



# JAGJANANI TEXTILES LIMITED

Regd. Office : E-228, RIICO Industrial Area, Bagru Extn.-1, Bagru, JAIPUR-303007

E-mail : [jtlsgv@gmail.com](mailto:jtlsgv@gmail.com) Phone : 0141-5123802 CIN : L17124RJ1997PLC013498

J/BSE/16

Date: 03/05/2016

The Manager  
Department of Corporate Service,  
Bombay Stock Exchange,  
Floor-25, P J Towers,  
Dalal Street, Mumbai-400001

Scrip Code: 532825

Dear Sir(s),

After checking on the B.S.E. website we have find that the soft copy of Annual Report for the Financial Year ended 31<sup>st</sup> March, 2010 is not available on the web site. With reference to your letter DCS/CI.31/2010/1166/532825. DCS/DISS/AR-S/CI.31A/101/2010-11 Dated: 08 March, 2011. We had already mailed you the Soft Copy of Annual Report on 21<sup>st</sup> March, 2011 at [corp.relations@bse.com](mailto:corp.relations@bse.com).

So we are again uploading the same on BSE LISTING CENTER.

Please find the same in order and take note of the above.

Thanking you,

Yours truly,

**For Jagjanani Textiles Limited**

Ankit Bhardwaj  
(Compliance Officer)



JAGJANANI TEXTILES LIMITED

MEMBERS OF THE BOARD OF DIRECTORS

Mr. J. K. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

MEMBERS OF THE BOARD OF DIRECTORS

AUTHORS



# JAGJANANI TEXTILES LIMITED

HEAD OFFICE

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## Annual Report 2009-2010

PLANTS

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REGISTRATION TRANSFER AGENT

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# JAGJANANI TEXTILES LIMITED



## NOTICE

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Ms. Manu Agarwal

### AUDITORS

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

### REGISTERED OFFICE

S-25, Shyam Nagar,  
Jaipur - 302 019

### HEAD OFFICE

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

### MILLS

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

### REGISTRAR & TRANSFER AGENT

Link Intime India Private Limited  
A-40, 2nd Floor,  
Naraina Industrial Area  
Phase-II  
Near Bharat Banquet  
New Delhi-110028  
Ph.: 011-41410592, 94



### NOTICE

NOTICE is hereby given that the 13<sup>th</sup> Annual General Meeting (hereinafter referred to as AGM) of the Members of JAGJANANI TEXTILES LIMITED will be held at its Registered Office at S-25 Shyam Nagar, Jaipur on Thursday the 30th day of September, 2010 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. N.K.Khurana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shakuntaka Vyas, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s G. Dutta & co., Chartered Accountants, Jaipur (ICAI Registration No. 002136 'C') the retiring auditors of the Company as Auditors, who shall hold the office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration.

By Order of the Board

(MANU AGARWAL)  
COMPANY SECRETARY

Place: Jaipur  
Date: 27/08/2010



**NOTES:**

- (i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the Meeting.
- (ii) The information pursuant to Corporate Governance Clause of the Listing Agreement regarding the directors seeking appointment/re-appointment in the Annual General Meeting as proposed in item no. 2 & 3 of the Notice is also being annexed hereto separately and forms part of the Notice.
- (iii) The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2010 to 30th September, 2010.
- (iv) The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
- (v) Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
- (vi) Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
- (vii) Members holding shares in the same/identical name (s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.

By Order of the Board

(MANU AGARWAL)  
COMPANY SECRETARY

Place: Jaipur  
Date: 27/08/2010



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

Name of the Director	Mr. N K Khurana	Mrs. Shakuntala Vyas
Date of Birth	14/08/1952	12/04/1957
Date of appointment	23/07/1997	01/04/1997
Expertise in specific or more functional area	Business experience of more than 31 years	Experience in General Administration
Qualification	M.Com	B.A.
Directorships of other Companies as on 31 <sup>st</sup> March, 2010	Nil	Nil
Chairman/Member of Committees of other Companies as on 31 <sup>st</sup> March, 2010.	Nil	Nil
No. of shares held	NIL	20010

### CORPORATE GOVERNANCE REPORT

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

#### 1. COMPANY'S PHILOSOPHY

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

#### 2. BOARD OF DIRECTORS:

##### a) Board Meetings :

During the financial year 2009-10 Board Meetings were held on 17.06.2009, 30.06.2009, 31.07.2009, 30.10.2009, 18.12.2009 and 30.01.2010.

##### b) Composition as on March 31<sup>st</sup>, 2010:

The Board of Directors comprises of two Whole-time Directors, one Non Executive and four Non Executive & Independent Directors.

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



Name of Director	Designation & Category	No. of Board meetings attended	Attendance at last AGM	Total no. of Directorships in other companies	No. of committee memberships in other companies	Total No. of Board Chairmanship in other Companies	Total No. of Committee Chairmanship in other Companies
Mr. S G Vyas	Whole time Director	6	Yes	Nil	Nil	Nil	Nil
Mr. S K Singhal	Whole time Director	6	Yes	Nil	Nil	Nil	Nil
Mr. N K Khurana	Non-Executive and Independent Director	2	No	Nil	Nil	Nil	Nil
Mr. Anil Goyal	Non-Executive and Independent Director	2	No	One	Nil	Nil	Nil
Mr. Akash Bharatbhai Shah	Non-Executive and Independent Director	2	No	Nil	Nil	Nil	Nil
Mrs. Shakuntala Vyas	Non-Executive and Non-Independent Director	6	Yes	Nil	Nil	Nil	Nil
Mr. Narendra Mahajani	Non-Executive and Independent Director	1	No	Nil	Nil	Nil	Nil

**Notes :**

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

**Disclosure of Change**

There is no change in the Board of Directors of the Company since the last AGM.

**3. AUDIT COMMITTEE:**

As at 31st March, 2010, the Audit Committee comprised of two Non- Executive, Independent Directors and one Non- Executive, Non- Independent Director. The terms of reference of the Audit Committee are as contained in Section 292A of the Companies Act, 1956 and also as contained in Corporate Governance Clause of the Listing Agreement.

The Audit Committee met four times during the financial year 2009-10 on 30.06.2009, 31.7.2009, 30.10.2009 and 30.01.2010. The attendance of members at the meetings was as follows:

Sr. No.	Name of Director	Designation	No. of meetings attended
1.	Mr. Narendra Mahajani	Chairman	3
2.	Mr. N K Khurana	Director	3
3.	Mrs. Shakuntala Vyas	Director	4

**4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:**

The terms of reference of the Shareholders'/ Investors' Grievance Committee comprise of redressal of shareholders'/ investors' complaints. The Committee consists of two Non-Executive, Independent Directors and one Non-Executive, Non- Independent Director.

The Shareholders'/ Investors' Grievance Committee met 4 times during the year 2009-10 on 30.05.2009, 30.07.2009, 30.11.2009 and 30.01.2010. The Compliance Officer for this Committee is Ms. Manu Agarwal, Company Secretary. The attendance of Members at the Meetings was as follows:

Sr. No	Name of Director	Designation	No. of meetings attended
1.	Mrs. Shakuntala Vyas	Chairman	4
2.	Mr. N K Khurana	Director	2
3.	Mr. Akash Bharatbhai Shah	Director	2

During the financial year 2009-10, the Company received no complaint from investor.

**5. SHAREHOLDING OF DIRECTORS AS ON 31.3.2010**

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

Name of Directors	Number of Shares held
Mr. S G Vyas	10,60,000
Mr. S K Singhal	20,60,000
Mrs. Shakuntala Vyas	20,010

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

**6. GENERAL BODY MEETINGS:**

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

Meeting	Day and Date of the Meeting	Time	No. of Special Resolutions
2008-09	Wednesday, 30 <sup>th</sup> September, 2009	11.00 AM	2
2007-08	Tuesday, 30 <sup>th</sup> September, 2008	11.00 AM	-
2006-07	Saturday, 29 <sup>th</sup> September, 2007	11.00 AM	-

All the General Body Meetings were held at the Registered Office of the Company viz. S-25, Shyam Nagar, Jaipur-302019 (Rajasthan).

No resolution has been passed by the Company's shareholders through postal ballot during the financial year 2009-10 and there is no resolution proposed to be passed through postal ballot in the ensuing Annual General Meeting.

**7. DISCLOSURES:**

During the year, there was no transaction of material nature with the Directors, management and their relatives etc. that have any potential conflict with the interest of the Company at large except, as disclosed under the related party transaction as per the Accounting Standard Related Party





Disclosures' issued by the Institute of Chartered Accountants of India which are set out in the Annual Report. Also there has not been any non-compliance by the Company in respect of which penalties or strictures were imposed by the Stock Exchange, the Securities and Exchange Board of India or any other statutory authority during the last three years. In preparation of the financial statements, the Company has followed the Accounting standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

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

**8. MEANS OF COMMUNICATION:**

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

**9. GENERAL SHAREHOLDERS' INFORMATION:**

- i) 13th Annual General Meeting
  - Date : 30th September, 2010
  - Time : 11.00 AM
  - Venue : Regd Office:  
S-25, Shyam Nagar, Jaipur-302019 (Rajasthan)
  
- ii) Financial Calendar 2010-11
  - First Quarter Results : August, 2010
  - Second Quarter Results : November, 2010
  - Third Quarter Results : February, 2011
  - Annual Results : June, 2011
  
- iii) Dates of Book Closure : 23/09/2010 to 30/09/2010
  
- iv) Dividend payment date : No dividend has been recommended by the Board of Directors
  
- v) Listing : The equity shares of the company are listed on Bombay Stock Exchange Limited, Mumbai (BSE)

The Company has duly paid the listing fee to the aforesaid Stock Exchange for the financial year 2010-11.

- vi) Stock Code:  
The Bombay Stock Exchange Limited,  
Mumbai (BSE) : 532825
  
- vii) Stock Market Data :



Financial Year 2009-10	Share prices		BSE Sensex	
	Highest (Rs.)	Lowest (Rs.)	Highest	Lowest
April, 09	3.80	2.15	11492.10	9546.29
May, 09	6.08	2.80	14930.54	11621.30
June, 09	6.40	3.89	15600.30	14016.95
July, 09	4.86	3.45	15732.81	13219.99
Aug., 09	4.75	3.70	16002.46	14684.45
Sept., 09	4.97	3.92	17142.52	15356.72
Oct., 09	4.45	3.50	17493.17	15805.20
Nov., 09	4.09	3.25	17290.48	15330.56
Dec., 09	4.90	3.60	17530.94	16577.78
Jan., 10	6.75	4.16	17790.33	15982.08
Feb., 10	5.04	3.90	16669.25	15651.99
Mar., 10	4.30	3.51	17793.01	16438.45

## viii) Registrar &amp; Transfer Agent:

The work related to Share Transfer Registry in terms of both physical and electronic mode is being dealt with by M/s Link Intime India Private Limited at the address given below:

Link Intime India Private Limited  
A-40, 2<sup>nd</sup> Floor,  
Naraina Industrial Area  
Phase-II, Near Bharat Banquet  
New Delhi-110028  
Tel: 011-41410592, 94

## ix) Share Transfer System:

The share transfer activities under physical mode are carried out by the RTA. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time. The share related information is available online.

Physical shares received for dematerialization are processed and completed within a period of 21 days from the date of receipt. Bad deliveries are promptly returned to Depository Participants (DP's) under advice to the shareholders.

x) Shareholding Pattern as on 31<sup>st</sup> March, 2010:

Category	No. of shares	As percentage of shares
1. Promoters	7161088	45.9
2. Directors & their relatives and related person/s	Nil	Nil
3. Public	8438912	54.1
TOTAL	15600000	100.00



xi) Distribution of Shareholding as on 31<sup>st</sup> March, 2010:

Range No. of shares	SHAREHOLDERS		SHARES	
	Number of total holders	% to Total Holders	Numbers to total shares	% to Total Shares
Upto -2500	1872	35.122	261370	1.675
2501-5000	1288	24.165	528314	3.387
5001-10000	1045	19.606	894973	5.737
10001-20000	571	10.713	904920	5.801
20001-30000	211	3.959	552148	3.539
30001-40000	78	1.463	283539	1.818
40001-50000	68	1.276	327906	2.102
50001-100000	112	2.101	839354	5.381
Above 100000	85	1.595	11007476	70.56
Total	5330	100.000	15600000	100.000

xii) Dematerialization of shares:

As on 31st March, 2010, 57.083 % of the Capital comprising 89, 04,985 shares out of total 15600000 were dematerialized.

xiii) Plant Location:

E228, RIICO Industrial Area, Bagru Extension,  
Bagru, Jaipur (Rajasthan)

xiv) Address for correspondence:

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

xv) CEO/CFO certification

We the undersigned, to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2010 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.



- d) We have indicated to the auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

We further declare that all board members and senior management have affirmed compliance with the code of conduct for the year 2009-10.

S G VYAS  
(MANAGING DIRECTOR)

- xvi) Review of directors' responsibility statement.  
The Board in its report have confirmed that the annual accounts for the year ended March 31, 2010 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the 13th Annual Report together with Audited Accounts for the year ended 31st March, 2010.

**FINANCIAL RESULTS**

	(Rs.000)	(Rs.000)
	Year ended On	Year ended On
	31/03/2010	31/03/2009
Gross sales including other income	1,58,264	3,91,843
Gross Loss	1,27,494	11,288
Depreciation	34,353	34,190
Loss before tax	1,61,847	45,478
Provision for Tax	-	81
Loss after tax	1,61,847	45,559

**MANAGEMENT DISCUSSION AND ANALYSIS**

The year 2008-09 was a difficult year for global economy due to severe recessionary trends resulting in economic crisis. However, things started looking up during 2009-10 in a cautious manner. Due to large domestic market, recovery in Indian economy has been faster than many developed economies. Textile industry has also shown signs of improvement. Investments made in earlier years, particularly under TUF scheme, have started showing results in terms of volume and quality. Increased manufacturing of textile products has also increased domestic competition particularly on account of shrinkage in overseas demand. Further the industry is facing substantial increase in input costs which is difficult to pass on to the consumers in short run. Government policy of withdrawal of export promotion benefits have also caused concern and slowed the sustained recovery.

Your Company has created world class weaving facilities but the same could not be utilized optimally due to paucity of working capital. The adverse economic conditions of earlier year caused loss to your Company and consequent erosion of working capital. Shortage of funds has compelled the Company to partly withhold the implementation of expansion project. Moreover, your Company had to repay part of its term loan even before the commissioning of expansion project. This led to severe shortage of funds. Company's request to the banks for restructuring of debt and extending further facilities has not evoked positive response so far. This has seriously hampered the working of your Company resulting in lower capacity utilization and consequent operational loss.



However, our faith in India's textiles industry remains unshaken and we foresee a bright future for Indian textiles. Present global trends show a healthy improvement in demand for textiles from India.

**MANAGEMENT PERCEPTION OF RISK AND CONCERN**

1. Textile industry is highly competitive not only for domestic market but for global trade as well. In such a scenario appreciating rupee value vis a vis U S Dollar has significant effect on our earnings.
2. With the globalization of Indian economy, cotton prices have gone up in tandem with global trends. Massive increase in Minimum Support Price of cotton by Central Govt. and uncaliberated export of this raw material has further added to the difficulties of textile industry. An integrated view need to be taken by the authorities in this regard for safeguarding the interest of industry.
3. Your Management is making all out efforts to improve productivity, control costs and produce better fabrics and yarn to fetch higher unit realization.

**INTERNAL CONTROL SYSTEM**

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

**HUMAN RESOURCES/INDUSTRIAL RELATIONS**

Your Company lays emphasis on building and sustaining an excellent organization climate based on human performance. Performance management is the key word for the Company. The Company has developed an environment of harmonious and cordial relations with its employees. As the Company is in Textile business only, segment reporting is not required.

**DIVIDEND**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;



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

#### **DIRECTORS**

There was no change in composition of Board during 2009-10.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. N K Khurana and Mrs. Shakuntala Vyas, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

#### **OTHER INFORMATION**

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

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

#### **Energy Conservation, Technology Absorption & Foreign Exchange**

The information required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 with respect to Conservation of energy, technology absorption and foreign exchange earnings/outgo is appended hereto and form part of this report.

#### **AUDITORS**

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

The observations made by the Auditors in their Report are adequately explained in the notes to the Accounts and significant Accounting Policies and need no further elaboration.



**CORPORATE GOVERNANCE**

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

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

**ACKNOWLEDGMENT**

The Board acknowledges the valuable assistance and cooperation received from Government Authorities, Bankers and Business Constituents and looks forward to their continued support.

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

For and on behalf of the Board

(S.G.VYAS)

MANAGING DIRECTOR

Place: Jaipur

Dated: 27.08.10





**Information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988**

**A. Conservation of Energy:**

a. Energy conservation measures taken

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

b. Total energy consumption and energy consumption per unit of production

**FORM 'A'**

Form for Disclosure of Particulars with respect to Conservation of Energy

**A. Power & Fuel Consumption**

	Current Year	Previous Year
<b>1 Electricity</b>		
a) Purchased Units	3250330	2341545
Total Amount (Rs.000)	14924	9733
Rate / Unit (Rs.)	4.59	4.43
b) Own Generation		
i) Through Diesel Generator		
Units	256497	273792
Total Amount (Rs.000)	2978	3164
Cost/Unit (Rs.)	11.61	11.56
ii) Through steam Turbine/Generators	-	-
<b>2 Coal (specify quantity &amp; where used)</b>	-	-
<b>3 Furnace Oil</b>	-	-



	Diesel / Light Diesel Oil		
<b>4</b>	<b>Other / Internal Generation – Steam (Wooden &amp; Brequets)</b>		
	Quantity Produced (Kgs)	481040	281940
	Total Cost (Rs.000)	1251	798
	Rate / Kg (Rs.)	2.60	2.83

**B. Consumption per unit of production :**

		Current Year				Previous Year			
Product	Unit	Elect	Coal	Furna ce Oil	Steam	Elect	Coal	Furna ce Oil	Steam
		KWH				KWH			
Cotton Yarn	KG	2.01	-	-	-	1.53	-	-	-
Fabric	MTR	0.80	-	-	0.26	0.69	-	-	0.27

**C. Technology absorption:**

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

**D. Foreign exchange earnings and outgo:**

	2009-10 (Rs. 000)	2008-09 (Rs. 000)
Foreign exchange earnings	14532	41460
Foreign exchange outgo		
Capital goods	-	-
Stores & Spares parts	-	1918
Travelling	-	84



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

To,

The Members of  
Jagjanani Textiles Limited

We have examined the compliance of the conditions of Corporate Governance by Jagjanani Textiles Limited for the year ended on 31<sup>st</sup> March, 2010 as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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

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

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

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

On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and as reported by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as director in terms of section 174 of the Companies Act, 1956 and in agreement with the books of account.

In our opinion and to the best of our information and according to the explanation given to us, we report that the directors have given the information required by the Companies Act, 1956 in the manner required and give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.

Place : Jaipur  
Dated: 27.08.2010

For G Dutta & Co.  
Chartered Accountants  
(Gopal Dutta)  
Sr. Partner  
Membership no: 71312

Place : Jaipur  
Date : 27.08.2010

**AUDITORS' REPORT**

To the Members of Jagjanani Textiles Limited,

We have audited the attached Balance Sheet of Jagjanani Textiles Limited as at 31<sup>st</sup> March, 2010, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto and report that:

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, (Amendment) 2004 issued by the Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
4. Further to our comments referred to in paragraph (3) above we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books;
  - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
    - ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For G.Dutta & Co.  
Chartered Accountants

(GOPAL DUTTA)  
Sr. Partner  
Membership No.71312

Place : Jaipur  
Date : 27.08.2010

## **ANNEXURE TO THE AUDITORS' REPORT**

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets. All the fixed assets have been physically verified during the year by the Management and the frequency of such verification was reasonable. Further, we are informed that no material discrepancies were noted during such verification. No fixed asset was disposed off during the year.
2. None of the fixed assets of the Company have been re-valued during the year.
3. (a) The Company has maintained records pertaining to finished goods, stores, spares, raw materials, purchases, sale of goods, by-products, scrap and book debts.  
(b) Inventories have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable.  
(c) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(d) The discrepancies noticed on physical verification of stocks as compared to book records which were not material, have been properly dealt with in the books of account.
4. In our opinion the valuation of stocks is fair and proper and in accordance with generally accepted accounting principles.
5. The Company has not taken any loan from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
6. The Company has not granted any loan to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/ or companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
7. According to the information and explanations given to us, no loans and advances in the nature of loans have been given to parties including the employees.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
9. We are informed that there are no transactions with any party for the purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 during the year under review.
10. The Company has not accepted any deposits from the public during the year. Accordingly the clause 4 (vi) of the order is not applicable.



11. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
12. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1) (d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
13. The Company has been regularly paying dues under the E.S.I. Act with the appropriate authorities. However, some dues under the Employees' Provident Fund Act remain unpaid.
14. According to the books and records examined by us and the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, service tax, excise duty cess & other material statutory dues applicable to it were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.
15. The Company has Rs. 465.31 lacs accumulated losses as at 31st March, 2010. The company has incurred cash loss of Rs. 1274.94 lacs in the financial year 2009-10 under report and Rs. 112.88 lacs in the immediately preceding financial year 2008-09.
16. The Company has defaulted in repayment of dues to Banks during the year. It has been explained to us that the Company has approached banks for rescheduling the repayment of loans under Corporate Debt Restructuring Scheme. The proposal is awaiting approval.
17. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the clause 4(xii) of the order is not applicable.
18. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund / society. Accordingly the clause 4(xiii) of the order is not applicable.
19. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the clause 4(xiv) of the order is not applicable.
20. According to information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the clause 4(xv) of the order is not applicable.
21. On the basis of information and explanation given to us, term loan raised during the year have been applied for the purposes for which they were raised.



- 22. According to information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment by the Company or vice versa.
- 23. During the year, the Company has not made any preferential allotment of shares. Accordingly clause 4(xviii) of the order is not applicable.
- 24. The Company has not issued any debentures so far. Accordingly clause 4(xix) of the order is not applicable.
- 25. The Company has not raised any money through public issue during the year. Accordingly clause 4(xx) of the order is not applicable.
- 26. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

For G.Dutta & Co  
Chartered Accountants  
(GOPAL DUTTA)

Sr. Partner  
Membership No. 71312

Place : Jaipur  
Date : 27.08.2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule No.	As at 31st March, 2010 Rs.000	As at 31st March, 2009 Rs.000
<b>I. SOURCES OF FUNDS</b>			
<b>I.SHAREHOLDERS' FUNDS</b>			
Share Capital	A	156,000	156,000
Reserves & Surplus	B	102,313	152,548
<b>2.LOAN FUNDS</b>			
Secured Loan	C	455,948	397,014
Unsecured Loan	D	20,691	22,215
<b>Total</b>		<b>734,952</b>	<b>727,777</b>
<b>II.APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
Fixed Assets	E	433,928	433,187
Less: Depreciation		164,314	129,961
Net Fixed Assets		<b>269,614</b>	<b>303,226</b>
Capital Works in Progress		210,687	211,777
<b>2.INVESTMENTS</b>		39	39
<b>3.CURRENT ASSETS</b>			
Inventories	F	30,905	80,931
Sundry Debtors	G	8,193	199,461
Cash & Bank Balance	H	11,437	14,250
Loans & Advances	I	162,141	162,554
		212,676	457,196
<b>4. LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	J	65,426	238,827
Provisions	K	3,425	5,634
Net Current Assets		143,825	212,735
<b>III.Profit &amp; Loss A/c</b>			
<b>Total</b>		<b>734,952</b>	<b>727,777</b>
Significant Accounting Policies and notes to the Accounts	S		

For and on behalf of the Board

Manu Agarwal  
SecretaryS G Vyas  
Managing DirectorS K Singhal  
Whole Time Director

As per our attached report of even date

For G Dutta & Co.  
Chartered AccountantsPlace : Jaipur  
Date : 27.08.10(Gopal Dutta)  
Sr. Partner





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

	Schedule No.	2009-10 Rs.000	2008-09 Rs.000
<b>INCOME</b>			
Sales including other Income	L	158,264	391,843
Increase/Decrease in Closing Stock	M	(21,945)	12,169
		<u>136,319</u>	<u>404,012</u>
<b>EXPENDITURE</b>			
Manufacturing Expenses	N	133,422	123,814
Purchase of Goods		38,252	243,961
Empolyees Expenses	O	13,686	8,927
Administrative & Other Expenses	P	20,481	6,765
Selling & Distribution Expenses	Q	4,883	5,948
Interest & Financial Charges (Net)	R	53,089	25,885
		<u>263,813</u>	<u>415,300</u>
Loss for the Year		127,494	11,288
Depreciation		34,353	34,190
Loss before tax		161,847	45,478
Add : Fringe Benefit Tax		-	81
Loss after tax		-	45,559
Add : Deferred Tax Liability/(Assets)		(825)	972
Net Loss		<u>161,022</u>	<u>46,531</u>
Transfer from Reserves		50,235	46,531
Loss carried to Balance Sheet		110,787	-
		<u>161,022</u>	<u>46,531</u>
Significant Accounting Policies and notes to the Accounts	S		

For and on behalf of the Board

**Manu Agarwal**  
Secretary

**S G Vyas**  
Managing Director

**S K Singhal**  
Whole Time Director

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

Place : Jaipur  
Date : 27.08.10

**(Gopal Dutta)**  
Sr. Partner



**SCHEDULES ATTACHED TO AND FORMING PART  
OF THE BALANCE SHEET AS AT 31ST March, 2010**

	As at 31st March, 2010 Rs. 000	As at 31st March, 2009 Rs. 000
<b>SCHEDULE - A SHARE CAPITAL</b>		
<b>Authorised</b>		
180,00,000 Equity Shares of Rs. 10/- each	180,000	180,000
<b>Issued, Subscribed &amp; Paid up</b>		
156,00,000 Equity Shares of Rs. 10/- each (Previous year 15600000 equity shares of Rs. 10/- each)	156,000	156,000
<b>SCHEDULE - B RESERVES &amp; SURPLUS</b>		
<b>General Reserve</b>		
Opening Balance	50,235	96,766
Less: Transferred to Profit & Loss A/c	50,235	46,531
		50,235
<b>Share Premium A/c</b>		
Opening Balance	102,313	100,288
Add :Share issue expenses excess written off in earlier years now written back	102,313	2,025
	102,313	102,313
	102,313	152,548
<b>SCHEDULE - C SECURED LOANS</b>		
a) Term Loans		
- IDBI Bank	5,987	6,390
- Bank of Baroda	148,724	155,800
- UCO Bank	110,000	110,000
- FITL - UCO Bank	22,735	5,712
- Accrued interest	16,498	6,269
b) Working Capital (BOB)		
- Cash Credit	109,879	84,551
- Letter of Credit	19,844	12,909
	294	421
c) Vehicle Loan		
	21,987	14,962
d) OD Facility from IDBI Bank Ltd		
	455,948	397,014

**Notes:**

- Term loans from Bank of Baroda and UCO Bank are secured by way of equitable mortgage of Land and building created or to be created at G-206,207 and 209, RIICO Industrial Area, Bagru Extension, Bagru of the Company and hypothecation of buildings and all the movable properties of Weaving Unit and Ring Spinning unit of the Company (save and except book debts) including movable machinery, spares, tools and accessories etc, present and future subject to prior charges created and/or to be created in favour of the Company's banker on stock of raw materials, semi-finished goods, store and spares and other movables as may be required for securing the borrowings for working capital requirements in the course of business. The mortgage and charges referred to above rank pari-passu. The term loans are further personally guaranteed by two Directors of the Company. These term loans are additionally secured by 2nd charge of all immovable properties and fixed assets situated at E-228, RIICO Industrial Area, Bagru Extension, Bagru and entire current assets of proposed ring spinning unit.
- Cash Credit and Letter of Credit facilities are secured by hypothecation of raw materials, finished goods, stock in process, stores and spares, and book debts, both present and future and also personally guaranteed by two Directors of the Company. Additionally secured by mortgage of immovable properties situated at G-206,207 & 209 RIICO Industrial Area, Bagru Extension, Bagru and 2nd charge over the entire fixed assets of the Company.
- Vehicle loan is secured by hypothecation of the vehicle.
- Term Loan and OD facility from IDBI Bank Ltd is secured by way of equitable mortgage of land situated at E-228 RIICO Industrial Area, Bagru Extension, Bagru and Building and Plant & Machineries of Open end spinning unit of the company (present and future). These are further guaranteed by three directors.
- Amount due for repayment within one year out of Term Loans is Rs. 658.55 Lacs (Previous year 136.17 lacs).

<b><u>SCHEDULE - D</u></b>	<b><u>UNSECURED LOANS</u></b>	<b>As at 31st</b>	<b>As at 31st</b>
		<b>March, 2010</b>	<b>March, 2010</b>
		<b>Rs. 000</b>	<b>Rs. 000</b>
	From Bank	1,311	8,400
	From Others	19,057	13,482
	Security Deposit	323	333
		<b>20,691</b>	<b>22,215</b>



**SCHEDULE - E FIXED ASSETS**

Rs. '000

Assets	Original Cost				Depreciation for the year	To date depreciation	Written down Value	
	As at 01-04-2009	Addition	Sale/Adjustments	As at 31-03-2010			As at 31-03-2010	As at 31-03-2009
Land	6,229	-	-	6,229	-	-	6,229	6,229
Building	82,494	35	-	82,529	2,756	11,034	71,495	74,216
Plant & Machinery	337,989	689	-	338,678	31,060	149,001	189,677	220,048
Computer	583	15	-	598	1	553	45	31
Furniture, Fixtures	3,738	2	-	3,740	332	2,851	889	1,219
Vehicles	2,154	-	-	2,154	204	875	1,279	1,483
<b>Total</b>	<b>433,187</b>	<b>741</b>		<b>433,928</b>	<b>34,353</b>	<b>164,314</b>	<b>269,614</b>	<b>303,226</b>
<b>Previous Year</b>	<b>440,695</b>	<b>7,643</b>	<b>15,151</b>	<b>433,187</b>	<b>34,190</b>	<b>129,961</b>	<b>303,226</b>	<b>344,525</b>



	As at 31st March, 2010	As at 31st March, 2009
	Rs. 000	Rs. 000
<b><u>SCHEDULE - F</u>      <u>INVENTORIES</u></b>		
(As taken, valued & certified by the Management)		
Raw Material Stock including		
With outside parties	2,510	29,849
Finished Goods	1,356	7,772
Stock in Process	3,530	19,059
Stores & Spares	23,509	24,251
	<b>30,905</b>	<b>80,931</b>
<b><u>SCHEDULE - G</u>      <u>SUNDRY DEBTORS</u></b>		
(Unsecured & Considered Good)		
Over six Months	4,978	154,799
Other Debts	3,215	44,662
	<b>8,193</b>	<b>199,461</b>
<b><u>SCHEDULE - H</u>      <u>CASH &amp; BANK BALANCES</u></b>		
Cash in hand	1,228	139
Cheques in hand	3,700	91
Balances with Scheduled banks		
In Current Accounts	988	2,481
In Fixed Deposit A/c	5,521	11,539
	<b>11,437</b>	<b>14,250</b>
<b><u>SCHEDULE - I</u>      <u>LOANS &amp; ADVANCES</u></b>		
Interest accrued on investment & FD's	1,151	1,833
Security Deposit	7,797	8,285
Prepaid Expenses	285	381
Advance tax and Tax deducted at source	718	536
Deferred Tax Credit	22,572	21,747
Advances for Raw Material	24,437	24,786
Advances Recoverable in cash or in kind or for value to be received	41,263	41,436
Advance against Capital Goods	63,918	63,550
	<b>162 141</b>	<b>162 554</b>
<b><u>SCHEDULE - J</u>      <u>CURRENT LIABILITIES</u></b>		
Sundry Creditors for raw material	18,134	12,798
Sundry Creditors for raw material (Trading)	193	187,763
Sundry Creditors- Capital goods	19,350	8,633
Sundry Creditors-others (Due to Directors Rs. 241207)	15,870	20,301
Trade Advances	2,279	1,768
Liability for Expenses(Due to Directors Rs. 1440000)	5,961	6,298
Statutory Liabilities	3,639	1,266
	<b>65,426</b>	<b>238,827</b>



**SCHEDULE - K**

**PROVISIONS**

For tax		4,594
For leave encashment & Gratuity	3,425	1,040
	<b>3,425</b>	<b>5,634</b>
	<b>2009-10</b>	<b>2008-09</b>
	<b>Rs. 000</b>	<b>Rs. 000</b>

**SCHEDULE - L**

**SALES & OTHER INCOME**

Sales	156,744	388,612
Export- Incentive	942	3,207
Miscellaneous Receipts	160	24
Conversion Charges	418	-
	<b>158,264</b>	<b>391,843</b>

**SCHEDULE - M**

**INCREASE / (DECREASE) IN STOCK**

<b>Opening Stock</b>		
Finished Goods	7,772	489
Stock in Process	19,059	14,173
	<b>26,831</b>	<b>14,662</b>
<b>Closing Stock</b>		
Finished Goods	1,356	7,772
Stock in Process	3,530	19,059
	<b>4,886</b>	<b>26,831</b>
<b>INCREASE/(DECREASE) IN STOCK</b>	<b>(21,945)</b>	<b>12,169</b>

**SCHEDULE - N**

**Manufacturing Expenses**

Raw materials consumed	108,461	104,159
Packing Material consumed	1,115	2,265
Power & Fuel	19,153	13,695
H. Y. O. Transfer Charges	52	122
Water Charges	220	133
Rep. & Maint. – Plant & Machinery	1,309	1,318
Rep. & Maint. – D. G. Set	652	310
Mending Expenses	-	16
Sizing Material Consumed	2,460	1,796
	<b>133,422</b>	<b>123,814</b>

**SCHEDULE - O**

**Employees' Expenses**

Salaries & Wages	12,801	8,094
Staff Welfare & Mess Expenses	184	148
Contribution to Provident Fund, ESI etc.	701	685
	<b>13,686</b>	<b>8,927</b>



**SCHEDULE - P**      **Administrative & other Expenses**

Audit Fee	50	35
Auditor's Fee-Other Capacity	16	15
Auditor's Out of Pocket Expenses	25	25
Unrecoverable Interest W/off	8,161	-
Insurance Expenses	528	682
Legal Costs & Stamps Charges	164	1,958
Professional Fee	2,535	1,086
Rates & Taxes	315	266
Rent Paid	4,904	328
Other Misc. Expenses	3,783	2,370
	<b>20,481</b>	<b>6,765</b>

**2009-10**      **2008-09**  
**Rs. 000**      **Rs. 000**

**SCHEDULE - Q**      **Selling & Distribution Expenses**

Freight & Cartage	697	2,700
Cash Discount & Rebate	2,029	830
Commission on Sales	1,899	1,146
Sales Tax	-	1,060
Other Misc. Expenses	258	212
	<b>4,883</b>	<b>5,948</b>

**SCHEDULE - R**      **Interest & Financial Charges**

Interest on Term Loan	33,161	11,447
Interest - Working Capital	18,092	11,570
Bill Discounting & financing charges	1,252	3,305
Interest Paid - Others	1,660	1,939
	<b>54,165</b>	<b>28,261</b>
Less: Interest Income	1,076	2,376
	<b>53,089</b>	<b>25,885</b>



## SCHEDULE S SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

### A. Significant Accounting Policies

#### (1) Basis of Accounting

Financial statements are prepared under the historical cost convention, in accordance with generally accepted Accounting Standards applicable in India and the provisions of Companies Act, 1956. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties relating to income.

#### (2) Revenue Recognition

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

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

#### (3) Fixed Assets

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

#### (4) Depreciation

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

#### (5) Investments

Investments are valued at cost.

#### (6) Inventories

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

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

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

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

#### (7) Foreign Currency Transactions

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





**(8) Retirement Benefits**

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

**B. Notes:**

- 1. Estimated amount of contracts on capital account to be executed and not provided for is Rs. 1432.53 lacs net of advances (previous year: Rs. 1937.46 lacs).
- 2. Investment of Rs.39000/- in form of National Saving Certificates has been pledged with Sales Tax Authorities.
- 3. Remuneration to Whole Time Directors consists of:

	2009-2010 (Rs.in lacs)	2008-2009 (Rs.in lacs)
Salary	18.00	11.20
Contribution to Provident Fund	2.16	1.22
Accommodation	6.09	2.00
Medical Expenses	0.48	0.13
	<u>26.64</u>	<u>14.55</u>

- 4. Certain balances of sundry debtors, sundry creditors and trade advances are subject to confirmation.

5. Related party disclosures:

**A. Relationship**

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

**B. Transaction with related parties.**

	2009-2010	2008-2009
<b>Rent Paid</b>		(Rs.000)
Mrs Rita Singhal	372	212
Mr S G Vyas	-	12

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

	For year ending 31 March, 2010		For year ending 31 March, 2009	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Timing difference between book and tax depreciation	Rs. 24,27,093	---	---	Rs. 28,59,654
Tax on above	Rs. 8,24,969	---	---	Rs. 9,71,997



7. Capital work in progress includes pre-operative expenditure of Rs. 210 lacs allocated to the capital jobs in progress pertaining to Ring spinning project in earlier years which will be capitalized on completion of project.
  8. Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.
  9. There was no amount due to such of the units registered under SSI and declared to us as on 31.03.2010 and further there was no claim from suppliers under the "interest on delayed payment to Small scale undertaking Act, 1993".
  10. Additional information pursuant to the provisions of paragraphs (3) to (4D) of Part II of Schedule VI of the Companies Act, 1956.
- I. Particulars in respect of the installed capacities and the actual production:

A. Installed Capacity:

Particular	Unit	Installed Capacity	
		Current Year	Previous Year
Rotors	Nos.	960	960
Looms	Nos.	42	42

Actual Production Particulars	Current year Quantity	Previous year Quantity
Waste (Kgs.)	98571	163062
Fabric (Mtrs.)	1771763	1058692
Fents, Rags & Chindies (Kgs.)	7653	6986

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

A. Manufacturing Activities

Particulars	Current Year		Previous Year	
	Quantity Kgs.	Value Rs. (000)	Quantity Kgs.	Value Rs. (000)
i) Opening Stock of Finished Goods:				
Yarn (Kgs.)	37955	3108	6195	418
Waste (Kgs.)	16440	42	7678	8
Fabric (Mtrs.)	101058	4425	1260	63
Fents, Rags & Chindies (Kgs.)	6561	197	0	0
ii) Closing stock of finished goods				
Yarn (Kgs.)	3981	398	37955	3108
Waste (Kgs.)	11990	41	16440	42
Fabric (Mtrs.)	16256	911	101058	4424
Fents, Rags & Chindies (Kgs.)	580	6	6561	197



iii)	Sales				
	Yarn (Kgs.)	350077	28295	1126611	92963
	Waste (Kgs.)	103021	270	154300	321
	Fabric (Mtrs.)	1856565	90874	958894	47271
	Fents, Rags & Chindies (Kgs.)	13634	136	425	.85

Note : 594655 Kgs (Previous Year 417287 Kgs) of Yarn have been consumed internally for manufacture of fabrics.

B. Trading Activities	Current Year		Previous Year	
	Qty. (Kgs.)	Value (Rs.000)	Qty. (Kgs.)	Value (Rs.000)
(i) Cotton				
Opening Stock	-	-	-	-
Closing Stock	-	-	-	-
Purchase	636246	38252	-	-
Sale	636246	37169	-	-
(ii) Fabric				
Opening Stock	-	-	-	-
Closing Stock	-	-	-	-
Purchase	-	-	4014780	243961
Sale	-	-	4014780	244089

	Current Year		Previous Year	
	Qty. (Kgs.)	Value (Rs. 000)	Qty. (Kgs.)	Value (Rs.000)
Cotton	611190	78882	1482536	75676
Polyester	167985	11297	246370	16323
Cotton Yarn	186630	18268	157629	12160
Viscose	0	14	0	0
		108461		104159

	Current Year	Previous Year
IV CIF Value of imports		
Capital Goods	-	-
Spare parts	-	1918
V Expenditure in Foreign		
Currency	-	-
Travelling	-	84



	Imported	Indigeneous	Imported	Indigeneous
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
VI Value of raw materials, stores & spares consumed during the year	-	108461	-	104159
Raw Materials	-	100	-	100
Percentage	-	5536	13	5692
Stores & Spares	-	100	.001	99.999
Percentage	-	-	-	-
VII Earnings in Foreign Exchange	-	-	-	-
Export of goods calculated on FOB value	-	14532	-	41460

11. Earning per share

	Current Year	Previous Year
Net Loss as per Profit & Loss A/c (in Rs.000)	161022	46531
No. of Shares	15600000	15600000
Basic Earning per share of Rs.10/- each	(10.32)	(2.98)
Diluted Earning per share of Rs.10/- each	(10.32)	(2.98)

Signatures to Schedules A to S  
For and on behalf of the Board

Manu Agarwal  
(Secretary)

S.G.Vyas  
(Managing Director)

S.K.Singhal  
(Whole-time Director)

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

(Gopal Dutta)  
Sr. Partner

Place : Jaipur  
Dated: 27.08.10



# JAGJANANI TEXTILES LIMITED

## CASH FLOW STATEMENT for the year ended 31st March, 2010

Particulars	2009-2010 Rs. 000	2008-2009 Rs. 000
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after tax	(161022)	(46531)
Adjustments for:		
Depreciation	34353	34190
Interest/Dividend Income		
Preliminary expenses Written off		
Interest	53089	25885
<b>Operating Profit before Working Capital Changes</b>		
<b>Capital Changes</b>	<b>(73580)</b>	<b>13544</b>
Change in Trade and Other Receivables	191268	(141046)
Change in Inventories	50026	(30803)
Change in Other Current Assets	1118	23882
Change in Current Liabilities	(186327)	165000
Prior Period Expenditure		
<b>Net Cash Flow from Operating Activities</b>	<b>(17495)</b>	<b>30577</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale/Purchase of Fixed Assets	(741)	7508
Change in sundry creditors - Capital Goods	10717	5316
Changes in Advance-Capital Goods	(368)	
Change in other non current assets	(337)	(1556)
Change In Capital WIP	1090	(63673)
Interest Received	1076	2376
<b>Net Cash Flow from Investing Activities</b>	<b>11437</b>	<b>(50029)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes in Borrowings	57410	19974
Proceeds from Issuance of Capital		
Share Premium		
Miscellaneous Exp incurred		2025
Interest & Financing Charges	(54165)	(28261)
Depreciation written back on sale of Fixed Assets		(399)
Dividend Paid		0
<b>Net Cash Flow from Financing Activities</b>	<b>3245</b>	<b>(6661)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(2813)</b>	<b>(26113)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>14250</b>	<b>40363</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2813)</b>	<b>(26113)</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>11437</b>	<b>14250</b>

For and on behalf of the Board

**Manu Agarwal**  
Secretary

**S G Vyas**  
Managing Director

**S K Singhal**  
Whole Time Director

As per our attached report of even date

**For G Dutta & Co.**  
Chartered Accountants

Place: Jaipur  
Date: 27.08.10

**(Gopal Dutta)**  
Sr. Partner

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

**I. Registration Details:**

Registration No.

1	3	4	9	8
---	---	---	---	---

State Code

1	7
---	---

Balance Sheet Date

3	1	0	3	2	0	1	0
D	D	M	M	Y	Y	Y	Y

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

Public Issue

N	I	L
---	---	---

Rights Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

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

Total Liabilities

6	9	3	0	1	6
---	---	---	---	---	---

Total Assets

6	9	3	0	1	6
---	---	---	---	---	---

Sources of Funds

Paid up Capital

1	5	6	0	0	0
---	---	---	---	---	---

Reserves & Surplus

(	8	4	7	4	)
---	---	---	---	---	---

Share Application Money

-	-
---	---

Secured Loans

4	5	5	9	4	8
---	---	---	---	---	---

Unsecured Loans

2	0	6	9	1
---	---	---	---	---

Application of Funds

Net Fixed Assets

2	6	9	6	1	4
---	---	---	---	---	---

Investments

3	9
---	---

Net Current Assets

1	4	3	8	2	5
---	---	---	---	---	---

Misc. Expenditure

-	-
---	---

Accumulated Losses

1	1	0	7	8	7
---	---	---	---	---	---

Capital WIP & Advance against Capital goods

2	1	0	6	8	7
---	---	---	---	---	---

**IV. Performance of Company (Amount in Rupees Thousands)**

Turnover

1	5	8	2	6	4
---	---	---	---	---	---

Total Expenditure

2	9	8	1	6	6
---	---	---	---	---	---

+/- Profit/Loss Before Tax

-	1	6	1	8	4	7
---	---	---	---	---	---	---

+/- Profit/Loss After Tax

-	1	6	1	0	2	2
---	---	---	---	---	---	---

Earning per Share (in Rs.)

(Annualised)

(	1	0	.	3	2	)
---	---	---	---	---	---	---

Dividend rate %

N	I	L
---	---	---

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

(As per Monetary terms)

ITEM CODE NO. (ITC Code)

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

Product Description

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

ITEM CODE NO. (ITC Code)

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

Product Description

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

ITEM CODE NO. (ITC Code)

5	2	.	0	9
---	---	---	---	---

Product Description

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



# JAGJANANI TEXTILES LIMITED

REGD. OFFICE : S-25, SHYAM NAGAR, JAIPUR-302019

## ATTENDANCE SLIP

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

Folio no. \_\_\_\_\_ DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

Member's/ Proxy's name (in block Letters) \_\_\_\_\_

Address \_\_\_\_\_

I hereby record my presence at the 13<sup>th</sup> Annual General Meeting of the Company at S-25, Shyam Nagar, Jaipur-302019 (Rajasthan), on Thursday the 30<sup>th</sup> September 2010 at 11.00 a.m.

Signature of the member/ proxy present \_\_\_\_\_

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



# JAGJANANI TEXTILES LIMITED

REGD. OFFICE: S-25, SHYAM NAGAR, JAIPUR-302019

## PROXY FORM

FOLIO NO.

DS/CLIENT ID

I/ We \_\_\_\_\_ of \_\_\_\_\_

being a member/ members of JAGJANANI TEXTILES LIMITED,

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/ our

proxy to attend and vote for me/ us on my/ our behalf at the 13<sup>th</sup> Annual General Meeting of the Company to be held on Thursday the 30<sup>th</sup> September 2010 at 11.00 a.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

Signature \_\_\_\_\_

Affix  
1 Rupee  
Revenue  
Stamp

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