

***24<sup>TH</sup> ANNUAL REPORT 2011-12***

***JATTASHANKAR INDUSTRIES LIMITED***

# **JATTASHANKAR INDUSTRIES LIMITED**

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## **24<sup>th</sup> ANNUAL REPORT**

**YEAR- 2011-12**

**BOARD OF DIRECTORS** : Shri Jatta Shankar Poddar – Chairman Cum Managing Director  
: Dr. Sharad Poddar - Director  
: Shri Sandeep Modi - Director  
: Shri Udit Master - Director

**AUDITORS** : Shankarlal Jain & Associates  
Chartered Accountants

**REGISTERED OFFICE** : 11, Parasrampuria Apartment, Film City Road,  
Opp. Bank of India, Gokuldharm, Goregaon (East)  
Mumbai 400 063.

**WORKS** : 77/78 Piparia Industrial Estate,  
Dadra & Nagar Haveli,  
Silvassa,  
Union Territory.

**REGISTRAR & TRANSFER AGENTS** : Shares Dynamics (India) Pvt. Ltd.  
Unit 1, Luthra Industria Premises, Safed Pool,  
Andheri Kurla Road, Andheri(E), Mumbai-400059

# **JATTASHANKAR INDUSTRIES LIMITED**

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## **NOTICE TO THE MEMBERS**

**NOTICE IS HEREBY GIVEN THAT THE 24<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF JATTASHANKAR INDUSTRIES LTD. WILL BE HELD ON FRIDAY ON 28<sup>TH</sup> SEPTEMBER 2012 AT 11, PARASRAMPURIA APT. ,FILM CITI ROAD, GOKULDHAM, GOREGAON(EAST), MUMBAI 400 063 AT 9 A.M. TO TRANSACT THE FOLLOWING BUSINESS.**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March ,2012 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint Auditors to hold office from the conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint a Director in place of Sandeep Modi who retires by rotation and being eligible, offer himself for reappointment.

By order of the Board of Director  
For **JATTASHANKAR INDUSTRIES LIMITED**

**SD/-**  
**JATTA SHANKAR PODDAR**  
**(MANAGING DIRECTOR)**

**Place: Mumbai**  
**Date : 03/09/2012**

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND THE PROXY NEED NOT BE A MEMBER. Proxy form should be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Register of Members and share Transfer Books of the company will remain closed from 26-09-2012 to 28-09-2012 (both day inclusive).
3. All documents referred to in the Notice and the Explanatory statement are open for inspection at the Registered office of the company during office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
4. Members are requested to bring copy of Annual Report as copies of Report will not be distributed again at the meeting.
5. The members are requested to notify the changes, if any, in their addresses to the company.
6. Members/Proxies should bring the Attendance Slip, duly filled in and signed for attending the meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the company at an early so as to enable the management to keep the information ready.

# **JATTASHANKAR INDUSTRIES LIMITED**

## **DIRECTOR'S REPORT**

### **THE MEMBERS, JATTASHANKAR INDUSTRIES LIMITED.**

Your Director's have pleasure in presenting 24<sup>th</sup> Annual Report and the Audited account of the company for the year ended 31<sup>st</sup> March 2012.

### **FINANCIAL RESULTS**

	YEAR ENDED 31.03.12 Rs.in lacs	YEAR ENDED 31.03.11 Rs.in lacs
Sales & Processing Charges	367.88	79.91
Operating Profit Before Exception item	106.25	60.58
Add: Loan and Accrued Interest Written back	1372.61	---
Profit Before Tax	1478.86	60.58
Less: Current Tax and Deferred Tax	---	---
Profit After Tax	1478.86	60.58
Loss brought forward	2470.22	2530.80
Total Loss available for appropriation	991.35	2470.22

### **DIVIDEND**

Your directors regret their inability to propose any dividend in view of the accumulated losses of the company.

### **REVIEW OF OPERATIONS FOR 2011-12**

In the year under review, the turnover of the company has increased as Company has started own production & sale of dyed yarn from December 2011 onwards, due to rehabilitation process already started and Operating Profit has also increased to Rs. 106.25 Lacs.

The out look for the current year is expected to be better than year 2012-2013 barring any unforeseen events & the management is taking all necessary measures for revival of the company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956 the directors would like to state that:-

- I) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- II) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- III) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the 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.

### **DIRECTOR**

Shri Sandeep Modi retired by rotation at the ensuing annual general meeting and being eligible to offer himself for reappointment.

# **JATTASHANKAR INDUSTRIES LIMITED**

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## **AUDITORS**

M/s. Shankarlal Jain & Associates, Chartered Accountants, Auditors of the company, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

## **PARTICULARS OF EMPLOYEES**

There were no employees who have received remuneration in excess of amount prescribed under section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND EXPENDITURE**

As required Under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, the relevant information is given annexure which forms part of this report.

## **FIXED DEPOSITS**

Your company has not accepted any fixed deposits and the provisions of Section 58 A of the Companies Act, 1956 are not applicable to the company.

## **INSURANCE**

All the properties of your company including its buildings, plant and machinery and stocks have been adequately insured.

## **CORPORATE GOVERNANCE REPORT**

Pursuant to clause 49 of Listing Agreement, Corporate Governance Report & certification of CEO & Practising Company Secretary are enclosed in this Annual report.

## **ACKNOWLEDGMENTS**

Your Directors convey their sincere thanks to the Government of India, company's customers, marketing agents and suppliers for the support and assistance provided to the company. Your Directors thank all the employees of the company for their dedicated and unstinted service and their highly valued contribution and continuing support to your company at all levels.

For and on behalf of the Board of Directors

SD/-  
(JATTA SHANKAR PODDAR)  
CHAIRMAN

Place: Mumbai  
Date : 03.09.2012

## **ANNEXURE TO THE DIRECTOR'S REPORT**

Information as per section 217 (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Director) Rules, 1988 and forming part of the Directors report for the year ended 31<sup>st</sup> March 2012.

### **(A) CONSERVATION OF ENERGY:-**

The company is making continuous effort to conserve energy wherever practicable by economizing on use of power and electricity in the factory and office. The total energy consumption as per prescribed Form 'A' is as under:-

# **JATTASHANKAR INDUSTRIES LIMITED**

Form for disclosure of particulars with respect to conservation of energy. Total energy consumption and energy consumption per unit of production.

## **PART A POWER AND FUEL CONSUMPTION**

	Year Ended 31.03.12	Year Ended 31.03.11
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1. **Electricity:--Silvassa**

a) Purchased Units (in Lacs)	10.99	11.08
Total amount (Rs.in Lacs)	45.82	*35.35
Rate /Unit (Rs.)	4.17	3.19

\* Electricity charges reimburse from job work party 29.70 Lacs (PY Rs 35.35)

2. <b>Coal</b>	0.00	0.00
3. <b>Furnace Oil</b>	0.00	0.00
4. <b>Other/Internal Generation System</b>	0.00	0.00

## **(B) TECHNOLOGY ABSORPTION**

### **Research & Development:-**

The company is continuously developing new shades in dyed yarn. The company is also planning to install Computer Software developed for getting various shades in Dyed Yarn which will provide great help in capturing the market.

Research and Development on improving the production process, yield and quality is ongoing exercise, Expenditure on Research and Development and its benefit is not separately quantified at present, since it is continuous exercise merged in the manufacture and quality and quality control activity.

The company has not availed any foreign technology during the year.

## **(C) FOREIGN EXCHANGE EARNINGS / OUTGOINGS:-**

Foreign Exchange earning were Rs. Nil

Foreign Exchange outgoing were as under:

I) Raw material	Rs. Nil
II) Capital Goods	Rs. Nil
III) Traveling	Rs. Nil
IV) Interest on Foreign Currency Loan	Rs. Nil

For and on behalf of the Board of Directors

SD/-

**(JATTA SHANKAR PODDAR)**  
**CHAIRMAN**

Place: Mumbai

Date : 03.09.2012

# **JATTASHANKAR INDUSTRIES LIMITED**

## **JATTASHANKAR INDUSTRIES LIMITED**

**FINANCIAL YEAR 2011-12**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Overview of the Economy:**

Today India is among the most attractive destinations globally, for investments and business and FDI had increased over the last few years. The Indian economy has continuously recorded high growth rates. Clean energy investment, excluding research and development, has grown by 600 per cent since 2004. India's clean energy sector continued to flourish in 2011, with private investment increasing 54 per cent to US\$ 10.2 billion, placing the country at sixth position among the G-20 nations. This was the second highest growth rate among the G-20 nations. The World Economic Forum (WEF) plans to establish permanent physical presence in India by setting up an office in the next twelve months. Today, India is amongst the most important G-20 economies and this underscores Forum's commitment to the country as a partner. Indian Textile Industry is one of the leading textile industries in the world. The government is planning to give incentives to the textiles sector with retrospective effect as it seeks to revive India's second largest manufacturing sector.

#### **Company's Business**

The prominent business of the Company is manufacturing of Polyester Texturised, Twisted and Dyed Yarn and also dyeing jobwork of Polyester and other fancy Yarns which are used for making fabrics for Shirting, Suiting Upholstery, Knitting, Labels and Curtains etc.

#### **Industry Structure & Developments:**

The Government is planning to give incentives to the textiles sector in order to revive India's second largest manufacturing sector. The Union Textile Ministry has revised the textile and readymade garment export target for the current financial year to \$ 40.5 billion from \$ 33 billion set earlier this year. Even though there is slowdown in US and EU markets, the revised target will be achievable in view of the announcement of sops in the recent foreign trade policy and other measures taken by the Government.

#### **Opportunities & Outlook:**

The biggest growth opportunity for the textile industry arises from the changed global scenario of quota free business environment. Company has grabbed the opportunity and is rapidly growing in huge domestic market. India's strong performance and growth in the textiles sector is aided by several key advantages that the country enjoys, in terms of easy availability of labour and material, large market demand, presence of supporting industries and supporting policy initiatives from the government.

#### **Segment-wise performance:**

Since the Company operates only in one segment as the Manufacturer of Polyester Dyed Yarn and other fancy Dyed Yarn, no further analysis is required and the operational results are mentioned elsewhere in this report.

#### **Risks, Concerns & Threats:**

There are few areas of concerns. Along-with recovery, the textile industry is also facing increase in input prices in sync with the global trends. In addition to appreciating rupee, free export of cotton followed by withdrawal of export incentives on cotton yarn are also causing concerns for the sustained recovery in the textile industry. In our view, there is need for an integrated approach to be adopted for the development of the textile and clothing industry in the country. Such an approach is required to ward off any such situation where the strengths of one segment of the textile industry is being undermined for passing temporary relief to another segment of the industry leading to permanent damage to the complete textile value chain. In our views, if any segment suffers from some systemic disadvantages affecting its global competitiveness, it should be overcome through suitable incentives mechanism without affecting any other segment of the industry. Along with the opportunity that the quota free regime offers, there lies the threat of stiff global competition which indirectly would result in pressure on margin. Indian textile exporters are facing stiff competition and they lack policy and labour law reforms. But the Company through its quality production competes well with other players in this sector.

#### **Internal control systems and their adequacy:**

The Company continues to have an adequate Internal Control System commensurate with the nature of its business and the size of its operations.

#### **Discussion on financial performance with respect to operational performance:**

The financial results of the Company have been discussed in the Director's Report to the members.

# **JATTASHANKAR INDUSTRIES LIMITED**

## **Material developments in Human Resources / Industrial Relations front:**

The Company believes that the quality of the employees is the key to success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill, enabling them to adopt contemporary technological advancements. The industrial relations continued to be extremely cordial during the year.

**By order of the Board  
JATTASHANKAR INDUSTRIES LIMITED**

**SD/-  
Jattashankar Poddar  
Managing Director**

**Place: Mumbai  
Date: 03.09.2012**

## **JATTASHANKAR INDUSTRIES LIMITED**

### **CORPORATE GOVERNANCE REPORT (Under Clause 49 (VI) (i) of Listing Agreement)**

#### **I. The Company's Philosophy on Code of Governance**

The Company's philosophy on Corporate Governance is to strive for attaining the optimum level of transparency and accountability in all facts of its operations and all dealings with shareholders, employees, lenders, creditors, customers and the government.

#### **II. Board of Directors**

##### **(i) Composition and category of Director :**

The strength of the Board was 4 Directors as on 31st March, 2012. The Composition and category of Directors on the Board of the Company are : 2 Executive/promoter Directors & 2 Independent Directors

##### **II) Number of Board Meetings/ AGM held and attendance chart of each Director at the Board Meeting :**

During the year 2011-10 10 times Board Meeting were held on 21/04/2011 , 30/04/2011 , 30/07/2011 , 06/09/2011 , 21/10/2011 , 31/10/2011 , 18/11/2011 ,29/11/11 ,21/01/2012 & 21/02/2011 & AGM were held on 30.09.2011 & all the 4 directors have attendend all Board Meetings & AGM

##### **iii) Details of Directors with Memberships or Chairmanships:**

<b>Name of Director</b>	<b>Directorship in other Company</b>	<b>Chairman of Committee</b>	<b>Member of other Committee</b>
<b>Jattashankar Poddar</b>	<b>1</b>	<b>Share Holder Committee (SGC)</b>	<b>AC</b>
<b>Sharad Poddar</b>	<b>1</b>	<b>0</b>	<b>SGC, AC</b>
<b>Sandeep Modi</b>	<b>1</b>	<b>0</b>	<b>SGC,AC</b>
<b>Udit Master</b>	<b>0</b>	<b>Audit Committee(AC)</b>	<b>SGC</b>

# **JATTASHANKAR INDUSTRIES LIMITED**

## **iv) Code of Conduct :**

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2012. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

## **III. AUDIT COMMITTEE**

The Composition of the Audit Committee and their attendance at the Audit Committee Meetings are as follows : During the year 5 meeting of Audit Committee were held on 21/04/2011 , 31/07/2011 , 06/09/2011 , 31/10/2011 & 21/01/2012. All the members have attended same.

The Board of Directors of the Company has framed a Terms of Reference for the Audit Committee. The Terms of Reference is based on Clause 49 (II) (D) of the Listing Agreement. The Audit Committee performs its functions in accordance with the terms of reference. In addition, it exercises powers and reviews information as specified under Clause 49 (II) (C) and (E) of the Listing Agreement.

## **IV. REMUNERATION COMMITTEE**

The Company has not constituted a separate committee to determine the terms of reference and remuneration package for its managerial personnel.

### **i) Remuneration Policy:**

The Board of Directors determines the remuneration to be paid to Managing Director and other Directors of the Company. The same is within the limits approved by the Shareholders of the Company. Mr. Sandeep Modi Non Executive Independent Director, who was reire by Rotation, were re-appointed in AGM.

### **ii) Details of Remuneration paid to all the Director's:**

A. The Company does not have any pecuniary relationship or transactions with the non-executive directors..

B. During the year Company has paid aggregate value of remuneration to 2 Directors Mr Jattashankar Poddar and Sharad Poddar amounting to Rs. 2,40,000/- each,

C. The Company has not issued any stock options or paid any performance linked incentives or fixed component incentives to the Directors.

## **V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

**A.** The Composition of the Shareholders / Investors Grievance Committee and attendance of the members of the Committee at the Shareholders/Investors Grievance Committee Meetings are as follows:

During the year 4 meeting of Audit Committee were held on 21/04/2011 ,30/07/2011 , 31/10/2011 & 21/01/2012. All the members have attended same.

### **B. COMPLIANCE OFFICER:**

As required by the Listing Agreement, the Company has appointed Mr. Laxmikant Singrodia as the Compliance Officer. Email address of Compliance Officer is [jattashankarind@yahoo.com](mailto:jattashankarind@yahoo.com) . No Complaints were pending at the beginning of the year and company has recived 3 complaints during the year under review from the shareholders and all 3 complaints were disposed off to their satisfaction. No share transfers were pending as on 31st March, 2012.

## **VI. GENERAL BODY MEETINGS**

Date time and venue for the last 3 Annual General Meetings held during the last 3 financial years are given below;

Year	Date	Place
2010-11	30/09/2011	Registered office
2009-10	30/09/2010	Registered office
2008-09	30/09/2009	Registered office

# **JATTASHANKAR INDUSTRIES LIMITED**

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**VII. Registrar and Transfer Agent –**  
**M/S Sharex Dynamics (India) Pvt. Ltd.**  
**Unit-1, Luthra Industrial Estate ,**  
**Safed Pool, Andheri Kurla Road,**  
**Andheri (East), Mumbai-400072**

## **VIII. DISCLOSURES**

- i. The Company has not entered into any materially significant related party transactions during the financial year that may have potential conflict with the interests of the Company at large.
- ii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iii. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.
- iv. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2011- 2012.
- v. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

## **IX. GENERAL SHAREHOLDER INFORMATION**

Shares of Company are suspended from Trading in Bombay Stock Exchange since year 2006 due to non compliance of various listing agreement . Company has applied to BSE for Revocation of suspension & after compliance of various pending compliances same will be relisted .

**By order of the Board**  
**JATTASHANKAR INDUSTRIES LIMITED**

**SD/-**  
**Jattashankar Poddar**  
**Managing Director**

**Place: Mumbai**  
**Date: 03.09.2012**

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### **Certificate of Chief Executive Officer**

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2012 and that to the best of our knowledge and belief.

1. These Statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended March 31, 2012 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and steps we have taken or propose to taken to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee:

# **JATTASHANKAR INDUSTRIES LIMITED**

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- a) There have been no significant changes in internal control system during the year.
- b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

**For Jattashankar Industries Ltd  
(Formerly known as Jatta Poly-Yarn Ltd)  
Sd/-**

**Jattashankar Poddar  
Managing Director/Chief Executive Officer**

**Place: Mumbai  
Date: 03.09.2011**

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## **CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)**

To  
**THE MEMBERS OF  
JATTASHANKAR INDUSTRIES LIMITED,**

We have examined the compliance of conditions of Corporate Governance by **Jattashankar Industries Limited** (Formerly known as Jatta Poly-Yarn Limited) for the year ended on 31<sup>st</sup> March 2012 as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, We certify that the company has complied with the conditions of corporate Governance as stipulated in the above-mentioned Listing Agreement.

We 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.

Sd/-  
**Kala Agarwal  
Practicing Company Secretary**

# **JATTASHANKAR INDUSTRIES LIMITED**

## **AUDITORS REPORT TO THE SHAREHOLDERS**

We have audited the attached Balance Sheet of M/s. *Jattashankar Industries Limited* (Formerly Known as Jatta Industries Limited.) as at 31<sup>st</sup> March 2012, & also the Profit & Loss Account and The Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the company's Managements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable Basis for our opinion.

1. As required by the companies ( Auditor's Report ) order , 2003 issued by the central government in terms of Section 227 ( 4A) of the companies Act , 1956
2. We enclose in the annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to the above , we report that
  - a) We have obtained all the information and explanation 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 the books;
  - c) The Balance Sheet , Profit and Loss Account & Cash Flow Statement with this report are in agreement with the books of accounts;
  - d) In our opinion Balance Sheet & Profit and Loss Account & Cash Flow Statement dealt with this report Comply with the Accounting Standards as specified in section 211 ( 3 C ) of the Companies Act , 1956 **except Accounting Standards 15 in respect of gratuity liability and Leave encashment as referred in Note No. 5 .**
  - e) On the basis of written representations and explanations received from Directors, as on 31.03.2012 and taken on record by the Board of directors, we report that none of the Directors On the basis of the written representation received from all of them are disqualified as on 31.03.12 from being appointed as a director in terms of Clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.
4. In our opinion and to the best of our information and according to the explanations given to us , **the accounts subject to Note No.5 regarding non provision of gratuity & Leave Encashment liability amount is unascertained , due to this , Profit is overstated to that extent** , and read together with the significant accounting policies and other notes of NOTE-1 , give the information required by the Companies Act,1956 in the manner so required by the Companies Act , 1956 in the manner so required give a true & fair view ;
  - ( i ) In the case of Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March , 2012  
And
  - ( ii ) In the case of Profit and Loss Account of the PROFIT for the year ended on that date.  
And
  - (iii) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

**For SHANKARLAL JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Reg. No. 109901W)**

**PLACE: MUMBAI**  
**DATE: 03.09.2012**

**SD/-**  
**S.L.AGRawal**  
**(PARTNER)**  
**Membership No. 72184**

## **ANNEXURE TO THE AUDITORS REPORT**

**(Referred to its paragraph 1 thereof)**

As required by the companies ( Auditors Report) Order ,2003 issued by the company Central Government of India in terms of section 227 (4A) of the companies Act.,1956 On the basis of such checks as we considered appropriate ,we report that :-

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed assets but the same is to be updated.  
b) We are informed that fixed assets were not verified by the management during the year. Discrepancy if any , will be determined only after the fixed asset register is updated.  
c) The company has not disposed off substantial part of fixed assets during the year to effect to its going concern.
- 2.a) Inventories have been physically verified during the year by the management at reasonable intervals.  
b) The procedure followed by the management for physical verification of stock is in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.  
c) In our opinion and according to information and explanation given to us ,the company has maintained proper records of its inventories & discrepancies were noticed on verification between the physical stock and book stock were not material & have been properly dealt with in the books of account.
3. a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956. Hence relevant Provisions are not applicable to the Company .  
b) The Company has taken interest free unsecured loan from a company (strategic promoter).Balance outstanding of Rs. 426.19 lacs at the end of the year.In our opinion the terms and conditions of the said loan are not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanation given to us ,there are adequate internal control procedures commensurate with the size of the company and the nature of its business ,for the purchase & sale of inventories ,fixed assets and with regards to sale of goods and services .During the course of our audit ,We have not observed any continuing to correct the major weakness in internal controls .
- 5.a) There are transactions in the company that need to be entered in the register in pursuance of Section 301 of the Companies Act 1956 ,were duly entered .However there transactions are subject to compliance of section 300 of the Act.  
b) In our opinion and according to the information and explanation given to us,the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of companies Act 1956 and aggregating during the year to 5,00,000/- or more in respect of each party ,have been made at prices seems reasonable as prevailing market prices for such goods ,materials or the price at which transactions for similar goods ,materials or services have been made with the other parties are not comparable not having similar goods or services.
6. In our opinion and according to information and explanation given to us ,the company has not accepted any deposits from public ,hence provisions of Section 58A & 58 AA of the Companies Act 1956 are not applicable.
7. The company has no Internal Audit System during the year.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209 (1) of the companies Act 1956 & are of the opinion that prima facie the prescribed accounts and records have been made maintained by the company .However, We have not made detailed examination of records so as to ascertain whether they are accurate and complete.
- 9.a) The company is regular in depositing statutory dues including Provident fund ,Investor Education & Protection Fund ,Employees State Insurance ,Income Tax, Wealth Tax ,Sales Tax ,Customs duty and Excise duty, Service Tax , Cess and other materials statutory dues wherever applicable with appropriate authorities . We are informed that no undisputed amounts payable in respect of aforesaid dues were

# **JATTASHANKAR INDUSTRIES LIMITED**

outstanding as at 31<sup>st</sup> March 2012 for the period of more than six months from the date they became payable.

- b) The disputed statutory dues in respect of excise demand pending before appropriate higher authorities details as under :-

<b>Name of the Statue</b>	<b>Nature of dues</b>	<b>Amount</b>	<b>Period to which amounts relates</b>	<b>Forum where the dispute is pending</b>
Central Excise Act 1944	Differential Duty of poy purchased under EOU	11,11,073/-	F.Y.2002-03	Add.Comm.Customs DRI.

10. The company has accumulated loss at the financial year of Rs. 9,91,35,495/- ( reported figure ) and it has incurred no cash loss in the financial year & immediately preceding current financial year . .
11. In our opinion and according to information and explanation given to us, company has not defaulted in repayment of dues to financial institution & others due to One Time settlement .
12. According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit / nidhi / mutual fund/society. Therefore the provision of Clause 4 (Xiii) of the companies (Auditors Report) orders 2003 are not applicable to the company.
14. In our opinion the company is not dealing or trading in any shares ,securities ,debentures & others investments .Accordingly the provision of Clause 4 (Xiii) of the companies ( Auditors Report) order 2003 are not applicable to the company.
15. The company has not given guarantee for loans taken by others from Banks or Financial Institutions.
16. The company has not taken any term loan during the year
17. According to information and explanation given to us and an overall examination of Balance Sheet of the company, we report that no funds raised during the year, on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of Public issue during the year.
21. According to information and explanations given to us, no frauds on or by the company has been noticed or reported during the course of our audit.

*For SHANKARLAL JAIN & SSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 109901W)*

**PLACE: MUMBAI  
DATE: 03.09.2012**

**SD/-  
S.L.AGRAWAL  
(PARTNER)**

# JATTASHANKAR INDUSTRIES LIMITED

## NOTE 1-- NOTES FORMING PART OF THE ACCOUNTS

### SIGNIFICANT ACCOUNTING POLICIES :

- (a) **Basis of preparation of financial statement**  
The financial statement has been prepared under the historical cost convention.
- (b) **Fixed Assets :**  
Fixed Assets are stated at cost net of Excise Duty Cenvat availed on capital goods less depreciation .All pre-operative expenses including financing cost till the commencement of commercial production are capitalized to fixed asset on appropriate basis.
- (c) **Depreciation :**  
Depreciation is provided on all depreciable assets on Straight Line Method at the rates and in the manner prescribed in schedule XIV of the Companies Act , 1956.
- (d) **Inventories :**  
i ) Raw Material ,stores & spares are valued at cost .  
ii ) Finished goods are valued at lower of cost or net realizable value.  
iii ) Work in Progress are valued at estimated cost.
- (e) **Provision for retirement benefits**  
The company has not made provision for estimated liability of gratuity for its employees as the same is treated on cash basis .Contribution to Provident fund and pension funds are monthly determined and paid by the company.
- (f) **Recognition of Income and Expenditure**  
All expenditure and income are accounted on accrual basis and to the extent company is reasonably certain of ultimate realization of income except Leave encashment & gratuity liability which is accounted for on cash basis.
- (g) **Sale**  
Sale are inclusive of excise duty and net of rebate ,discount ,claims and sales tax collected on sales .Sales is recognized on the basis of invoice or dispatch to the customer.
- (h) **Write off of miscellaneous expenditure**  
Preliminary expenses, share issue expenses and Increase in Authorised Share capital expenses are written off over a period of 5 years.
- (i) **Borrowing Cost** that are directly attributable to the acquisition , construction or production of a qualifying assets is capitalized and other borrowing cost are recognized as an expenses in the period in which they are incurred.
- (j) **Use of Estimates**  
The preparation of financial statements in conformity with the Accounting Standards generally accepted in India requires ,the management to make estimates and assumption in respect of certain items like provision for doubtful debts ,provision for impairment of fixed assets etc. that affect the reported amount of assets and liability & disclosure of contingent liability as at the date of the financial statement and reported amount of revenue and expenses for the year. Actual result could differ from these estimates .Any revision to accounting estimates is recognized in current and future period.
- (k) **Impairment of Assets**  
The company assesses at each balance sheet date whether there is any indication of impairment of any assets .If such indication exist , assets are impaired by comparing carrying amount of each asset to the recoverable amount being higher of net selling price.

### 2. Contingent liabilities not provided for in the accounts

Disputed excise demand for the appeal is pending before higher authorities amounting to Rs.11,11,073/- ( P.Y.Rs.11,11,073/-)

3. The company had been declared sick as per the order of BIFR dtd.14.06.02 & Central bank of India has been appointed as Operating Agency. Hon. BIFR , as per Order dated 23.02.2012 ,has sanctioned Rehabilitation Scheme of Company with Cost Of Scheme of Rs. 1027.34 Lacs and Means of Finance by promoter contribution  
Accordingly Company has given effect of OTS with secured Lenders by writing back Loan and accrued interest thereon provided in the accounts as under:

Name of Lenders	Nature Of Loan	Principal Amt(Rs.)	Accrued Interest(Rs.)
IDBI	Term Loan for Project	3,35,00,000	2,47,14,323
GSFC	Term Loan for Project	0	1,02,82,473
CBI	Working Capital	6,83,79,266	3,85,113
		10,18,79,266	3,53,81,909

# **JATTASHANKAR INDUSTRIES LIMITED**

The Company has done OTS with the Secured Lenders –IDBI and CBI via assignment deed in favour of strategic Promoters Investor –Shivkripa Enterprises pvt. Ltd. duly approved by Board of Directors. Now as per above referred BIFR Scheme ,amount payable to said promoter is shown as unsecured loan.

4. Balance of sundry debtors, Creditors and loans and advances are subject to confirmation, reconciliation and adjustment required, if any.
5. Provision for gratuity & Leave Encashment Liability has not been actuarially determined. Amount is unascertained, as the same is treated on cash basis.
6. In the opinion of management, sundry debtors, Loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provisions of all liabilities are adequate and not in excess of the amount reasonably necessary .There are no contingent liabilities other than those stated above.
7. Sales is shown net of claims , Rate difference & Discount of Rs.1,40,862/- (P.Y. Rs. Nil/-)
8. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures as required by Notification dated 16<sup>th</sup> November, 2007 issued by Ministry of Corporate Affairs have not been made.
9. Land at Vapi , purchased from Directors of Rs.8,57,452/- during 1999-2000 for which agreement is yet to be executed.
- 10.(a) Salary included in schedule of operating & other expenses include managerial remuneration :

Particulars	Current Year (Amt. in Rs.)	Previous Year(Amt. In Rs.)
Salary	4,80,000/-	4,80,000/-
<b>Total</b>	<b>4,80,000/-</b>	<b>4,80,000/-</b>

- b) Commission on net profit is not payable to managing director and the whole time director for the year; hence computation of net profit in accordance with section 198 of the companies Act, 1956 is not required.

11. Pursuant to requirement of Accounting Standard -18 ,issued by the ICAI ,the details of transactions carried out during the year with related parties are disclosed as under :-

Name of Party	I. Relationship	Nature of Transaction	Amount of Current year	Amount of Previous year.
Sunrise Colours Ltd.	Associate Co.	Job work Income	47,78,522/-	79,90,554/-
		Purchase Of Yarn	1,15,69,410/-	-
		Rent Income	1,80,000/-	9,60,000/-
		Receivable O/S	-	38,36,174
		Payable O/S	1,37,04,741/-	-
Jattashankar Poddar	Director	Remuneration	2,40,000/-	4,80,000/-
Sharad Poddar	Director	Remuneration	2,40,000/-	-
Jattashankar Poddar	Director	Office Rent	1,65,000/-	-
Sharad Poddar	Director	Office Rent	1,65,000/-	-

12. The company mainly deals in texturised /twisted yarns which are considered only one segment therefore, disclosure of segment reporting pursuant to Accounting Standards –17 issued by the ICAI is not required.

13. a) In view of the applicability of Accounting Standards –22 accounting for taxes on income issued by the ICAI , company does not have current tax as well as deferred tax liability due to carried forward losses. In the opinion of the management deferred tax asset is not recognized in view of uncertainty of future taxable profits.

- b) No provision for Tax has been made under provision of Income tax Act, 1961, as there are no tax liability likely to arise in view of company declared sick by BIFR & having huge accumulated losses .

14. Earning Per Share (EPS) pursuant to Accounting Standard –20 issued by the ICAI as under:

a)

Particulars	Current Year	Previous Year
Net Profit after Exceptional items available for Equity shareholders	14,78,86,326	60,58,757
Average Equity shares Rs.10/- each	43,87,100	43,87,100
Basic EPS of Rs. 10/- each	33.71	1.38
Diluted EPS of Rs.10/- each	33.71	1.38

# **JATTASHANKAR INDUSTRIES LIMITED**

b)

Particulars	Current Year	Previous Year
Net Profit without Exceptional items	1,06,25,151	60,58,757
Average Equity shares Rs.10/- each	43,87,100	43,87,100
Basic EPS of Rs. 10/- each	2.42	1.38
Diluted EPS of Rs.10/- each	2.42	1.38

15. There were no Impairment of Fixed Assets during the year pursuant to requirement of Accounting Standard 28 issued by ICAI.

16. Additional information as required under schedule VI of companies' act 1956 as certified by the management is as under:-

a) Details of Raw Material consumed

Items	Qty.(Kgs)	Value (Rs.)
Partially Oriented Yarn	201003 (-)	2,03,35,627 (-)
Texturised /Twisted Yarn	175934 (-)	2,07,79,678 (-)
<b>TOTAL</b>	<b>376937</b> (-)	<b>4,11,15,305</b> (-)

\* The above does not include Rate difference ,Claims & discount received of Rs 19,61,867 /- (P.Y. Rs.Nil).

b) Raw Material consumed

Items	% of total consumption	Value (Rs.)
Imported	Nil ( Nil)	Nil ( Nil)
Indigenous	100 % ( 100%)	4,11,15,305 (-)
<b>Total</b>	<b>100 %</b> ( <b>100%</b> )	<b>Nil</b> (-)

c) Stores & spares consumed are wholly indigenous during the current year and previous year.

17. Previous years figures have been regrouped / rearranged wherever is necessary .

18. Figures shown in bracket are for the previous year .

As per our report of even date  
for **SHANKARLAL JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

(Firm Reg. No. 109901W)

SD/-

**JATTASHANKAR PODDAR- DIRECTOR**

SD/-  
**S.L.AGRAWAL**  
( PARTNER )

SD/-  
**SHARAD PODDAR - DIRECTOR**

**PLACE : MUMBAI**  
**DATE : 03.09.2012**

**PLACE : MUMBAI**  
**DATE : 03.09.2012**

# **JATTASHANKAR INDUSTRIES LIMITED**

## BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2	43,871,000	43,871,000
Reserves and Surplus	3	(57,102,496)	(204,988,822)
Sub - total of Shareholder's Fund		(13,231,496)	(161,117,822)
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	42,618,902	144,728,334
Sub - total of Non-Current Liabilities		42,618,902	144,728,334
<b>Current Liabilities</b>			
Trade Payables	5	19,447,556	304,483
Other Current Liabilities	6	3,827,469	40,728,834
Sub - total of Current Liabilities		23,275,025	41,033,317
<b>TOTAL</b>		<b>52,662,431</b>	<b>24,643,829</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	7	10,484,654	11,869,613
Sub - total of Non-Current Assets		10,484,654	11,869,613
<b>Current Assets</b>			
Current Investments	8	2,415,244	6,926,696
Inventories	9	23,731,228	17,194
Trade Receivables	10	10,010,523	3,846,672
Cash and Cash Equivalents	11	4,873,979	1,195,057
Short- Term Loans and Advances	12	777,570	317,172
Other Current Assets	13	369,234	471,425
Sub - total of Current Assets		42,177,777	12,774,216
<b>TOTAL</b>		<b>52,662,431</b>	<b>24,643,829</b>
<b>See accompanying notes to the financial statements</b>	<b>1</b>		

**FOR SHANKARLAL JAIN & ASSOCIATES      FOR JATTASHANKAR INDUSTRIES LTD**

**CHARTERED ACCOUNTANTS**  
(Firm Reg. No.109901W)

SD/-  
**Mr. S.L. AGRAWAL**  
**PARTNER**  
**M.NO. 72184**  
**PLACE:MUMBAI**

SD/-  
**MR.JATTASHANKAR PODDAR**  
**(MANAGING DIRECTOR)**

SD/-

**DATE : 03.09.2012**

**DR. SHARAD PODDAR -DIRECTOR**  
(DIRECTOR)

# **JATTASHANKAR INDUSTRIES LIMITED**

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

Particulars	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
<b><u>INCOME</u></b>			
I. Revenue From Operation	14	36,788,025	7,990,554
II. Other Income	15	1,019,100	2,366,698
<b>III. Total Revenue (I + II)</b>		<b>37,807,125</b>	<b>10,357,252</b>
<b><u>EXPENDITURE</u></b>			
IV. Cost of Raw Materials Consumed	16	39,153,438	-
Other Manufacturing Expenses	17	4,668,371	127,752
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	18	(21,525,048)	-
Employee Benefits Expense	19	1,208,734	1,076,736
Depreciation and Amortization Expense	7	1,574,888	2,527,357
Administrative Expenses	20	2,101,591	566,650
		<b>27,181,974</b>	<b>4,298,495</b>
<b>V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>10,625,151</b>	<b>6,058,757</b>
VI. Exceptional Items			
Loans Written Back		101,879,266	-
Interest Accrued on Loans Written Back (Refer Note No.3)		35,381,909	-
		<b>137,261,175</b>	-
<b>VII. Profit Before Extraordinary Items and Tax (V - VI)</b>		<b>147,886,326</b>	<b>6,058,757</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit Before Tax (VII- VIII)</b>		<b>147,886,326</b>	<b>6,058,757</b>
X. Tax Expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>XI. Profit/(Loss) After Tax for the year Carried to Balance Sheet (IX-X)</b>		<b>147,886,326</b>	<b>6,058,757</b>
<b>XII. Earnings per Share (Basic &amp; Diluted)</b>		33.71	1.38
<b>Earnings per Share (Basic &amp; Diluted) -without Exceptional Items</b>		2.42	-
See accompanying notes to the financial statements	1		

As per our report of even date

For SHANKARLAL JAIN & ASSOCIATES  
**CHARTERED ACCOUNTANTS**  
(Firm Reg. No. 109901W)  
sd/-

S.L.AGRAWAL  
PARTNER  
M. NO. 72184  
PLACE : MUMBAI  
DATE : 03.09.2012

For JATTASHANKAR INDUSTRIES LTD.

sd/-  
Sd/-  
**SHARAD**  
**PODDAR**  
DIRECTOR DIRECTOR

# **JATTASHANKAR INDUSTRIES LIMITED**

## Notes Annexed And Forming Part Of Balance Sheet

Particulars		As at 31/03/12	As at 31/03/11
<b>Note 2</b>			
<b>Share Capital</b>			
<b>Authorised</b>			
10500000 (10500000) Equity Shares of Rs.10 each		105,000,000	105,000,000
<b>Issued,Subscribed &amp; Paid up</b>			
4387100 (4387100) Equity Shares of Rs.10 each fully paid up (Each share carrying 1 voting right.)		43,871,000	43,871,000
	<b>Total</b>	<b>43,871,000</b>	<b>43,871,000</b>
<b>Details of shareholders holding more than 5% share in the company:</b>			
	<b>% of Holding</b>	<b>No. of share as on 31/03/12</b>	<b>No. of share as on 31/03/11</b>
Shri Jatta Shankar Poddar	8.84	387,800	387,800
Shri Sharad Poddar	8.35	366,400	366,400
Smt. Pushpa Devi Poddar	5.01	220,000	220,000
Smt. Seema J Poddar	5.01	219,900	219,900
Gujarat State Financial Corporation	11.40	500,000	500,000
<b>Note 3</b>			
<b>Reserves &amp; Surplus</b>			
<b>Reserves</b>			
<b>Capital Reserves</b>			
Opening Balance		226,500	226,500
Additions during the year		-	-
Closing Balance		226,500	226,500
<b>Securities Premium Reserve</b>			
Opening Balance		41,806,500	41,806,500
Additions during the year		-	-
Closing Balance		41,806,500	41,806,500
<b>Surplus</b>			
<b>Profit &amp; Loss A/c</b>			
Opening Balance		(247,021,822)	(253,080,579)
Add :Net Profit/(Net Loss) for the current year		147,886,326	6,058,757
Closing Balance		(99,135,496)	(247,021,822)
	<b>Total</b>	<b>(57,102,496)</b>	<b>(204,988,822)</b>

# **JATTASHANKAR INDUSTRIES LIMITED**

Particulars		As at 31/03/12	As at 31/03/11
<b>Note 4</b>			
<b>Long Term Borrowings</b>			
<b>Secured Loans</b>			
<b>Term Loans</b>			
From Financial Institution (of the above, secured by first charge of hypothecation of specific plant and machineries and personal guarantee of Directors)		-	33,530,166
From Others (of the above, Secured by mortgage of all the immovable property of the company, hypothication of movable properties of the company including movable plant & machinery, machinery spares, accessories, Raw Materials, WIP, Finished goods , Book debts & Other assets & second charge of Plant & Machinery & guarantee of the Directors) (Refer Note No.3)		-	111,198,168
		-	144,728,334
<b>Unsecured Loans</b>			
From Strategic Promoter		42,618,902	-
		42,618,902	-
<b>Total</b>		42,618,902	144,728,334
<b>Note 5</b>			
<b>Trade payables</b>			
Trade payables (Including for SSI Rs. 13,75,460/- PY Rs. Nil)		19,447,556	304,483
<b>Total</b>		<b>19,447,556</b>	<b>304,483</b>
<b>Note 6</b>			
<b>Other Current Liabilities</b>			
Interest accrued and due on borrowings		-	38,051,692
Advance From Cutomers		842,593	-
Other Advance Received		2,500,000	2,500,000
Outstanding Liabilities		419,935	149,142
TDS payable		64,941	28,000
<b>Total</b>		<b>3,827,469</b>	<b>40,728,834</b>

# **JATTASHANKAR INDUSTRIES LIMITED**

Particulars	As at 31/03/12	As at 31/03/11
<b>Note 8</b>		
<b>Current Investment</b>		
<b>INVESTMENT (At Cost)</b>		
<b>(Unquoted Other Than Trade)</b>		
<b>In Mutual Fund</b>		
In CY Nil (PY Rs. 220413.606) Units of Birla Sun Life Savings Fund- Retail-Growth	-	4,000,000
In CY Nil (163969.854) units of HDFC High Interest Short Term Plan-Growth	-	2,926,696
In 11824.550 (Nil) Units of Birla Sun Life Savings Fund-Institution-Growth (NAV Rs. 24,15,531/- P.Y. RS 71,82,473 )	2,415,244	-
<b>Total</b>	<b>2,415,244</b>	<b>6,926,696</b>
<b>Note 9</b>		
<b>Inventories</b>		
(As taken, valued & certified by management)		
Finished goods	9,146,208	-
Work-in-progress	12,378,840	-
Raw Materials	476,839	-
Stores and Packing Materials	1,729,341	17,194
<b>Total</b>	<b>23,731,228</b>	<b>17,194</b>
<b>Note 10</b>		
<b>Trade Receivables</b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months	-	10,498
Others	10,010,523	3,836,174
<b>Total</b>	<b>10,010,523</b>	<b>3,846,672</b>
<b>Note 11</b>		
<b>Cash and cash equivalents</b>		
<b>Balance with banks</b>		
Cash in hand	318,913	28,139
Balance with banks	1,429,066	40,918
Fixed Deposits with banks	3,126,000	1,126,000
On Fixed Deposit Account with Maturity More than 12 months ( Receipt pledge of Rs. 16. 26 lacs PY Rs. 11.26 lacs with Electricity & SalesTax Department)		
<b>Total</b>	<b>4,873,979</b>	<b>1,195,057</b>
<b>Note 12</b>		
<b>Short- Term Loans and Advances</b>		
Unsecured, considered good		
Advances Recoverable in cash or in kind	426,118	47,455
Advances Income Tax	351,452	269,717
<b>Total</b>	<b>777,570</b>	<b>317,172</b>
<b>Note 13</b>		
<b>Other Current Assets</b>		
Prepaid Expense	126,335	72,482
G.S.F.C. Deposit & Interest Receivable	-	288,975
Interest accrued but not due - FDR	242,899	109,968
<b>Total</b>	<b>369,234</b>	<b>471,425</b>

# **JATTASHANKAR INDUSTRIES LIMITED**

Notes: 7 TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April 2011	Additions	As at 31st March 2012	As at 1st April 2011	Depreciation charge for the year	As at 31st March 2012	As at 31st March 2012	As at 31st March 2011
Freehold Land	2749519	0	2749519	2191859	0	2191859	557660	557660
Factory Buildings	25524320	0	25524320	22652277	548123	23200400	2323920	2872043
Office Premises	791280	0	791280	257959	12898	270857	520423	533321
Plant and Machinery	102943385	106896	103050281	95696942	1010289	96707231	6343050	7246443
Office equipment	1833735	83032	1916767	1356128	3578	1359706	557061	477607
Furniture & Fixtures	2402133	0	2402133	2297717	0	2297717	104416	104416
Vehicles	1002159	0	1002159	924035	0	924035	78124	78124
Total	137246531	189928	137436459	125376917	1574888	126951805	10484654	11869614
Previous yr	136521321	725210	137246531	122849560	2527357	125376917	11869614	13671761

# **JATTASHANKAR INDUSTRIES LIMITED**

## **Notes Annexed And Forming Part of Statement of Profit And Loss**

Particulars		Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Note 14</b>			
<b>Revenue From Operation</b>			
Sale		32,009,503	-
Yarn Processing Charges (TDS Rs. 95570, PY 800)		4,778,522	7,990,554
	<b>Total</b>	<b>36,788,025</b>	<b>7,990,554</b>
<b>Note 15</b>			
<b>Other Income</b>			
Interest -Other (TDS Rs.774/- PY Rs. Nil)		8,728	1,027
Interest on Bank Deposit (TDS Rs.14816/- PY Rs.8908)		148,150	89,076
Profit On Sale of Units of Mutual Fund		651,905	121,385
Rent Income ( TDS Rs.Nil PY 96000)		180,000	960,000
Sundry Balance Written Back		30,317	-
Profit On Sale of Fixed Asset		-	1,195,210
	<b>Total</b>	<b>1,019,100</b>	<b>2,366,698</b>
<b>Note 16</b>			
<b>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>			
<b>Less : Opening Stock</b>			
Work In Progress		-	-
Finished Goods		-	-
		-	-
<b>Closing Stock</b>			
Work In Progress		12,378,840	-
Finished Goods		9,146,208	-
		21,525,048	-
	<b>Total</b>	<b>(21,525,048)</b>	<b>-</b>
<b>Note 17</b>			
<b>Raw Material Consumed</b>			
Add: Purchases (Net of Vat Credit)		39,630,277	-
Less : Closing Stock		476,839	-
	<b>Total</b>	<b>39,153,438</b>	<b>-</b>
<b>Note 18</b>			
<b>Other Manufacturing Expense</b>			
Power and Fuel		1,644,462	-
Stores & Spares Consumed		1,444,373	5,564
Dyes & Chemical Consumed		853,516	-
Repairs to Building		103,010	84,320
Repairs to Machines		33,366	12,000
Packing Material Consumed		589,644	25,868
	<b>Total</b>	<b>4,668,371</b>	<b>127,752</b>

# **JATTASHANKAR INDUSTRIES LIMITED**

Particulars		Year ended 31st March, 2012	Year ended 31st March, 2011
<b>Note 19</b>			
<b><u>Employee Benefits Expense</u></b>			
Salaries and Incentives		1,162,270	1,053,564
Contributions to Provident fund & Pension Fund		21,408	23,172
Gratuity fund contributions		19,236	
Staff welfare expenses		5,820	
	<b>Total</b>	<b>1,208,734</b>	<b>1,076,736</b>
<b>Note 20</b>			
<b><u>Administrative Expenses</u></b>			
Repairs to Others		26,003	19,422
Insurance Charges		114,593	99,748
Freight and Forwarding Expense		14,675	-
Rent		330,000	-
Registration & Filing (Includes prior period Rs. 53,144)		141,224	1,740
Brokerage & Commission		267,098	30,000
Professional Charges		286,012	60,479
Sales Tax		679,841	-
<b><u>Payment To Auditors</u></b>			
auditor Fees		49,635	44,120
for taxation matters		16,545	11,030
For others		33,092	58,200
Miscellaneous Expense		142,873	241,911
	<b>Total</b>	<b>2,101,591</b>	<b>566,650</b>

# JATTASHANKAR INDUSTRIES LIMITED

## JATTASHANKAR INDUSTRIES LIMITED

Regd. Office: 11,Parasrampur Apartment, Film City Road,  
Gokuldham,Goregaon(East), Mumbai-400063

### PROXY FORM

DP Id		Client Id	
Regd. Folio No.		No. of Shares	

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a shareholder  
of Jattashankar Industries Limited, hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him / her \_\_\_\_\_  
of \_\_\_\_\_ as my/our Proxy to attend and vote for me/us on my/our behalf at the  
24th Annual General Meeting of the Company being held on 28<sup>th</sup> day,September 2012 at 11,Parasrampur  
Apartment ,Film city Road, Gokuldham,Goregaon(East),Mumbai-400063 at 9.00am or /and at any adjournment  
thereof.

Affix the Revenue Stamp

Dated: \_\_\_\_\_

Signature of the Shareholder / Proxy

#### Notes:

- (1) The Proxy form duly completed and signed should be received at the Registered Office of the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (2) A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.

----- ✂----- ✂-----cut here----- ✂----- ✂-----

## JATTASHANKAR INDUSTRIES LIMITED

Regd. Office: 11,Parasrampur Apartment, Film City Road,  
Gokuldham,Goregaon(East),Mumbai-400063

### ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id		Client Id	
Regd. Folio No.		No. of Shares	

Name(s) and address of the shareholder in full \_\_\_\_\_

I/we hereby record my/our presence at the 24th Annual General Meeting of the Company being held on Friday  
,28<sup>th</sup> September 2012 at 9.00 am at 11,Parasrampur Apartment ,Film city Road,  
Gokuldham,Goregaon(East),Mumbai-400063 .

Please (√) in the box  
MEMBER  PROXY

Signature of Shareholder / Proxy

**BOOK POST**

If Undelivered ,please return to

**JATTASHANKAR INDUSTRIES LTD.**  
11,Parasrampur Apartment,Film City Road,  
Gokuldham,Goregaon(East),Mumbai400063