address, the Members are requested to follow the below steps:
  - i. Members holding shares in physical mode are requested to provide name, folio number, mobile number, e-mail address, scanned copies of Share Certificate(s) (both sides). Self-attested PAN and Aadhar Card through e-mail on [cs@jayatma.com](mailto:cs@jayatma.com) and/or [support@purvashare.com](mailto:support@purvashare.com);
  - ii. Members holding shares in dematerialized mode are requested to provide name, Depository Participant ID and Client ID, mobile number, e-mail address, scanned copies of self-attested client master or Consolidated Account statement through e-mail on [cs@jayatma.com](mailto:cs@jayatma.com) and/or [support@purvashare.com](mailto:support@purvashare.com).
7. The Members may also note that the Notice of the Annual General Meeting and the Annual Report for F.Y 2019-20 will also be made available on the website of the Company, [www.jayatmaindustries.com](http://www.jayatmaindustries.com) which can be downloaded.
8. The Members desiring any information related to the accounts or have any questions, are requested to write to the Company on [cs@jayatma.com](mailto:cs@jayatma.com) at least seven days before the date of AGM so as to enable the Management to keep the information ready and provide it at the AGM.

9. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the e-AGM circulars, the Company is pleased to provide to the Members facility to attend the Annual General Meeting (AGM) through video conferencing / other audio visual (VC), exercise their right to vote at the AGM by electronic means and the business will be transacted through remote e-voting prior to and during the AGM.
10. The remote e-voting period commences on September 23, 2020 (at 9:00 am) and ends on September 25, 2020 (at 5:00 pm). During this period, the Members holding shares either in physical form or in Demat form, as on the cut-off date of September 19, 2020, may cast their votes electronically. The remote e-voting module will be disabled by NSDL for voting after the said period. Once the votes on a resolution are cast by the Members, no change will be allowed subsequently. Only the Members who have not cast their votes through remote e-voting may cast their votes during the AGM by attending the AGM through VC by following the aforesaid process.
11. The voting rights of the Members will be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of September 19, 2020.
12. The instructions for remote e-voting are as under:  
The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:  
**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**  
**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID <b>For example</b> if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID <b>For example</b> if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company. <b>For example</b> if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home Page of e-Voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cshintanpatel@gmail.com](mailto:cshintanpatel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

13. At the ensuing Annual General Meeting, Mrs. Toshi Bipinchandra Mehta retires by rotation and being eligible, offers herself for re-appointment. The information or details required as per Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are as under:

Name	Mrs. Toshi Bipinchandra Mehta
Date of Birth	20/12/1984
Qualification	Master of Arts – Psychology & Sociology; MBA – Human Resource Management
Directorship in Other Companies	1 – Jayatma Enterprises Limited
Membership in Committees of Other Companies	0 (Zero)
Relationship with other Directors	None
Number of Shares held in the Company	0 (Zero)

**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the shareholders from the Company's website i.e. [www.jayatmaenterprises.com](http://www.jayatmaenterprises.com). To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses as per the instructions given in Note Number 6 of this Notice subject as 'E-mail for Green Initiative' mentioning their Folio No./Client ID. Members holding shares in electronic form may register/update their e-mail addresses with the Depository through their concerned Depository Participant(s).

Date: 31st August, 2020

Place: Ahmedabad

By order of the Board of Directors

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336

**DIRECTORS' REPORT**

Dear Members,

We have pleasure in presenting the 36<sup>th</sup> Annual Report of the Company along with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2020. The financial results for the year are shown below.

**1. FINANCIAL RESULTS:**

	<b>(Rs. in lakhs)</b>	
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Total Revenue (including other income)	11661.21	15136.45
Total Expenditure (including Finance Cost & Depreciation)	11646.77	(15074.86)
Profit/(loss) before exceptional & extraordinary item & Tax.	<b>14.44</b>	<b>61.59</b>
Exceptional Item	0.00	0.00
Profit/(loss) before extraordinary item & Tax	<b>14.44</b>	<b>61.59</b>
Extraordinary Item	0.00	0.00
Profit/(loss) before Tax	<b>14.44</b>	<b>61.59</b>
Tax expense	(9.37)	(11.03)
Net profit/(loss) after tax for the year	<b>18.41</b>	<b>50.56</b>
Add: Balance brought forward from Previous year	113.11	62.55
Less : Adjustment for Transitional Depreciation for the year	0.00	0.00
Less : Investment revaluation Reserve	0.00	0.00
Balance carried to next year	<b>131.52</b>	<b>113.11</b>

**2. FINANCIAL / OPERATIONAL PERFORMANCE:****Revenue from operations (gross):**

- The Company has achieved total revenue of Rs. 11661.21 lakhs during the financial year 2019-2020 out of which Rs. 11646.77 lakhs is derived from operations and Rs. 14.44 lakhs is derived from other sources.
- In the previous year the net operating profit (profit before tax) of the company was Rs. 61.59 lakhs. Against that, during the year under reference the company has achieved net profit (profit before tax) of Rs. 14.44 lakhs.
- Previous year the net operating profit after tax of the company was Rs. 50.56 lakhs. During the year the company has earned net profit (profit after tax) of Rs. 18.41 lakhs against the net profit (profit after tax) which renders to the increase of 128.94% net profit (profit after tax) as compared to previous year.

**3. DIVIDEND:**

Since the Company needs to plough back the profits for the future development and expansion, hence the Board of Directors has not recommended any dividend for the financial year 2019-20.

**4. SHARE CAPITAL:**

During the year under review the Company has not issued any shares. The total paid up capital of the company at the end of financial year 2019-2020 stood Rs. 6,15,30,000/- (Rupees Six Crores Fifteen Lakh Thirty Thousand) consisting of fully paid up 61,53,000 (Sixty One Lakh Fifty Three Thousand) equity shares of Rs.10/- each.

**5. ANNUAL RETURN**

The extract of Annual Return pursuant to the provision of section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2019-20 in Form MGT - 9 is annexed hereto and form part of this report as **Annexure – II**.

**6. AUDITORS AND AUDITORS' REPORT:****Statutory Auditor:**

M/s. Keyur Bavishi & Co., Chartered Accountants, statutory auditors of the Company has carried out the statutory Audit and submitted its report for the financial year ended on March 31, 2020. There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

**Secretarial Auditor:**

M/s Patel & Associates, Company Secretary in Practice, were reappointed as Secretarial Auditors of the company by the Board to carry out Secretarial Audit for the Financial Year 2020-2021. The Secretarial Auditors of the Company have submitted their Report in form No. MR - 3 as required under section 204, of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March 2020. This Report is self-explanatory and requires no comments. The Secretarial Audit Report forms part of this report as **Annexure - IV**.

**7. SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.



**8. REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

**9. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:**

There are no companies which have become or ceased to be Company's Subsidiaries, Joint ventures or Associate companies.

**10. CORPORATE GOVERNANCE REPORT:**

The Company is exempt under Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with, Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Hence, Annual Report 2019-20 does not contain the Corporate Governance Report. Further, as and when the company falls under the applicability to provide Corporate Governance Report, the company will comply with the same. Refer **Annex – III** attached herewith.

**11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. The Company ensures adherence to all internal control policies and procedures as well as compliances with all regulatory guidelines. The Audit Committee of the Board of Directors reviews the adequacy of internal controls from time to time.

A report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 is annexed to Independent Audit Report on Financial Statement as **Annexure B**.

**12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

**13. BOARD OF DIRECTORS:**

Name of Director	Category
Mr. Nirav K. Shah	CEO & Director
Mr. Fenil R. Shah	Independent Director*
Mr. Janak G. Nanavaty	Chairman & Independent Director*
Mr. Rajan P. Parikh (Appointed on 22.04.2019)	Independent Director*
Mrs. Toshi B. Mehta (Appointed on 22.04.2019)	Non-Executive Director*

\* Mr. Fenil R. Shah, on completion of his first tenure of 5 consecutive years, has been reappointed as Independent Director for second tenure of 5 consecutive years by the Shareholders of the Company in the 25th Annual General meeting conducted on 21st September, 2019

\* Mr. Pareshbhai R. Shah served as an Independent Director since 2002 tendered his resignation from the post of Independent Director due to personal reasons and the same was accepted with the effect from 22.04.2019.

\* Mr. Janak G. Nanavaty, on completion of his first tenure of 5 consecutive years, has been reappointed as Independent Director for the second tenure of 5 consecutive years on by the Shareholders of the Company in the 25th Annual General meeting conducted on 21st September, 2019. The Board has appointed him as Chairman along with his current designation of Independent Director.

\* Mr. Rajan P. Parikh who had been appointed as Additional Independent Director with effect from 22.04.2019. Appointment was appointed as Additional Director by the Shareholders of the Company in the 35th Annual General meeting conducted on 21st September, 2019.

\* Mrs. Toshi B. Mehta who was appointed as Additional Non-Executive Director with effect from 30.04.2019 was appointed as Non-Executive Director by the Shareholders of the Company in the 35th Annual General meeting conducted on 21st September, 2019.

**14. NUMBER OF MEETINGS AND ATTENDANCE:**

The Company sends notice of meetings of the Board well in advance so as to allow the Directors to block their calendars. There were four meetings of the board viz. 14.05.2018, 10.08.2018, 24.10.2018, 09.02.2019, held during the year, details which is required pursuant to section 134(3)(b) of the Companies Act, 2013 are given as under:

Name of director	No. of Board meetings attended	Whether attended AGM held on 21.09.2019
	4	Y
Mr. Nirav K Shah	4	Y
Mr. Fenil R Shah	4	Y
Mr. Rajan P. Parikh	4	N
Mr. Janak G Nanavaty	4	Y
Mrs. Toshi B. Mehta	3	N

**15. COMPOSITION OF COMMITTEES AND ATTENDANCE:****A. AUDIT COMMITTEE:**

Pursuant to provisions of Section 177 of the Companies act 2013, during the year under review, 4 meetings were held on 22<sup>nd</sup> April, 2019, 4<sup>th</sup> May, 2019, 5<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 & 7<sup>th</sup> February, 2020. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Mr. Janak G Nanavaty	Chairman	4
Mr. Nirav K Shah	Member	4
Mr. Fenil R Shah	Member	4
Mr. Paresh R Shah	Member	4

**B. NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to provision of section 178 (1) of the Companies act 2013, The nomination and remuneration Committee met twice in the financial year 2019-2020 i.e on 22<sup>nd</sup> April, 2020 and on 7<sup>th</sup> February, 2020. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Mr. Janak G Nanavaty	Chairman	2
Mr. Rajan Parikh	Member	1
Mr. Fenil R Shah	Member	2
Mr. Paresh R. Shah	Member	1

**C. STAKEHOLDER RELATIONSHIP COMMITTEE :**

Pursuant to provision of section 178 (5) of the Companies act 2013, during the year under review, 4 meetings were held on 14.05.2018, 10.08.2018, 24.10.2018 & 09.02.2019. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Mr. Janak G Nanavaty	Chairman	4
Mr. Nirav K Shah	Member	4
Mr. Fenil R Shah	Member	4

**A. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have not been able to meet during the year 2019-2020, however subsequent to the announcement made by Union Finance and Corporate Affairs Minister, Mrs. Nirmala Sitharaman on March 24th, 2020 through a circular dated March 24th, 2020, in case the independent directors of a company fail to hold at least one meeting without the attendance of non-independent directors and members of management in the year 2019-20, as required under Schedule 4 to the Act, the same shall not be viewed as a violation under the Act. The paid up share capital of the Company being less than Rs. 10 crore and net worth being less than Rs. 25 crore, the Corporate Governance Provisions as mentioned in Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V does not apply.

**16. DIRECTORS' RESPONSIBILITY STATEMENT;**

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in relation to financial statements for the year 2018-19, the Board of Directors state that:

- (a) In the preparation of Annual Accounts for the period ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit/Loss of the Company for the year ended 31<sup>st</sup> March, 2019.
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 on a going concern basis.
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 17. RELATED PARTY TRANSACTION;

There were no materially significant related party transactions entered into between the Company, Directors, management or their relatives. Hence, disclosure in Form AOC-2 is not provided. All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2019-20 were in ordinary course of business and on arm's length basis as disclosed in the financial statements. The details of related party disclosure form a part of notes to the financial statements provided in the annual report.

#### 18. DECLARATION AS TO INDEPENDENT DIRECTORS PURSUANT TO PROVISIONS OF SECTION 134(3)(d) READ WITH SECTION 149(6) OF THE COMPANIES ACT 2013;

All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

- (a) All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.
- (b) (i) Independent Directors are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (ii) Independent Directors are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (c) Independent Directors have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- (e) That Independent Directors, neither himself, nor any of his relatives,
  - i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed, of –
    - (A) A firm of auditors or Company Secretaries in Practice or Cost Auditors of the company or its holding, subsidiary or associate company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to 10% or more of the gross turnover of such firm;
  - iii. holds together with his relatives less than 2% or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, or any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- (f) Independent Directors possess such other qualifications as may be prescribed.

#### 19. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020;

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration to each Director and Key Managerial Personnel, etc. more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given as under;

Name of Director and KMP	Designation	Performance of the Company
Mr. Nirav K Shah	CEO and Director *	Profit before tax of the company decreased from Rs. 61.59 lakh as on March 31, 2019 to Rs. 14.44 lakh as on March 31, 2020. The Profit after tax decreased from Rs. 50.56 lakh to Rs. 18.41 lakh.
Mr. Fenil R Shah	Independent Director	
Mr. Janak G Nanavaty	Independent Director	
Mr. Rajan Parikh	Independent Director	
Ms. Toshi Mehta	Non-Executive Director	

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company:  
Total Remuneration: Nil  
Remuneration, Allowances and Reimbursement to KMP:  
(a) Remuneration to Company Secretary : Rs. 2,97,696.  
(b) Remuneration to Chief Financial Officer : Rs. 5,84,301  
Sitting Fees paid to Independent Directors: Rs. 32,500.00
- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: NIL
- III. The Percentage (%) increase in the median remuneration of employees: 5%
- IV. Number of permanent Employees on the rolls of Company: 6
- V. Relationship between average increase in remuneration and company performance: The increase in the remuneration is determined based on the performance by the employee of the company.
- VI. The Market Capitalisation of the Company as at 31<sup>st</sup> March 2020 is 419.860 lakhs against Rs. 1102.13 lakhs as at 31<sup>st</sup> March 2019. There was a variation of Rs. 682.27 lakhs.
- Price Earnings Ratio:
- | As on                           | Market Value per Shares (P) | Earnings Per Share (E) | P/E Ratio |
|---------------------------------|-----------------------------|------------------------|-----------|
| 31 <sup>st</sup> of March, 2020 | Rs. 6.80                    | 0.30                   | 22.67     |
| 31 <sup>st</sup> of March, 2019 | Rs. 17.85                   | 0.82                   | 21.77     |
- VII. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NOT APPLICABLE as there was no increase in the managerial remuneration.
- VIII. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: The Remuneration of KMP is given in point (I).
- IX. The key parameters for any variable component of remuneration availed by the directors: Directors are paid sitting fees only. Components for the Sitting fees are variable. Sitting fee depends upon ones attendance of the meeting. The Key parameters therefore are as envisaged under the Companies Act.
- X. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and No employee is receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.
- XI. Affirmation that the remuneration is as per the remuneration policy of the company. All remuneration of the Employees and directors are decided by the Nomination & Remuneration Committee and by the Board of Directors within the organization.

## 20. FORMAL ANNUAL EVALUATION PROCESS BY BOARD PURSUANT TO SECTION 134(3)(p);

The Company has in place a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated).

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**21. RISK MANAGEMENT:**

The Company was already having a risk management system to identify, evaluate and minimize the Business risks. The Company during the year had formalized the same by formulating and adopting Risk Management Policy. This policy intends to identify, evaluate, monitor and minimize the identifiable risks in the organization.

**22. COMMISSION:**

None of the Directors are receiving Commission from the company.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

As Company does not come under the ambit of 135 of the Companies Act, 2013 and Rules of Companies (Corporate Social Responsibility policy), 2014, Company has not formed Corporate Social Responsibility Committee and hence Rule 9 of Companies (Accounts) Rule, 2014 regarding disclosure of contents of Corporate Social Responsibility Policy is not applicable to the Company.

**24. PARTICULARS OF EMPLOYEES:**

Pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with The Companies Act, 2013, it is hereby informed that none of the employees of the Company was in receipt of remuneration of Rs.5 lakhs per month or Rs. 60 lakhs per annum during the year under review.

**25. DEPOSITS:**

During the year under review, the Company had not accepted any deposit from public during the year.

**26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of investments made and loans advanced by the company have been given in note to the Financial Statement. The Company has not given any Guarantee pursuant to the provision of Section 186 of the Companies Act, 2013.

**27. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. This mechanism provides safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy/vigil mechanism has been appropriately communicated to the employees within the organization and has been put on the Company's website [www.jayatmaindustries.com](http://www.jayatmaindustries.com).

**28. SAFETY, HEALTH AND ENVIRONMENT:**

- (a) Safety: The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analyzed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.
- (b) Your company attached importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.
- (c) Environment: Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company.

**29. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All Board Directors and the designated employees have confirmed compliance with the Code.

**30. INDEPENDENT DIRECTORS' MEETING:**

The Independent Directors of the Company have not been able to meet during the year 2019-2020, however subsequent to the announcement made by Union Finance and Corporate Affairs Minister, Mrs. Nirmala Sitharaman on March 24th, 2020 through a circular dated March 24th, 2020, in case the independent directors of a company fail to hold at least one meeting without the attendance of non-independent directors and members of management in the year 2019-20, as required under Schedule 4 to the Act, the same shall not be viewed as a violation under the Act. The paid up share capital of the Company being less than Rs. 10 crore and net worth being less than Rs. 25 crore, the Corporate Governance Provisions as mentioned in Regulation 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V does not apply.

**31. IMPACT OF COVID-19 UPON THE COMPANY:**

The spread of COVID-19 pandemic and the resultant nationwide lockdown from March 23, 2020 had disrupted the business operations of the Company. The Company were temporarily shut down. The Company partially re-opened the same in a phased

manner in accordance with the directives issued by the Ministry of Home Affairs, Government of India and various State Governments where certain restrictions were eased.

**32. LISTING:**

The Equity shares of the company are listed on BSE Limited and Company has paid Annual Listing Fees up to the Year 2019-2020.

**33. DISCLOSURE OF SEXUAL HARASSMENT:**

Your company has the zero tolerance for sexual harassment at its workplaces and it endeavors to keep a safe, transparent and friendly working environment. Your Company has in place a policy on "Prevention of Sexual Harassment" which is in line with the requirements of "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013". All employees, whether permanent, contractual, temporary or trainees are covered under this Policy. During the year under review, no complaints were reported in this regard.

**34. MAINTENANCE OF COST RECORDS:**

The Company falls within the limits specified in Section 148 of the Companies Act and Rule 3 of the Companies (Cost Records and Audit) Rules, 2014 identifying the companies who are required to keep Cost Records, undergo a Cost Audit, and submit a Cost Audit Report. Hence the provisions with respect to maintenance and submission of Cost Records and Cost Audit is not applicable to the Company.

**35. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

As required by the Section 134 (3)(m) of The Companies Act, 2013 read with rule 3 of the Companies (Account) Rule 2014, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant are given in **Annexure-I** to this Report.

**36. CAUTIONARY STATEMENT:**

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**37. ACKNOWLEDGMENTS**

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

**Date: 31<sup>st</sup> August, 2020**  
**Place: Ahmedabad**

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

**Nirav Shah**  
**CEO & Director**  
**DIN: 00397336**

**Fenil Shah**  
**Director**  
**DIN:01558417**

Information as per Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended on 31<sup>st</sup> March, 2020.

**(A) CONSERVATION OF ENERGY:**

- a) Necessary precautions have been taken while designing process and equipment to ensure conservation of energy through the use of fuel efficient devices and advanced instrumentation systems.
- b) No additional investment was made during the year for reduction in consumption of energy.
- c) The measures taken have helped to conserve the energy and in turn, cost.
- d) Total energy consumption and energy consumption per unit of production.
- e) The Company is strongly motivated by adaption of concept of green energy. The production process of the company is majorly driven by the in house production of electricity and same is being generated by use of renewable resources of energy. The company hugely contributing towards the green initiative.

**FORM 'A'****Form for Disclosure of particulars with respect to Conservation of energy.**

Power and fuel consumption:

Sr. No.	Particulars	2019-20	2018-19
1 (a)	<b>Electricity Purchased:</b>		
	Units	3661.00	3275.00
	Total Amount (Rs.)	50029.83	46238.95
1 (b)	<b>Electricity Own Generation:</b>		
(i)	Through Wind Turbine Generator units (MWH)	1206400	1451289
	Diesel Consumption (liter)	N.A	N.A.
	Units per Ur. Of Diesel Oil	N.A	N.A.
	Cost/Unit (Diesel Cost)	N.A	N.A.
(ii)	Through Steam turbine Generator	N.A	N.A.
2	<b>Coal</b>	N.A	N.A.
3	<b>Furnace Oil</b>	N.A	N.A.

**(B) TECHNOLOGY ABSORPTION:**

Research and Development: During the year under review company has not spent any amount for Research and Development; hence details under Form 'B' are not applicable.

Technology absorption adoption and innovation: The Company has taken necessary steps to improve technology for manufacturing coarse count yarn. The company has achieved progress in manufacturing the yarn at plant level.

Green Company: Adhering to green initiate the company has been generating its own electricity through wind turbine which is being used by the company to carry out manufacturing process. The company has been giantly contributing to green environment initiative.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO:**

Particulars with regards to Foreign Exchange Earning and Outgo are set out in note 30(B) to the accounts.

Date: 31<sup>st</sup> August, 2020

Place: Ahmedabad

For and on behalf of the Board,

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 0039733

**FORM MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on Financial Year ended on 31.03.2020**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	L17110GJ1983PLC006462
2	Registration Date	17th September, 1983
3	Name of the Company	Jayatma Industries Limited (Formerly known as Santaram Spinners Limited)
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	259, 3rd Floor, New Clothe Market, Outside Raipur gate, Ahmedabad – 380002 Tel No: (079) 22167040 Email ID: cs@jayatma.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Purva Sharegistry (India) Private Limited Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt., J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra – 400 011 Tel : 022-23018261 / 2301671 E-mail id : <a href="mailto:support@purvashare.com">support@purvashare.com</a>

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes.	46411	98.11

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>THE COMPANY DOES NOT HAVE ANY HOLDING, SUBSIDIARY OR ASSOCIATE COMPANIES.</b>				



IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year (1 <sup>st</sup> April, 2019)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2020)				% Change during the year (-/+)
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	2774204	0	2774204	44.930	2774204	0	2774204	44.930	0.000
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub Total (A) (1)</b>	<b>2774204</b>	<b>0</b>	<b>2774204</b>	<b>44.930</b>	<b>2774204</b>	<b>0</b>	<b>2774204</b>	<b>44.930</b>	<b>0.000</b>
(2) Foreign									
a) NRI Individuals	0	0	0	0.000	0	0	0	0.000	0.000
b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
d) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL (A)</b>	<b>2774304</b>	<b>0</b>	<b>2774304</b>	<b>44.930</b>	<b>2774204</b>	<b>0</b>	<b>2774204</b>	<b>44.930</b>	<b>0.000</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
g) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	712081	8800	720881	11.675	709452	8820	718272	11.633	-0.042
ii) overseas	0	0	0	0.000	0	0	0	0	0.000
b) Individuals	0	0	0	0.000	0	0	0	0	0.000
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	647326	585702	1233028	19.969	620633	778989	1399622	22.668	2.7000
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	496542	737450	1233992	19.986	346310	717450	1063760	17.229	-2.757
c) Others (specify)									
Non Resident Indians	170879	23000	193879	3.140	177443	23000	200443	3.246	0.106

Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0	0.000
Clearing Members	1317	0	1317	0.021	1000	0	1000	0.016	-0.005
Trusts	0	0	0	0.000	0	0	0	0	0.000
HUF	16699	400	17099	0.277	16699	400	17099	0.277	0.000
Foreign Bodies	0	0	0	0.000	0	0	0	0	0.000
<b>Sub-total (B)(2):-</b>	<b>2044844</b>	<b>1355352</b>	<b>3400196</b>	<b>55.069</b>	<b>1871537</b>	<b>1528659</b>	<b>3400196</b>	<b>55.069</b>	<b>0.000</b>
<b>Total Public (B)</b>	<b>2044844</b>	<b>1355352</b>	<b>3400196</b>	<b>55.069</b>	<b>1871537</b>	<b>1528659</b>	<b>3400196</b>	<b>55.069</b>	<b>0.000</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.00
<b>Grand Total (A+B+C)</b>	<b>4639441</b>	<b>1534959</b>	<b>6174400</b>	<b>100.000</b>	<b>4645741</b>	<b>1528659</b>	<b>6174400</b>	<b>100.00</b>	<b>100.00</b>

## (ii) Shareholding Of Promoter &amp; Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2019)			Shareholding at the end of the year (31 <sup>st</sup> March, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kalyan Jayantilal Shah	1647350	26.680	0.000	1647350	26.680	0.000	0.000
2	Shah Kalyan Jayantilal(HUF)	255250	4.134	0.000	255250	4.134	0.000	0.000
3	Dharini Kalyan Shah	180150	2.918	0.000	180150	2.918	0.000	0.000
4	Apurva Kalyanbhai Shah	421004	6.819	0.000	421004	6.819	0.000	0.000
5	Nirav Kalyanbhai Shah	160850	2.605	0.000	160850	2.605	0.000	0.000
6	Pradipbhai Rasiklal Shah	90700	1.469	0.000	90700	1.469	0.000	0.000
7	Pankaj R Shah	9900	0.162	0.000	9900	0.161	0.000	0.000
8	Sujay P Shah	9000	0.146	0.000	9000	0.146	0.000	0.000
	<b>Total</b>	<b>2773823</b>	<b>44.925</b>	<b>0.000</b>	<b>2774204</b>	<b>44.933</b>	<b>0.000</b>	<b>0.000</b>

## (iii) Change in Promoters' Shareholding

(iii) Change in Promoters' Shareholding							
SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
NO CHANGE							

**(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

For each of the Top 10 shareholders	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2019)		Shareholding at the end of the year 31 <sup>st</sup> March, 2020)	
	No. of shares	% of total shares	No. of shares	% of total shares
KIFS Financial Services Ltd.	686000	11.11	686000	11.11
Amin Kanubhai C	167288	2.71	167288	2.71
Anuja A Shah	155750	2.52	155750	2.52
Jayendra R Shah	135500	2.19	135500	2.19
Niyati A Shah	119200	1.93	119200	1.93
Raghuvir A Makhija	104695	1.69	106624	1.73
Pradipbhai Rasiklal Shah	90700	1.47	90700	1.47
Jagat S Shah	96400	1.56	96400	1.56
Dinesh R Gupta	45400	0.74	45400	0.74
Nandlal J Agarwal	45400	0.74	45400	0.74
Rakesh Prajapati	45400	0.74	45400	0.74

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No	For each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Kalyan J Shah	1647350	26.680	1647350	26.680
2	Nirav K Shah	160850	2.605	160850	2.605
3	Fenil R Shah	0	0.000	0	0.000
4	Janak G Nanavaty	0	0.000	0	0.000
5	Paresh R Shah	0	0.000	0	0.000
6	Falguni G Broker	0	0.000	0	0.000

**V. INDEBTEDNESS** (Indebtedness of the Company including interest outstanding/accrued but not due for payment.)  
(Amt. in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	195880820.00	-	-	195880820.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>195880820.00</b>	<b>-</b>	<b>-</b>	<b>195880820.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition				
* Reduction	(3412092.00)			(3412092.00)
Net Change				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	156123382.00	-	-	156123382.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>156123382.00</b>	<b>-</b>	<b>-</b>	<b>156123382.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB –**

- Ms. Anjee Shah, who resigned as a Company Secretary of the Company with effect from 21<sup>st</sup> December, 2019 drew a total remuneration of Rs. 2, 97,696.00 during the year.
- Mr. Mayank Thaker, CFO of the Company drew a total remuneration of Rs. 5,84,301 during the financial year 2019-2020

**B. REMUNERATION TO OTHER DIRECTORS**

Sr. No	Particulars of Remuneration	Paresh R Shah	Janak G Nanavaty	Fenil R Shah	Rajan Parekh	Total Amt (Rs.)
1	Independent Directors					
	Fee for attending board/Committee meetings	2500	12500.00	10000	7500	32500.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	2500	12500.00	10000	7500	32500.00
	Total Remuneration					32500.00
	Overall Ceiling as per the Act	The remuneration paid to CEO and Whole-time Director is within the ceiling prescribed under the Companies Act, 2013.				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act/LODR	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT</b>					
Penalty	Regulation 34 of LODR	non-compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 for year ended March 31, 2019	Rs. 21,240	Bombay Stock Exchange	The penalty was waived off by BSE as a one-time measure.
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Date: 31st August, 2020

Place: Ahmedabad

By order of the Board of Directors

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336

**ANNEXURE – III**

**NON APPLICABILITY OF REGULATION 27(2) OF SEBI (LODR) REGULATIONS, 2015 REGARDING  
CORPORATE GOVERNANCE REPORT**

This is to certify that in order to comply with Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Paid-up capital of the Company Jayatma Industries Limited is Rs. 6,15,30,000 viz. not exceeding Rs. 10 crore and the Net worth is Rs. 11,64,05,561.00 viz. less than Rs. 25 Crore as on the last day of the previous financial year i.e. 31<sup>st</sup> March, 2020. Therefore it is not required to submit Corporate Governance Report.

**Date: 31<sup>st</sup> August, 2020**  
**Place: Ahmedabad**

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

**Nirav Kalyanbhai Shah**  
**CEO & Director**  
**DIN: 0039733**

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Jayatma Industries Limited.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jayatma Industries Limited** (hereinafter called the Company) (CIN: L17110GJ1983PLC006462) having its registered office at **259, 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380002**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Jayatma Industries Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[Not Applicable to the Company during the Audit Period]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable to the Company during the Audit Period]**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **[Not Applicable to the Company during the Audit Period]**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[Not Applicable to the Company during the Audit Period]**
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.:

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had received two proxy forms for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2019.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers, except as mentioned below.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

- 1) **The Company had not complied with the provisions of the section 203 of the Companies Act, 2013 for appointment of Chief Financial Officer.**

As explained by the Management the Company to comply with the provisions of the section 203 of the Companies Act, 2013, the Company had already appointed Managing Director and Company Secretary as Key Managerial Personnel. The Company was looking for the suitable candidate to be appointed as CFO, and the Management had appointed CFO with effect from 22/04/2019 to comply with the provisions of the section 203 of the Companies Act, 2013.

- 2) **During the year under review the Company had not complied with the provisions of Regulation 34 of SEBI (LODR) Regulations, 2015 for submission of Annual Report with the Exchange 21 Days before the AGM.**

However, the fine amount of Rs. 21,240/- levied for non-compliance with Regulation 34 of SEBI (LODR) Regulations, 2015 for year ended March 31, 2019 is being withdrawn by the BSE as a one-time measure.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period, the Company has no other major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

Chintan K. Patel  
Practicing Company Secretary  
UDIN: A031987B000639211  
Mem. No.: A31987  
COP No.: 11959

Place: Ahmedabad  
Date: August 31, 2020

**ANNEXURE - A to the Secretarial Audit Report**

To,  
The Members,  
Jayatma Industries Limited  
(Formerly Known as "Santaram Spinners Limited")  
Our report of even date is to be read along with this letter.

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**Chintan K. Patel**  
**Practicing Company Secretary**  
**UDIN: A031987B000639211**  
**Mem. No.: A31987**  
**COP No.: 11959**

**Place: Ahmedabad**  
**Date: August 31, 2020**



**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the Management Discussion and Analysis Report for the year ended on 31<sup>st</sup> March, 2020.

**GLOBAL ECONOMY**

Global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent for 2021 – a downward revision of 0.1 percentage point for 2019 and 2020 and 0.2 for 2021 compared to those in the October World Economic Outlook (WEO). Market sentiment has been boosted by tentative signs that manufacturing activity and global trade are bottoming out, a broad based shift toward accommodation monetary policy, intermittent favorable news on US-China Trade Negotiations and diminished fears of a no-deal Brexit, leading to some retreat from the risk-off environment that had set in at the time of the October WEO. However, few signs of turning points are yet visible in global macroeconomic data.

In the last quarter of 2019-20, sudden outbreak of Covid-19 has triggered the deepest global recession in decades. While the ultimate outcome is still uncertain, the pandemic will result in contractions across the vast majority of emerging market and developing economies. It will also do lasting damage to labor productivity output. The immediate policy priorities are to alleviate the human costs and attenuate the near-term economic losses. Once the crises abates, it will be necessary to reaffirm a credible commitment to sustainable policies and undertake the reforms necessary to buttress long-term prospects. Global coordination and cooperation will be critical.

(Source: World Economic Outlook, January, 2020, World Bank – Global Economic Prospects)

**INDIAN ECONOMY**

In 2019-20, the Indian economy grew by 4.2% against 6.1 expansion in 2018-19. Economic growth slowed to an 11 year low of 4.2% in 2019-20 according to data released by the National Statistical Office.

In the final quarter of the year, that is, January to March, the growth rate of Gross Domestic Product (GDP) fell to 3.1%, reflecting the impact of the first week of the COVID-19 lockdown which began on March 25.

(Source: The Hindu)

**ORGANISATION PROFILE:**

During the financial year under review the company continues to derive its main revenue from real estate activities and other activities by which income can be derived such as interest and dividend. Considering the Financial and economic development aspects & Impacts of the relate business, the company has continued with its operation of investment and Leasing & Rental business. Your company's performance continues to be sustained at satisfactory levels. It is expected that the economy will grow in the coming years and enable to regain steady or better performance.

**OPPORTUNITIES AND THREATS:**

The country's domestic market offers much potential for growth and numerous business opportunities. Further the other opportunities like Large, Potential Domestic and International Market, Investment and Foreign Direct Investment opportunities, increase in the Purchasing Power of Indian Customer, increase in local demand help for the growth of the company as well as industry. Jayatma Industries Limited is looking for the best opportunity for fruitful business which is most beneficial for the company.

The threats like Competition from other developing countries, threat for Traditional Market for Power loom and Handloom Products, Geographical Disadvantages, International labor and Environmental Law etc. may pose a threat to progress of industry.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial performance of the Company for the year 2019-20 is described in the Directors' Report under the head Financial Result.

**RISKS AND CONCERNS**

Like any other industry, the company is also exposed to risk of competition, government policies, natural factor etc. Many risks exist in a company's operating environment and they emerge on a regular basis i.e. risk of competition, government policies, fluctuation of commodity price, natural factor like change in climate etc. The Company has taken necessary measures to safeguard its assets/interests etc.

**INTERNAL CONTROL SYSTEM:**

The Company has proper and adequate internal control systems to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets, misappropriation of funds and to ensure that all the transactions are authorized, recorded, reported and monitored correctly. The Company has adequate working infrastructure having computerization in all its operations including accounts and MIS.

The Company has continued its efforts to align all its processes and controls with leading practices. The Audit Committee also meet the Company's Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal control and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee. Further, the Company has continued its efforts to align its processes and controls with best practices and has put in place a process wise internal control framework across the Company.

**RECENT TREND AND FUTURE OUTLOOK:**

Jayatma Industries Limited continues to be involved in the field of Investment, Leasing & Rental business. The company is looking for the diversify its business area in order to streamlining the strengthening the brand of the company. The company in near future is planning for the development in the fruitful business.

**CAUTIONARY STATEMENT:**

Readers are cautioned that the Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand/supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequence of decisions made based on such statements and holds no obligation to update these in future.

**Date: 31<sup>st</sup> August, 2020**  
**Place: Ahmedabad**

**for and on behalf of the Board,**

**Sd/-**  
**Nirav Kalyanbhai Shah**  
CEO & Director  
DIN: 00397336

## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF JAYATMA INDUSTRIES LIMITED  
(FORMERLY KNOWN: SANTARAM SPINNERS LTD)

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Jayatma Industries Limited (Formerly Known as Santaram Spinners Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss (including other comprehensive income), Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at **31/03/2020**, and its **Profit** and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

**Emphasis of Matter Paragraph**

We draw attention to Note 29.14 of the Statement, which describes the management assessment of uncertainties related to COVID-19 and its consequential impact including the recoverability of assets and operations of the Company.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The Key Audit Matter	How our audit addressed the key audit matter
<p><b>A. Valuation of Inventories.</b></p> <p>Refer to note 7 to the financial statements. As described in the accounting policies in note 2.6 to the financial statements, inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.</p>	<p>We obtained assurance over the appropriateness of the management's assumption applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> <li>1. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>2. Reviewing the document and other record related to physical verification of inventories done by the management during the year and subsequent to year end.</li> <li>3. Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Consideration for selected items" to obtain sufficient appropriate audit evidence.</li> <li>4. Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>5. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision.</li> <li>6. Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year.</li> <li>7. Recomputing provisions recorded to verify that they are in line with the Company policy.</li> </ol>

**Our Observation:**

Based on the audit procedures performed, we are satisfied that the valuation of inventories is appropriate.

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements

as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016( "the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on **31/03/2020** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2020** from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give report of the same in **Annexure B** to this Report.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date : 30th July, 2020

Place : Ahmedabad

FOR KEYUR BAVISHI & CO.

(Chartered Accountants)

Reg No. :131191W

Keyur Bavishi

Proprietor

M.No. : 136571

## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 8 of the Auditors' Report of even date to the members of Jayatma Industries Limited (formerly known as Santaram Spinners Limited) on the financial statements for the year ended 31<sup>st</sup> March, 2020.)

1. In respect of its property plant and equipment:
  - (a) The Company has maintained records showing full particulars including quantitative details and situation of its property plant and equipment.
  - (b) As explained to us, a substantial portion of the property plant and equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - (c) Based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management the title deeds of immovable properties included in property plant and equipment are held the name of the Company.
2. (a) As per information and explanation given to us, inventory of raw materials/finished goods/traded goods/spares and consumables has been physically verified by the management at regular intervals. In our opinion the frequency of verification is reasonable.  
 (b) On the basis of our examination of the inventory records produced before us and in our opinion the Company is maintaining proper records of inventory. The discrepancies, if any, on physical verification of inventory as compared to book records have been properly dealt with in books of accounts.
3. (a) The company has not granted loans secured or unsecured to firms, Companies or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, paragraph 3(b) and 3(c) of the Order is not applicable.
4. As explained to us, there is no transaction of loans, investments, guarantees and security prescribed in the provision of Section 185 and 186 of the Companies Act, 2013 during the year under audit. Consequently, requirement of clause (iv) of paragraph of the Order is not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits during the year and consequently directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act and rules framed there under are not applicable to the Company.
6. We have broadly reviewed the accounts and records maintained by the company pursuant to order made by the Central Government of India for maintenance of cost records under subsection (1) of Section 148 of the Companies Act, 2013. We are of opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 7 (a.) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India.  
 (b.) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax as on 31<sup>st</sup> March, 2020 which have not been deposited on account of dispute are as under:

Name of the Statute	Nature of Dues	Amount (Rs. )	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Act	Sales Tax Including Interest and Penalty, as applicable	956900/-	F.Y. 2006-07	Sales Tax Tribunal (Vat)
		914477/-	F.Y. 2006-07	Sales Tax Tribunal (Vat)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/bank/debenture holders during the year under audit. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
9. According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year under audit. Hence, the provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.
10. According to information and explanation given to us and the records of the Company examined by us, neither fraud on or by the Company has been noticed or reported during the year.
11. According to information and explanation given to us and the records of the Company examined by us, the Company has not paid or provided managerial remuneration in the books of account. Hence, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
12. According to the information and explanation given to us, the Company is not a Nidhi Company. Hence, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. According to information and explanation given to us, transaction with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements. As required by the applicable accounting standards.

14. According to information and explanation given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. According to information and explanation given to us and the records of the Company examined by us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Consequently requirement of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. According to information and explanation given to us and the records of the Company examined by us, the Company is not undertaking any activity which requires registration under Section 45-IA of the Reserve Bank of India Act, 1934. Consequently requirement of clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

**Date : 30th July,2020**

**Place : Ahmedabad**

**FOR KEYUR BAVISHI & CO.**

**(Chartered Accountants)**

**Reg No. :131191W**

**Keyur Bavishi**

**Proprietor**

**M.No. : 136571**

#### ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

##### **Annexure - 'B' to the Independent Auditors' Report**

(Referred to clause (f) of Paragraph Paragraph 2 of **Report on Other Legal and Regulatory Requirements** to the Independent Auditor's Report of even date to the members of Jayatma Industries Limited ( formerly known as Santaram Spinners Limited ) on the Ind AS financial statements for the year ended 31<sup>st</sup> March,2020)

##### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Jayatma Industries Limited** ("the Company") as at 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

##### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

##### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 ,to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment ,including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Date : 30th July, 2020**

**Place : Ahmedabad**

**FOR KEYUR BAVISHI & CO.**

**(Chartered Accountants)**

**Reg No. :131191W**

**Keyur Bavishi**

**Proprietor**

**M.No. : 136571**



AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH, 2020

SR NO	Particulars	NOTE NO.	As at 31st March, 2020	As at 31st March, 2019
I	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Property, Plant & Equipments	3	48114407	49869803
	(b) Capital Work in progress		-	-
	(c) Other intangible assets		-	-
	(d) Financial Assets		-	-
	(i) Investment	4	557572	558925
	(ii) Other financial assets	5	2845222	5841962
	(e) Deferred tax assets (net)		-	-
	(f) Other non-current assets	6	10838917	12554948
	<b>Total Non-current assets</b>		<b>62356118</b>	<b>68825638</b>
2	<b>Current assets</b>			
	(a) Inventories	7	48530197	97263892
	(b) Financial Assets			
	(i) Investment	8	-	2105397
	(ii) Trade receivables	9	252027686	187835702
	(iii) Cash and cash equivalents	10	1668283	15428212
	(iv) Other Financial assets	11	-	358756
	(c) Current tax assets (net)		-	-
	(d) Other current assets	12	8468167	17327471
	<b>Total Current assets</b>		<b>310694333</b>	<b>320319430</b>
	<b>TOTAL ASSETS</b>		<b>373050451</b>	<b>389145068</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
	(a) Equity Share Capital	13	61530000	61530000
	(b) Other Equity	14	54875561	53035984
	<b>Total Equity</b>		<b>116405561</b>	<b>114565984</b>
2	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowing		-	-
	(ii) <u>Financial liabilities other than (a.i) above</u>			
	(ii.a) Other financial liabilities	15	627821	881654
	(b) Deferred tax liabilities (net)	16	7334363	8230886
	(c) Provisions		-	-
	(d) Other Non-current liabilities		-	-
	<b>Total Non-current Liabilities</b>		<b>7962184</b>	<b>9112540</b>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	156123382	195880820
	(ii) <u>Financial liabilities other than (a.i) above</u>			
	(ii.a) Trade Payables	18	82330640	60357365
	(ii.b) Other Financial liabilities	18	2019307	7067154
		18	84349947	67424519
	(b) Deferred tax liabilities (net)		-	-
	(c) Provisions	19	7827613	1798512
	(d) Other Current liabilities	20	381764	362693
	<b>Total Current Liabilities</b>		<b>248682706</b>	<b>265466544</b>
	Significant Accounting Policies	2		
	Notes to Financial Statements	29		
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>373050451</b>	<b>389145068</b>

Notes 1 to 29 are an integral part of the Financial Statements. As per our report of even date attached

**For Keyur Bavishi & Co.**  
Chartered Accountants (FRN:131191W)

**Keyur D. Bavishi**  
Proprietor  
M.No. 136571

**Place : Ahmedabad**  
**Date : 30/07/2020**

For and on behalf of the Board

**Nirav Shah**  
Director & CEO  
DIN-00397336

**Mayank Thaker**  
(CFO)

**Fenil Shah**  
Director  
DIN-01558417

**Charvi Nayani**  
Company Secretary(A55905)  
**Place : Ahmedabad**  
**Date : 30/07/2020**

## Audited Statement of Profit and Loss for the year ended on 31st March, 2020

Particulars	Note No	Year Ended on 31st March, 2020	Year Ended on 31st March, 2019
Revenue from operations	21	1164719225	1510059685
Other Income	22	1401695	3585376
<b>Total Revenue</b>		<b>1166120920</b>	<b>1513645061</b>
<b>Expenses:</b>			
Cost of Materials Purchased	23	18918453	19906821
Purchases of Stock-in-Trade	24	1029010304	1410636375
Changes in Inventories of Finished Goods, Stock-in-Trade and work-in-progress	25	45425287	-26046454
Employee benefits expense	26	2553802	2612929
Other Operating & Administrative expenses	27	41426678	78421509
Finance costs	28	23941668	18656323
Depreciation and amortization expense	3	3400322	3298704
<b>Total Expenses</b>		<b>1164676513</b>	<b>1507486207</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1444407</b>	<b>6158854</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>1444407</b>	<b>6158854</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>1444407</b>	<b>6158854</b>
Tax expense:			
- Current tax		500000	1200000
- Earlier Years tax		0	-
- Deferred tax Expense/(Revenue)		-896875	-96513
<b>Profit/(Loss) for the period</b>		<b>1841282</b>	<b>5055367</b>
<b>Other Comprehensive Income</b>			
<i>Items that will be reclassifiable to Profit or Loss</i>			
Impact of Investment Measured at Fair Value Through OCI		-1353	410
Deferred Tax on Above Adjustments		352	-107
<b>Other Comprehensive Income Net of tax</b>		<b>-1001</b>	<b>303</b>
<b>Total Comprehensive Income for the year</b>		<b>1840281</b>	<b>5055670</b>
Earning per equity share:			
(1) Basic		0.30	0.82
(2) Diluted		0.30	0.82
Significant Accounting Policies	2		
Notes to Financial Statements	29		

Notes 1 to 29 are an integral part of the Financial Statements. As per our report of even date attached

**For Keyur Bavishi & Co.**  
Chartered Accountants (FRN:131191W)

**Keyur D. Bavishi**  
Proprietor  
M.No. 136571

Place : Ahmedabad  
Date **30/07/2020**

**Nirav Shah**  
Director & CEO  
DIN-00397336

**Mayank Thaker**  
(CFO)

For and on behalf of the Board

**Fenil Shah**  
Director  
DIN-01558417

**Charvi Nayani**  
Company Secretary(A55905)  
Place : Ahmedabad  
Date : **30/07/2020**

**AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

PARTICULARS	2019-20		2018-19	
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per Profit & Loss Account		1444407		6158854
Adjustment for :				
Dividend Income	-6045		-6045	
Interest Income	-72154		-39177	
Depreciation	3400322		3298704	
Amount Written back(net off)/Write off	3158923		1567245	
Loss on Sale of Assets	0		13364	
Profit on Sale of Investments	-174426		0	
Interest paid	22852473	29159093	16560768	21394859
<b>Operating Profit before Working Capital Changes</b>		30603500		27553713
<b>Change in Working Capital</b>				
Adjustment for				
(Increase)/Decrease in operating assets				
Inventories	48733695		-21704293	
Trade Receivables	-64354167		-13721480	
Loans & Advances & Others	10934091		-10850882	
Increase/(Decrease) in operating liabilities				
Trade Payables	21973275		21009337	
Other Liabilities	746492	18033386	872374	-24394944
<b>CASH FLOW FROM OPERATION</b>		48636886		3158769
Income Tax paid (Net off Refund)	-500000		-1745149	
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		48136886		1413620
<b>CASH FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	-1644925		-107102	
Sale of Fixed Assets	0		17006	
Purchase of Investment	0		-1500000	
Sale of Investments	2279823		0	
Dividend Income	6045		6045	
Interest Income	72154	713097	39177	-1544874
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest paid	-22852473		-16560768	
Proceeds from Secured Loans	1252401		0	
Proceeds from Unsecured Loans	0	-21600072	0	-16560768
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		27249911		-16692022
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGIN. OF THE YEAR</b>		-180452608		-163760585
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>		-153202697		-180452608

**Notes:**

1. Direct Taxes paid are arising from operating activities and are not bifurcated between investing and financing activities
2. The above cash flow statement has been prepared under the indirect method set out for the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

	As at	As at	As at
	31.03.2020	31.03.2019	31.03.2018
Cash on hand Balance with Banks	417287	2027892	2230026
	1250996	13400320	10865784
Less : Working Capital Credit Facilities	154870981	195880820	176856396
	-153202697	-180452608	-163760585

Notes 1 to 29 are an integral part of the Financial Statements. As per our report of even date attached

**For Keyur Bavishi & Co.**  
Chartered Accountants (FRN:131191W)

**Keyur D. Bavishi**  
Proprietor  
M.No. 136571

Place : Ahmedabad  
Date : 30/07/2020

For and on behalf of the Board

**Nirav Shah**  
Director & CEO  
DIN-00397336

**Mayank Thaker**  
(CFO)

**Fenil Shah**  
Director  
DIN-01558417

**Charvi Nayani**  
Company Secretary(A55905)  
Place : Ahmedabad  
Date : 30/07/2020

**A. Equity Share Capital**

	Note	Balance
<b>As at 1 April 2019</b>		61530000.00
Changes in equity share capital during the year		0
<b>As at 31 March 2020</b>		61530000.00

**A. OTHER EQUITY**

PARTICULARS	As At 31st March,2020	As At 31st March,2019
Capital Reserve		
Opening Balance	3299308.00	3299308.00
Add : During the year	-	-
<b>Closing Balance</b>	<b>3299308.00</b>	<b>3299308.00</b>
Securities Premium		
Opening Balance	38376200.00	38376200.00
Add : During the year	-	-
<b>Closing Balance</b>	<b>38376200.00</b>	<b>38376200.00</b>
Profit & Loss Account		
Opening Balance	11310847.00	6255480.00
Add : Profit/(loss) for the year	1841282.00	5055367.00
Less : Investment Revaluation Reserve ( net )	0.00	0.00
<b>Closing Balance</b>	<b>13152129.00</b>	<b>11310847.00</b>
Other Comprehensive Income		
(Items that will be reclassifiable to Profit or Loss)		
Opening Balance	49627.00	49324.00
Add : Movement during the year	-1353.00	410.00
Less : Adjustment for Deffered Tax for the year	352.00	107.00
<b>Closing Balance</b>	<b>47922.00</b>	<b>49627.00</b>
<b>Total</b>	<b>54875561.00</b>	<b>53035984.00</b>

**For Keyur Bavishi & Co.**  
Chartered Accountants (FRN:131191W)

**Keyur D. Bavishi**  
Proprietor  
M.No. 136571

Place : Ahmedabad  
Date : 30/07/2020

For and on behalf of the Board

**Nirav Shah**  
Director & CEO  
DIN-00397336

**Mayank Thaker**  
(CFO)

**Fenil Shah**  
Director  
DIN-01558417

**Charvi Nayani**  
Company Secretary(A55905)  
Place : Ahmedabad  
Date : 30/07/2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020****1. CORPORATE AND GENERAL INFORMATION**

JAYATMA INDUSTRIES LIMITED (formerly known as SANTARAM SPINNERS LIMITED) ("the company"), is a public limited Company incorporated as private limited company in 1983 and subsequently converted to public limited company in 1994. The company's shares are listed on Bombay Stock Exchange. The registered office of the Company is located at 259, 3rd Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002. The company is engaged in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

**2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES:****(A) BASIS OF ACCOUNTING****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

**2.2 Basis of Measurement**

The financial statements have been prepared on historical cost convention, except for following:

- Financial assets and liabilities (including derivative instruments) that are measured at fair value/amortised cost;
- Non-current assets held for sale, if any, are measured at the lower of the carrying amount and fair value less cost to sell;

**2.3 Functional and Presentation Currency**

The financial statements have been presented in Indian Rupees (₹), which is also the Company's functional currency. All financial information presented in (₹) has been rounded off to the nearest Rupee as per the requirements of Schedule III, unless otherwise stated.

**2.4 Use of Estimates and Judgments**

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/materialised.

**2.5 Current Vs. Non-Current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period ; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months as per the reporting period ; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

**(B) SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**2.7 Inventories**

Inventories are valued at the lower of cost and net realizable value.

- Raw materials, stores and spares and loose tools are valued at lower of cost and net realizable value. Cost includes cost of purchase, non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.

- Finished Goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost. Cost is determined on weighted average cost basis.
- Traded Goods: cost includes cost or purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

## 2.7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 2.8 Income Tax

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

### a) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

### b) Deferred Tax

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e. tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognised outside the statement of profit and loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly inequity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to setoff current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## 2.9 Property, Plant and Equipment

### a) Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation/ amortisation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including non-refundable import duties and taxes, as per deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. However cost excludes excise duty, value added tax and service tax and GST, to the extent credit of the duty or tax is availed of.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the statement of profit and loss. Gain or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other Gain/Losses.

### b) Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for any component accounted for as a separate asset is derecognised when replaced.
- Major inspection /repairs /overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortized part of the previously recognized

expenses of similar nature is derecognized.

**c) Depreciation and Amortization-Tangible Assets**

- Depreciation on property, plant and equipment is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Each part of items of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- The residual value for all the assets are retained at 5% of the cost
- Useful life of the Tangible assets as per Part C of Schedule II of the Act read with notification dated 29.08.2014 of Ministry of corporate affairs is as follows :

Category of assets	Useful life of Asset as per Schedule II
Building	30 Years
Plant & Machinery	15 Years
Electric installation	10 Years
Computer	6 Years
Vehicles	6 Years
Office Equipment	5 Years
Furniture & Fixtures	10 Years

**d) Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property only when it has substantial value on the date of reclassification and if so it is reclassified at its carrying amount.

**1.10 Amortization of Intangible Assets**

Intangible assets acquired are accounted at their acquisition cost and are amortized over its useful life.

**2.11 Impairment of Non-Financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.12 Leases**

At inception of contract, the Group assesses whether the Contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of their relative standalone price.

**As a lessee**

**i) Right-of-use assets**

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right- of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.



**ii) Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group presents lease liabilities under financial liabilities in the Balance Sheet

**iii) Short term leases and leases of low value of assets**

The Group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**As a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**2.13 Revenue Recognition**

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

**a) Sale of Goods**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

**b) Sale of Services**

Revenue from services is recognized in the accounting period in which the services are rendered and when invoices are raised.

**c) Interest Income**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**d) Dividend Income**

Dividend income from investments is recognized when the Company's right to receive payment has been established.



e) **Other Operating Revenue**

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received. Other Operating Revenue includes trade discounts, cash discounts, sample allowance and other charges related to Business operation.

**2.14 Employee Benefits**a) **Short Term Employee Benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months as at the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

b) **Other Long Term Employee Benefits**

The known liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

c) **Post-Employment Benefits****Defined Benefit Plans**

- The known liability, if any, recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. In other cases, such expenditure are charged to Statement of Profit and Loss Account considering it as Short Term Benefits.

**Defined Contribution Plan**

- Defined contributions, if any, to Statutory Schemes are charged to the statement of profit and loss of the year.

d) **Termination Benefit**

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit and loss immediately.

**2.15 Foreign Currency Transactions**

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions.
- Foreign Currency Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in profit or loss in the year in which they arise.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

**2.16 Borrowing Cost**

- Borrowing Costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use. The Company considers a period of twelve months or more as a substantial period of time.
- All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

**2.17 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) **Financial Assets**• **Recognition and Initial Measurement:**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

• **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measured at fair value through profit or loss (FVTPL); and
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

➤ Measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

As per initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

➤ Measured at FVTOCI

A financial asset is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in interest income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in the statement of profit and loss.

➤ Measured at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Interest / dividend income on financial instruments measured at FVTPL are presented separately under other income.

➤ Equity Instruments measured at FVTOCI

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no reclassification of the amounts from OCI to the statement of profit and loss, even on sale of investment.

• **Derecognition**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

• **Impairment of Financial Assets**

In accordance with Ind AS 109, the company uses Expected Credit Loss (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses measured through a loss allowance at an amount equal to:

- 1.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For all financial assets, the company uses 12 month ECL, if any, to provide for impairment loss where there is no significant increase in credit risk. If there significant increase in credit risk full lifetime ECL is used.

**b) Financial Liabilities**

- **Recognition and Initial Measurement**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement**

Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on Derecognition is also recognised in profit or loss.

- **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

## 2.18 Provisions, Contingent Liabilities and Contingent Assets

### a) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions, if any, are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### Onerous Contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

### b) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other notes to financial statements.

### c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

## 2.19 Investment properties

- Investment property, if any, is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Leasehold land if any, is amortised on a straight line basis over the period of lease.

- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## 2.20 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss, if any, is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets (or disposal group), if any, classified as held for sale are presented separately in the balance sheet. Any profit or loss, if any, arising from the sale or Remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

## 2.21 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period are adjusted for the effects of all dilutive potential ordinary shares.

## 2.22 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

## 2.23 Measurement of Fair Values

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External values are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

**2.24 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's financial statements are disclosed below.**

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification would have been applicable from 1<sup>st</sup> April, 2020.

**2.25 Rounding of Amounts**

All amounts disclosed in financial statements and notes have been rounded off to nearest rupees as per the requirements of Schedule III, unless otherwise stated.

**2.26 Significant Judgments and Key sources of Estimation in applying Accounting Policies**

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

**a) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits.

**b) Useful lives of depreciable/ amortizable assets (property, plant and equipment)**

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets.

**c) Provisions and Contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**d) Impairment of Financial Assets**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**e) Fair value measurement of financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

**NOTE 3: PROPERTY PLANT AND EQUIPMENT**

Description	Land	Building	Plant & Machinery	Electric Installation	Computer	Vehicles	Office Equipment	Furniture & Fixtures	Total
<b>Property Plant and Equipment</b>									
<b>Gross Carrying Amount</b>									
<b>Deemed cost as at 1 April 2018</b>	<b>1871954</b>	<b>18318434</b>	<b>47697988</b>	<b>413036</b>	<b>246410</b>	<b>6032609</b>	<b>972037</b>	<b>2990153</b>	<b>78542621</b>
Additions/adjustment	-	-	-	-	25,000	53,402	28,700	-	107102
deductions/adjustments	-	-	-	-	-	60,266	-	-	60266
<b>Gross carrying amount as at 31 st March 2019</b>	<b>1871954</b>	<b>18318434</b>	<b>47697988</b>	<b>413036</b>	<b>271410</b>	<b>6025745</b>	<b>1000737</b>	<b>2990153</b>	<b>78589457</b>
<b>Accumulated depreciation as at 1 April 2018</b>	-	8875066	9298899	224067	234087	3520901	863173	2434653	<b>25450846</b>
Depreciation charge for the year	-	484523	2130285	43233	2841	416131	35093	186598	3298704
deductions/adjustments	-	-	-	-	-	29,896	-	-	29,896
<b>Accumulated depreciation as at 31 March 2019</b>	-	9359589	11429184	267300	236928	3,907,136	898266	2621251	<b>28719654</b>
<b>Net carrying amount as at 31 March 2019</b>	<b>1871954</b>	<b>8958845</b>	<b>36268804</b>	<b>145736</b>	<b>34482</b>	<b>2118609</b>	<b>102471</b>	<b>368902</b>	<b>49869803</b>
Description	Land	Building	Plant & Machinery	Electric Installation	Computer	Vehicles	Office Equipment	Furniture & Fixtures	Total
<b>Gross Carrying Amount as at 1 April 2019</b>	<b>1871954</b>	<b>18318434</b>	<b>47697988</b>	<b>413036</b>	<b>271410</b>	<b>6025745</b>	<b>1000737</b>	<b>2990153</b>	<b>78589457</b>
Additions/adjustment	-	-	-	-	-	1486426	158499	-	1,644,925
deductions/adjustments	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at 31 st March 2020</b>	<b>1871954</b>	<b>18318434</b>	<b>47697988</b>	<b>413036</b>	<b>271410</b>	<b>7512171</b>	<b>1159236</b>	<b>2990153</b>	<b>80234382</b>
<b>Accumulated depreciation as at 1 April 2019</b>	-	9359589	11429184	267300	236928	3907136	898266	2621251	<b>28719654</b>
Depreciation charge for the year	-	484521	2130289	43236	12992	508531	34153	186599	<b>3400321</b>
deductions/adjustments	-	-	-	-	-	-	-	-	0.00
<b>Accumulated depreciation as at 31 March 2020</b>	-	9844110	13559473	310536	249920	4415667	932419	2807850	<b>32119975</b>
<b>Net carrying amount as at 31 st March 2020</b>	<b>1871954</b>	<b>8474324</b>	<b>34138515</b>	<b>102500</b>	<b>21490</b>	<b>3096504</b>	<b>226817</b>	<b>182303</b>	<b>48114407</b>
<b>Net carrying amount as at 31 st March 2019</b>	<b>1871954</b>	<b>8958845</b>	<b>36268804</b>	<b>145736</b>	<b>34482</b>	<b>2118609</b>	<b>102471</b>	<b>368902</b>	<b>49869803</b>

(\* Refer Note 29)

## Note 4 : NON CURRENT INVESTMENTS

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	<b>Quoted Investments</b>		
	<b>Investments in Equity Instruments(at fair value through other comprehensive income)</b>	400000	400000
	- Jayatma Spinners Ltd 20000 Shares of Rs.10/- each (20000 Shares of Rs.10/- each)		
b	<b>Unquoted Investments</b>		
	<b>Investments in Equity Instruments (at fair value through other comprehensive income)</b>	107297	108650
	- Jayatma Chemicals Pvt Ltd 4100 Shares of Rs.10/- each (4100 Shares of Rs.10/- each)	50275	50275
	- Nutan Nagrik Sahakari Bank Ltd 2000 Shares of Rs.10/- each (2000 Shares of Rs.10/- each)		
	<b>Total Non-Current Investement</b>	<b>557572</b>	<b>558925</b>
	M V of Quoted Investments	400000	400000
	Book Value of Unquoted Investments	157572	158925

## Note 5 : OTHER NON CURRENT FINANCIAL ASSETS

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Trade Receivables outstanding for a period exceeding one year (Unsecured Considered Good) (Refer Note 29)	2621036	5023814
b	Other Bank Balances in Fixed Deposit	224186	818148
	<b>Total</b>	<b>2845222</b>	<b>5841962</b>

## Note 6 : OTHER NON CURRENT ASSETS

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Security Deposits (Unsecured, Considered good) Advances to	3304934	4132872
b	Suppliers	7533983	8422076
	<b>Total</b>	<b>10838917</b>	<b>12554948</b>

## Note 7 : INVENTORIES

(R

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Raw Material	0	3308408
b	Finished Goods / Stock in Trade	48530197	93955484
c	Stores and Spares (Refer Note no. 2)	0	0
	<b>Total</b>	<b>48530197</b>	<b>97263892</b>

## Note 8 : CURRENT INVESTMENTS

(R)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	<b>Unquoted Investments</b>		
	Investments in Mutual Fund (fair value through Profit and loss)		
	- Union Equity Saving Fund	0	519896
	- Union Arbitrage Fund	0	1005900
	- Union KBC Dynamic Band Fund	0	579601
	<b>Total</b>	<b>0</b>	<b>2105397</b>
	Aggregate Value of Unquoted Investments (Mutual Fund)	0	2105397

## Note 9 : TRADE RECEIVABLES

(Rs)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Trade Receivables unless stated otherwise outstanding for a period exceeding six months* (Unsecured Considered Good)	23936191 228091495	23470309 164365393
b	Trade Receivables unless stated otherwise outstanding for a period not exceeding six months* (Unsecured Considered Good)		
c	Trade Receivable with impaired credit risk Less : Written Off (*Refer Note 29) (The Debts due by directors or other officers of the compnay is NIL (P.Y : NIL))	1726864 (1,726,864)	1567245 (1,567,245)
	<b>Total</b>	<b>252027686</b>	<b>187835702</b>

## Note 10: CASH AND CASH EQUIVALENTS

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Cash in Hand Balances	417287	2027892
b	with Banks		
	Balances with Banks in Current A/c	1250996	13400320
		1250996	13400320
	<b>Total</b>	<b>1668283</b>	<b>15428212</b>

## Note 11 : OTHER FINANCIAL ASSTES

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Advances related to Trade & Others	0	358756
	<b>Total</b>	<b>0</b>	<b>358756</b>



**Note 12 : OTHER CURRENT ASSETS**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Balance with Govt Authorities		
	- TDS For Prior Years(Net of Provision)	355781	284449
	- TDS For Current Years/ Advance Income Tax	901777	1158037
	- TCS Receivable	0	113295
	- VAT Receivables	250331	250331
	- IGST RECEIVABLE	3086040	9657645
	- CGST/SGST RECEIVABLE	2431654	4495789
	- CST 2% ON SALE	198679	198679
	- IGST 2% ON SALE	0	0
b	Prepaid Expenses	732791	619403
c	Other Receivables	511114	549843
	<b>Total</b>	<b>8468167</b>	<b>17327471</b>

**NOTE : 13 EQUITY SHARE CAPITAL**

PARTICULARS	As At 31st March,2020	As At 31st March,2019
<b>Equity share capital with voting rights Authorised share capital</b> 7500000 Equity Shares of Rs.10/- each (7500000 Equity Shares of Rs.10/- each)	<b>75000000</b>	<b>75000000</b>
<b>Issued,subscribed &amp; fully paid up share cap.</b> 6174400 Equity Shares of Rs.10/- each (6174400 Equity Shares of Rs.10/- each)	61744000	61744000
Less: Calls in Arrear	214000	214000
<b>Total</b>	<b>61530000</b>	<b>61530000</b>

**a Reconciliation of the shares outstanding at the beginning & at the end of the reporting period:**

Particulars	Opening Bal.	Opening Bal.
<b>Equity share capital with voting rights</b>		
Year ended 31st March,2020		
- Number of shares	6174400	6174400
- Amount (in Rs.)	61530000	61530000
Year ended 1st April,2019		
- Number of shares	6174400	6174400
- Amount (in Rs.)	61530000	61530000

**b Terms/right attached to the equity/preference shares**

- 1) The Company has only one class of equity shares having a par value of `10 per share, each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.
- 2) In the event of liquidation, the Equity Shareholders are eligible to receive the remaining Assets of the company after Distribution of all Preferential amount, in
- 3) Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately

## c Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs. 10/- each fully paid Name	31 <sup>st</sup> March 2020		31 <sup>st</sup> March, 2019	
	Nos.	% Held	Nos.	% Held
Apurva Kalyanbhai Shah	421004	6.81	420304	6.81
Kalyan Jayantilal Shah	1647350	26.68	1647350	26.68
Shailesh Manilal Thakkar	0	0	686000	11.11
KIFS Financial Services Limited	68600	11.11	0	0

## Note 14 :OTHER EQUITY

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
<b>a</b>	<b>Capital Reserve</b>		
	Opening Balance	3299308	3299308
	Add : During the year	-	-
	<b>Closing Balance</b>	<b>3299308</b>	<b>3299308</b>
<b>b</b>	<b>Securities Premium</b>		
	Opening Balance	38376200	38376200
	Add : During the year	-	-
	<b>Closing Balance</b>	<b>38376200</b>	<b>38376200</b>
<b>c</b>	<b>Profit &amp; Loss Account</b>		
	Opening Balance	11310847	6255480
	Add : Profit/(loss) for the year	1841282	5055367
	Less : Investment Revaluation Reserve ( net )	-	-
	<b>Closing Balance</b>	<b>13152129</b>	<b>11310847</b>
<b>d</b>	<b>Other Comprehensive Income</b>		
	(Items that will be reclassifiable to Profit or Loss)		
	Opening Balance	49627	49324
	Add : Movement during the year	-1353	410
	Less : Adjustment for Deffered Tax for the year	352	107
	<b>Closing Balance</b>	<b>47922</b>	<b>49627</b>
	<b>Total</b>	<b>54875561</b>	<b>53035984</b>

## Note 15 : OTHER FINANCIAL LIABILITIES - Non Current

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
<b>a</b>	Trade Payables for period exceeding 12 months (Refer Note 29)	627821	881654
	<b>Total</b>	<b>627821</b>	<b>881654</b>

## Note 16 : DEFERRED TAX LIABILITIES

PARTICULARS	As At 31st March,2020	As At 31st March,2019
Opening Balance	8230886	8327292
Add : During the year due to depreciation & others	-896523	-96406
<b>Closing Balance (Refer note 29)</b>	<b>7334363</b>	<b>8230886</b>

**Note 17 : BORROWINGS**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	<b>Secured Loan</b>		
	- Working Capital Credit Facilities	154870981	191791351
	-From Bank	0	4089469
	-UBI FDBP A/c		
b	Term Loan Vehicle from Bank	1252401	0
	<b>Total</b>	<b>156123382</b>	<b>195880820</b>

Loan from Union Bank of India secured by :

**1 Cash Credit is secured by Hypothecation/pledge/charge over following prime sec**

Packing Credit: Hypo. Of RM/WIP/FG & consumables meant for export

FDBP : Export Bills covering export of goods under confirmed contract/LC

CC Hypo. : Hypo of entire paid stocks & Book Debts. However, stock/book debts older than 90 days shall not rank for DP

**2 Term Loan Vehicle from Bank is secured against Vehicle****3 Collateral Security :**

EM over the following assets:

Factory Land & Building situated at Rajpur. Tal: Kadi, Dist. Mehsana in the name of Company

Further, all the credit facilities are personally guaranteed by Nirav K.Shah, Managing Director of the Company.

**Note 18 : OTHER FINANCIAL LIABILITIES - Current**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Trade Payables (Refer Note 29)		
	(i) Total Outstanding dues of MSME	0	0
	(ii) Outstanding other than (i)	82330640	60357365
b	Other Financial Liabilities	2019307	7067154
	<b>Total</b>	<b>84349947</b>	<b>67424519</b>

**Note 19 : PROVISIONS**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Provision for Current Tax	500000	1200000
b	Provision for Expenses	7327613	598512
	<b>Total</b>	<b>7827613</b>	<b>1798512</b>

**Note 20 : OTHER CURRENT LIABILITIES**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Statutory Dues	381764	362693
	<b>Total</b>	<b>381764</b>	<b>362693</b>

**Note 21 : REVENUE FROM OPERATIONS**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Sale of Products	1149647923	1491758710
b	Other Operating Revenue	15071302	18300975
	<b>Total</b>	<b>1164719225</b>	<b>1510059685</b>

**Note 22 : OTHER INCOME**

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Dividend Income	6045	6045
b	Interest on Bank Deposits	72154	39177
c	Insurance Income	1871	136162
d	Fair Value Measurement through Profit & Loss	0	55018
e	Rate Fluctuation	1146899	3176768
f	Commission & Brokerage Income	0	158268
g	Credit Balance written back	0	0
h	Annual Fees	0	13938
i	Profit on Investment Redemption	174426	0
j	Scrap Income	300	0
	<b>Total</b>	<b>1401695</b>	<b>3585376</b>

**Note 23 : COST OF MATERIALS CONSUMED**

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	<b>Raw Material</b>		
	Opening	3308408	6825998
	Purchase	15604465	15098352
	Closing	0	3308408
		18912873	18615942
b	<b>Stores &amp; Spares</b>		
	Opening	0	824571
	Purchase	5580	466308
	Closing	5580	0
		0	1290879
	<b>Total</b>	<b>18912873</b>	<b>19906821</b>

**Note 24 : PURCHASES**

(Rs.)

	PARTICULARS	As At 31st March,2020	As At 31st March,2019
a	Trading Purchase	1029010304	1410636375
	<b>Total</b>	<b>1029010304</b>	<b>1410636375</b>

**Note 25 : CHANGE IN INVENTORIES OF FINISHED GOODS, AND STOCK IN TRADE**

(Rs.)

PARTICULARS	As At 31st March, 2020	As At 31st March, 2019
Inventories at the end of the year :	48530197	93955484
Inventories at the beginning of the year :	93955484	67909030
Change in Finished Goods	45425287	-26046454
<b>Total</b>	<b>45425287</b>	<b>-26046454</b>

**Note 26 : EMPLOYEE BENEFITS EXPENSE**

(Rs.)

	PARTICULARS	As At 31st March, 2020	As At 31st March, 2019
a	Salary & Allowances	2064256	2307226
b	Staff Welfare Expense	180784	164868
c	Bonus Expenses	146575	140835
d	Director Perquisites Expenses	162187	0
	<b>Total</b>	<b>2553802</b>	<b>2612929</b>

**Note 27 : OTHER OPERATING AND ADMINISTRATIVE EXPENSES**

(Rs.)

	PARTICULARS	As At 31st March, 2020	As At 31st March, 2019
a	<b>Manufacturing Service Cost</b>		
	Power and Fuel	0	0
	Repairs Maintenance Charges of Factory Building	660443	44800
	Repairs Maintenance Charges of Plant & Machinery	2143700	17500
	Other Manufacturing/Operating Costs	21885627	50887462
b	Power Generation Exps.	1261052	1243915
	<b>Administrative &amp; General Exps.</b>		
	Telephone Postage	177954	165683
	Printing Stationery	146163	67802
	Rates and Taxes	95507	45170
	Rent Exps	589500	1,972,412
	Consultancy Charges	0	68710
	Auditors Remuneration	70000	60000
	Electricity Exps	145116	284873
	Travelling Conveyance	2233279	1193932
	Legal Professional Charges	2035661	882140
	Donations	105301	5001
	VAT Exps	63191	-
	Subscriptions - Membership Fees	292112	180498
	GST Penalty Exps	9352	
	Amount Written Off	3158923	1567245
	Website Designing & Develop. Exps	0	467500
	Other Administrative General Exps	2466577	4574834
	Insurance	405429	42270
c	<b>Selling Distribution Exps</b>		6
	Advertising Promotional Exps	251022	
	Commission & Brokerage Exps.	1075059	74294
	Other selling Distribution Exps.	2155710	4597424
	Loss on Sale of Assets	0	9584242
	Service Charge - Share dept.	0	13364
	<b>Total</b>	<b>41426678</b>	<b>78421507</b>

**Note 28 : FINANCE COST**

(Rs.)

	<b>PARTICULARS</b>	<b>As At 31st March,2020</b>	<b>As At 31st March,2019</b>
a	Interest expenses	22852473	16560768
b	Bank Charges	16163639	264928
c	Bank Charges- Export	256229	199085
d	Bank Charges- Import	14934	1730
e	Bank Interest - FDBP	81418	572349
f	Interest on Income Tax	0	61827
g	Interest on TDS	15083	2685
h	Interest on GST	25466	50
i	Interest on Municipal Tax	0	1042
j	Processing Charges	532426	991859
	<b>Total</b>	<b>23941668</b>	<b>18656323</b>

**Notes 29 Other Notes Forming Part of the Financial Statements:****1. Contingent liabilities to the extent not provided for:****Guarantees:**

Claims against Company, disputed by the Company, not acknowledged as debt:

Particulars	As at 31 March 2020	As at 31 March 2019
Sales Tax Demand Pending Before sales Tax Tribunal (VAT) for FY 2006-07	9, 56,900/-	9, 56,900/-
Pending Before Sales Tax (CST) for the F.Y. 2006-07	9, 14,477/-	9, 14,477/-

**2. Foreign Expenditure and Earnings :****a. Expenditure/Outgo in Foreign Currency**

Particulars	31st March 2020	31st March 2019
For Purchases of Cotton Bales/Comber Noil Waste	47,30,590/-	47,05,612/-
For Expenses	9,20,825/-	23,79,017/-
Total Foreign Currency outgo	56,51,415/-	70,84,629/-

**b. Earning/Receipt in Foreign Currency**

Particulars	31 March 2020	31 March 2019
Export of Goods	8,08,22,438/-	30,60,52,272/-

**3. Contractual obligations**

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

**4. Contingent Liability related to Micro, Small and Medium Enterprises**

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid to as at year end together with interest paid/payable under this Act have not been given.

**5. Segment Reporting****a. Segment Information**

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortization (EBITDA) as performance measure to assess the performance of the operating segments. Description of Segment.

For the management purpose, the company is engaged in single business segment i.e. in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

Details Products contributing 10% or more of Revenue from Operation

Products	Year Ended 31 March 2020	Year Ended 31 March 2019
Cotton	97,46,66,280/-	119,79,29,818/-
Yarn	16,24,27,642/-	27,28,30,914/-
Others	1,25,54,001/-	2,09,97,978/-
<b>Total</b>	<b>114,96,47,923/-</b>	<b>149,17,58,710/-</b>

**b. The geographical segments considered for disclosure are as under:**

Particulars	Year 2019-20	Year 2018-19
Turnover within India	106,88,25,485/-	118,57,06,438/-
Turnover outside India	8,08,22,438/-	30,60,52,272/-

## c. Customer Contributed 10% or more to the company's revenue

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Domestic Customer - Turnover	89,45,27,335/-	131,96,66,978/-
Number of Customer	2	5

## 6. Year wise details of deferred tax:

Particulars	2019-20	2018-19
Deferred Tax Liability		
Opening Balance	83, 30,886/-	83, 27,292/-
Add/(Less): On Account of Depreciation, Other Expenses	(8, 96,875)	(80,559/-)
Add/Less: On Account of FVTOCI and FVTPL	NIL	(15,847/-)
Closing Balance	73, 34,363/-	83, 30,886/-

## 7. Reconciliation of tax expense ( Current Tax and Deferred Tax ) and the accounting profit multiplied by India's domestic tax rate

Particulars	31st March 2020 (Rs. in lakhs )	31st March 2019 (Rs. in lakhs )
Accounting Profit before Tax	14.45	61.58
At India's statutory income tax rate	3.75	16.01
Tax Effect of Non-deductible/deductible/exempt expenses/income for tax purposes	(15.06)	(4.98)
Income Tax Expenses	(3.96)	11.03
Income Tax Expense Recognised	(3.96)	11.03

## 8. Related Party Disclosure pursuant to Ind AS -24:

<b>Key Managerial Personnel</b>	Late Shri. Kalyanbhai J. Shah-Chairman & Managing Director Shri. Nirav Shah- CEO & Director Shri. Paresh R. Shah-Director Shri. Janak G. Nanavaty-Director Shri. Fenil R. Shah-Director Smt. FalguniBroker-Director
<b>Relative Key Managerial Personnel</b>	No Transaction during the year.

Particulars	KMP	RKMP
Director Sitting Fees (Previous Year)	32,500/- (42,750/-)	NIL NIL
Expenses (Previous Year)	1, 62,187/- (6, 70,562)	NIL NIL

## 9. Disclosure of Employee Benefit Expense

During the year under audit the company has charged Rs.25.63 lakhs (P.Y.: Rs. 26.12 lakhs) in profit and loss account considering as short term employee benefit expense. Further according to the management of the company, the company had not entered into formal plans or formal agreement between company and individual employee, group of employees or their representative other than those provided in short term employee benefit expense. Further in the opinion of the company is not under legislative requirement or through industry arrangements whereby the company is required to contribute to statutory plans. Further in the view of the company, there are no informal practices that give rise to constructive obligations other than those provided in short term employee benefit expenses.



**10. Disclosure in Accordance with IND AS-116 on Leases**

The Company has recognized the following amounts in the Statement of Profits and Loss for the year as Obligations on non-cancellable operating leases:

The Total cash outflow for Lease rental during the year is as under :

Particulars	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Total cash outflow for leases during reporting period	5,89,500/-	17,10,000/-

**11. Earnings per Share :**

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Sr. No.	Particular	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
a)	Profit after Tax as per P & L for Eq. Share Holder	1840281	5055670
b)	Weighted Average No. of Eq. Share outstanding*	6153000	6153000
c)	Nominal Value of Share	10.00	10.00
d)	Basic Earnings Per Share (Rs.)	0.30	0.82
e)	Diluted Earnings Per Share (Rs.)	0.30	0.82

\*The calls-in-arrears is not taken into consideration

**12. Disclosure On Financial instrument**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.17 to the financial statements.

	Level of Hirarchy	31st March 2020				31st March 2019			
		Carrying Amount	FVTPL	FVOCI	Amortised Cost	Carrying Amount	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Non Current investments	1,3	5.57	1.57	4	-	5.58	1.58	4.00	-
Current Investments	1	-	-	-	-	21.05	21.05	-	-
Trade Receivables		2525.07	-	-	2525.07	1878.35	-	-	1878.35
Cash and Cash Equivalents		18.92	-	-	18.92	162.46	-	-	162.46
Other Financial Assets		-	-	-	-	3.58	-	-	3.58
<b>Total Financial Assets</b>		2549.56	1.57	4.00	2543.99	2071.02	22.63	4.00	2044.39
<b>Financial Liabilities</b>									
Borrowings		1561.23	-	-	1958.80	1958.80	-	-	1958.80
Trade payables		823.30	-	-	823.30	603.57	-	-	603.57
Other Financial liabilities		0.99	-	-	70.67	70.67	-	-	70.67
<b>Total Financial Liabilities</b>		2385.52	-	-	2385.52	2633.04	-	-	2633.04

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Inputs which are unobservable inputs for the assets or liability.

**13. Financial Risk Management**

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

**a. Financial instrument and cash deposit**

Credit risk is limited as the Company generally invest in deposits with banks and in mutual funds having high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**b. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

**c. Credit Risk**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally made considering their past track record with the Company.

**d. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following risk: interest rate risk, foreign currency risk, other price risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

**e. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on its non-current and current borrowings with floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

**f. Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure.

**g. Other price risk**

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance Sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

**14.** The Outbreak of Coronavirus (COVID-19) pandemic globally and in India causes significant disturbance and slowdown economic activity. Operational activities undertaken by the Company were temporarily suspended during nationwide lockdown. Business operations are being resumed in line with directives of the authorities.

The Company has considered internal and external source of the information up to the date of approval of the standalone financial results, in assessing the recoverability of its assets, liquidity, financial position and operation of the Company. The management has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions. The management expects to recover the carrying amount of its assets as on 31st March, 2020. The impact of COVID-19 may be different from that estimated on the date of approval of these financial statements. Such changes, if any, will be prospectively recognized. The management will continue to closely monitor amount of material changes to future economic conditions.

Considering the uncertainty involved in estimating the impact of this pandemic, the future impact of this pandemic may be different from those estimated as on the date of approval of this standalone financial results. The uncertainty relating to improvement in economic activities may have an impact to the Company's operation in future.

15. Previous year figures have been reclassified/regrouped to confirm the presentation requirements.

**SIGNATURE TO NOTES '1' TO '29'**

**For Keyur Bavishi & Co.  
Chartered Accountants (FRN:131191W)**

**Keyur D. Bavishi  
Proprietor  
M.No. 136571**

**Place : Ahmedabad  
Date : 30/07/2020**

**For and on behalf of the Board**

**Nirav Shah  
Director & CEO  
DIN-00397336**

**Fenil Shah  
Director  
DIN-01558417**

**Mayank Thaker  
(CFO)**

**Charvi Nayani  
Company Secretary(A55905)**

**Place : Ahmedabad  
Date : 30/07/2020**