

28TH ANNUAL REPORT 2015-16

JATTASHANKAR INDUSTRIES LIMITED

CIN: L17110MH1988PLC048451

Board of Directors:

Shri. Jattashankar Poddar	-	Chairman & Managing Director
Shri. Sharad Poddar	-	Whole-time Director
Shri. Sandeepkumar Modi	-	Independent Director
Shri. Udit Master	-	Independent Director
Smt. Seema Poddar	-	Non Executive Director
Ms. Richa Choudhary	-	Independent Director

Chief Financial Officer

Prakash Purohit

Company Secretary

Pradeep Kumar Vyas*

*Appointed on 30 May, 2016

Auditors

Shankarlal Jain & Associates LLP

Chartered Accountants

Registered Office:

11, Parasrampur Apartment, Filmcity Road,
Opp. Bank of India, Gokuldham, Goregoan (East)
Mumbai- 400 063
Tel. - 28418262/64/66
Email- jattashankarind@yahoo.com Website: www.jsil.in

Works:

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

Registrar & Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd.
Unit 1, Luthra Industrial Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai- 400 072

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NOTICE

Notice is hereby given that 28th Annual General Meeting of JATTASHANKAR INDUSTRIES LIMITED will be held on Saturday, 3rd September, 2016 at 10.00 a.m. at 11, Parasrampuria Apartment, Filmcity Road, Gokuldharm, Goregoan (East), Mumbai-400 063 to transact following business.

Ordinary Business:

- (1) To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 and the Reports of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mrs. Seema Poddar (DIN: 07157093), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
- (3) To ratify the appointment of M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Reg No. 109901W), as approved by members at the 27th Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of 29th Annual General Meeting and to fix their remuneration for the financial year ended March 31, 2017.

By Oder of the Board of Directors
Jattashankar Industries Limited

Place: Mumbai
Date: 22/07/2016

SD/-
Pradeep Kumar Vyas
Company Secretary

Registered Office: 11, Parasrampuria Apt,
Filmcity Road, Gokuldharm, Goregoan (East)
Mumbai- 400 063

Notes:

- (1) The Register of Members and Share Transfer Books of the Company will remain closed from 27th August, 2016 to 3rd September, 2016. (Both days inclusive).
- (2) **A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote on poll instead of himself and the proxy need not be member of the Company. The instrument appointing proxies should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.**
A person can act as proxy on behalf of the members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (3) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified true copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
- (4) Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. along with their copy of Annual Report to the meeting.
- (5) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- (6) Members are requested to intimate any change in their address to the Registrar and Transfer Agent of the company.
- (7) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in Physical form can submit their PAN details to the RTA i.e Sharex Dynamic (India) Pvt Ltd. Or to the Company.
- (8) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Company's Registered Office on all working days of the Company, except Saturdays during 10.00 am to 01.00 p.m. upto the date of the Meeting.
- (9) Members who have not registered their email addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices and Circulars etc. from the Company electronically.

(10) The business set out in the notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice.

Voting through electronic means

(I) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

(II) The members who have cast their vote by remote e-voting prior to the AGM) may also attend the AGM) but shall not be entitled to cast their vote again.

(III) The remote e-voting period commences on 31st August, 2016 (9:00 am) and ends on 02nd September, 2016 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th August, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

(IV) The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:

- (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Jattashankar Industries Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to agarwalkala@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM) :

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- (V) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- (VI) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (VII) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (VIII) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 27th August, 2016.
- (IX) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 27th August, 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- (X) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (XI) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- (XII) Ms. Kala Agarwal, Practicing Company Secretary, (FCS no. 5356) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (XIII) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (XIV) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (XV) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.jsil.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Oder of the Board of Directors
Jattashankar Industries Limited

Place: Mumbai
Date: 22/07/2016

SD/-
Pradeep Kumar Vyas
Company Secretary

Registered Office: 11, Parasrampuria Apt,
Filmcity Road, Gokuldham, Goregoan (East)
Mumbai- 400 063

DIRECTOR'S REPORT

To,

The Members,

Jattashankar Industries Limited

Your Directors have to pleasure in presenting their 28th Annual Report together with Audited accounts of the Company for the year ended March 31, 2016.

Financial Results

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

Particulars	Year ended 31st March, 2016(₹In Lakhs)	Year ended 31st March, 2015(₹ In Lakhs)
Sales & Processing Charges	3581.64	3268.25
Operating Profit Before exceptional item	234.57	277.52
Less: Current Tax and Deferred Tax	51.52	41.33
Profit After Tax	183.05	236.19
MAT Credit Entitlement	37.83	41.33
Brought forward losses	335.87	612.40
Carried forward losses	114.99	335.87

Review of Operations for 2015-2016

In the year under review, the turnover of the company has increased around 9.59% upto ₹ 3581.64 Lakhs due to increase in sales of Narrow Woven Elastic Tape apart from sales of Dyed Yarn. However Operating Profit has decreased by 15.48% upto ₹ 234.57 Lakhs due to increase in manufacturing & Employee Expenses.

The management continues to pursue its efforts to improve its operational efficiency by better Capacity Utilisation and diversification into High quality value added Dyed yarn, Narrow Woven Elastic Tape to improve its Turnover and Operating margin in current year. Outlook for current year will be better barring any unforeseen circumstances.

Dividend

Your Directors regret their inability to pay dividend in view of the accumulated losses of the Company.

Number of Meetings of the Board

During the year Seven Board Meetings were convened and held. The details are given below. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

Sr. No.	Date of Board Meeting	Total Strength of the Board	No. of Directors Present
1.	24 April, 2015	4	4
2.	29 May, 2015	5	5
3.	15 July, 2015	5	5
4.	13 August, 2015	6	6
5.	07 November, 2015	6	6
6.	23 December, 2015	6	6
7.	12 February, 2016	6	6

Share Capital

The paid up equity capital as on March 31, 2016 was ₹ 4,38,71,000/- The Company has not bought back any securities or issued any Sweat Equity shares or bonus shares or provided any stock option scheme to employees during the year under review.

Directors and Key Managerial Personnel

The Composition and category of Directors on Board and Key Managerial Personnel of the Company as on July 22, 2016 are as follows:

Name of Director	Designation	Date of Appointment	DIN/PAN
Jattashankar Poddar	Managing Director	01/10/2014	00335747
Sharad Poddar	Wholetime Director	01/10/2014	00335806
Sandeepkumar Modi	Director	31/05/2001	02420276
Udit Sanatkumar Master	Director	02/09/2002	02424071
Seema Sharad Poddar	Director	24/04/2015	07157093
Richa Sushil Choudhary	Director	15/07/2015	07218765
Prakash Durgadas Purohit	Chief Finance Officer	26/03/2015	BBGPP4657N
Pradeep Kumar Vyas	Company Secretary	30/05/2016	CSUPK1798M

Mrs. Seema Poddar, Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

During the year under review, the following Directors, Key Managerial Personnel were appointed:

- The board of directors has appointed Mrs. Seema Sharad Poddar, Women Director as Additional Director under section 161, 149 of the Companies Act, 2013 w.e.f 24th April, 2015.
- The Board of Directors has appointed Ms. Richa Choudhary, as Independent Director the Company w.e.f. 15th July, 2015 as per the provisions of Section 203 of the Companies act, 2013.
- Mr. Pradeep Kumar Vyas has appointed as the Company Secretary of the Company w.e.f 30th May, 2016. Ms. Vaidehi Jha, Company Secretary, of the Company has resigned on 29th May, 2016.

Declaration by Independent Director(s) and re- appointment, if any

Declaration given by Independent Director(s) meeting the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Board has carried out an annual performance evaluation, in the specified manner, of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholder Relationship Committee and Compliance Committees.

Committees of the board

Audit Committee

The Audit committee comprises Independent Directors namely Mr. Udit Master, Mr. Sandeep Kumar Modi, and Executive Director Mr. Jattashankar Poddar, Managing Director. During the year ended March 31, 2016, four audit committee meetings were held on 29th May, 2015, 13th August, 2015, 07th November, 2015 and 12th February, 2016.

Nomination & Remuneration Committee & Policy

In compliance with section 178 of the Act and of the Listing Agreement the Board has constituted "Nomination and Remuneration Committee" which comprises executive Directors namely Mrs. Seema Poddar (Chairman), Non Executive Directors Mr. Udit Master and Mr. Sandeep Kumar modi as members. During the year under review two meetings of the Committee has been held on 24th April, 2015 and 23rd December, 2015.

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. the Nomination & remuneration Policy is available on the website of the Company.

Risk Management Committee & Policy

The Company has formed a business risk management committee consisting of Mr. Jattashankar Poddar (Chairman), Mr. Udit Master Member, Mr. Sandeepkumar Modi, Mr. Sharad Poddar as members of the Committee.

During the year of review, company engaged in the process of Risk Management and evaluate the elements of business risk. The risk management framework defines the risk management approach of the company and includes periodic review of such and also documentation, mitigating controls and reporting mechanism of risk.

Stakeholders Relationship Committee

This Committee comprises of Mrs. Seema Poddar (Chairperson), Mr. Udit Master and Mr. Jattashankar Poddar as members. During the year ended 31st March, 2016, Investor Grievance Committee had four meetings, which were held on 29 May, 2015, 13th August, 2015, 23rd December, 2015 and 12th February, 2016 respectively. The Company during the year had received four complaints which was resolved and there were no pending complaint as on March 31, 2016.

Independent Directors Meeting

During the year under review, the Independent Directors met on 21 March, 2016, inter-alia, to discuss:

- Evaluation of the performance of Non independent Directors & the Board of Directors as whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the executive and non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the board that is necessary for the board to effectively & reasonably perform its duties.

Performance Evaluation

Formal Annual evaluation has been made by the Board of its own Performance and that of its Committees & Individual Directors during the meeting of Board of Directors and by common discussion with concerned persons.

Vigil Mechanism

In pursuant to the provisions of Section 177(9) & 177 (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism policy was adopted by the board of Directors on 30th May, 2014. This policy is available on the website of the Company at www.jsil.in

Director's Responsibility Statement

In terms of Section 134(5) of the Companies Act, 2013 the directors would like to state that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) 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;
- (c) 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;
- (d) The directors have prepared the annual accounts on a going concern basis;
- (e) The directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as **Annexure-2**

Auditors

The auditors Shankarlal Jain & Associates, Chartered Accountants, Mumbai retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

Auditors Report

The observation made in the Auditors Report read together with relevant notes thereon are self-explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

Secretarial Audit and Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Kala Agarwal, Practicing Company Secretary, COP no. 5356, to undertake the secretarial audit of the Company, As required under Section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report for the period from 01 April, 2015 to 31 March, 2016. The Secretarial Audit report is annexed herewith as **Annexure-3**

Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and amendments thereto.

Particulars of Loans, Guarantees and Investments

There were no loans, guarantees and investments made by the company under Section 186 of the Companies Act, 2013 during the year under review.

Subsidiary Companies

The Company does not have any subsidiary.

Related party Transactions

All related party transactions that were entered during the financial year were on arm's length basis and were in the ordinary course of business.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

As required Under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 88 and Rule 8 (3) of Companies (Accounts) Rules, 14 and forming part of the report of the Directors. **Annexure 1**

Particulars of Employees

There are no employees of your company who comes within the purview of Section 134 (3)(q) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the year under review.

Obligation of Company under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up committee for implementation of said policy. During the year Company has not received any complaint of harassment.

Transfer of Amounts to Investor Education and Protection Fund

There are no amounts due and outstanding to be credited to investor Education and Protection Fund as 31st March, 2016.

Fraud Reporting (Required by Companies Amendment Bill, 2014)

No Fraud reported / observed during the financial year 2015 -16.

Stock Exchange

The Company's equity shares are listed at BSE Limited and the Annual Listing Fees for the year 2016-2017 has been paid to the Exchange.

Human Resources

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Management Discussion and Analysis Report

Management Discussion Analysis Report is also annexed as a part of Report.

Corporate Governance

In accordance with Regulation 15 of the SEBI(LODR), Regulations, 2015 the Corporate Governance provisions are not applicable to your Company as the Paid up Equity Share Capital of the Company is not exceeding ₹ 10 Crores and Net Worth of the Company is not exceeding ₹ 25 Crores as on the last day of previous financial year. Accordingly Corporate Governance Report ,Certification Under clause 49 from Practicing Company Secretary and CEO/CFO are not given in Annual Report

Internal Financial Control Systems and their Adequacy

The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business including adherence to the company's policies, safeguarding its assets, the prevention an detection of frauds and errors, the accuracy and completelyness of the accounting records and the timely preparation of reliable financial disclosures.

The systems and operations are regularly reviewed by audit committee to ensure and review their effectiveness and implementation. The audit committee also issues directives for enhancement in scope and coverage of specific areas, wherever felt necessary.

Shareholders Awareness Programme

Under the shareholders awareness programme of the company, your company has sent request letters to all the shareholders dated 30.11.2015 and 29.02.2016 respectively for dematerialization of their shares to get benefit from dematerialization of shares. Also along with previous year's Annual Report all the shareholders were provided format of letter to update their records and signatures with the company and Registrar and transfer agent of the company to avoid difficulties, if any, in dematerialization. During the Financial year the dematerialized shares increased by 10.74%.

Presently Shares of Company are listed on Bombay Stock Exchange Ltd (BSE) with Scrip Code 514318 & Scrip Id JATTAININDUS in Group P. We have connectivity with both the depositories i.e. NSDL and CDSL with ISIN INE722N01014. Presently 84.00 % shares of the Company are held in Demat Form. In order to upgrade from Group P (only physical trading allowed in this group) to Normal Rolling Settlement Group, non-promoter's shareholding should be maximum in Demat form.

To dematerialize the shares please send duly filled Signature verification Form, as already provided to shareholders by the company, along with the Dematerialization Request Form (DRF) and Self attested Pan card copy of all the joint holders, to your respected DP's who in turn will further forward it to Company's RTA i.e Sharex Dynamic (India) Private Limited having its office at Unit 1, Luthra Ind. Premises, 1st Flr, 44-E, M Vasanti Marg, Andheri-kurla Road, Safed Pool, Andheri (East), Mumbai 400 072.

Acknowledgement

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the customers, vendors and members during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For Jattashankar Industries Limited

Place: Mumbai
Date:-22/07/2016

sd/-
Jattashankar Poddar
Managing Director

Annexure 1

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

As required Under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and Rule 8 (3) of Companies (Accounts) Rules, 2014 and forming part of the report of the Directors.

CONSERVATION OF ENERGY

- a. Company ensures that manufacturing operations are conducted in a manner whereby optimum utilization and maximum possible savings of energy is achieved.
- b. No specific investment has been made in reduction in energy consumption.
- c. The total energy consumption as per prescribed Form 'A' is as under:-

a. **PART A POWER AND FUEL CONSUMPTION**

Electricity:- Silvassa

	For Year ended 31.03.2016	For Year ended 31.03.2015
a) Purchased Units (in Lacs)	20.49	19.95
Total amount (₹in Lacs)	87.99	89.31
Rate /Unit (₹)	4.29	4.47

- i. Coal 0.00
- ii. Furnace Oil 0.00
- iii. Other/Internal Generation System 0.00

TECHNOLOGY ABSORPTION

The Company has not absorbed or adopted any technology other than provided by the plant suppliers for manufacturing of texturizing, twisting and dyeing of yarn.

RESEARCH & DEVELOPMENT

The company is continuously developing innovative shades in dyed yarn. The company has started manufacturing of tapes (narrow fabrics). The Company's Head Office (Mumbai) and factory (Silvassa) is connected with cloud computing system. The head office (Mumbai), Computer's software are updated with Office 365 for better and fast processing work.

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.

FOREIGN EXCHANGE EARNINGS / OUTGOES

During the year under review there was no foreign exchange earnings or outgoes.

For Jattashankar Industries Limited

Place: Mumbai
Date:-22/07/2016

sd/-
Jattashankar Poddar
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT 2015-2016

The Management of JATTASHANKAR INDUSTRIES LIMITED presents its report covering performance and outlook of the Company. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

Industry Structure & Developments

In the year 2015-2016, Indian Economy grew at 7.9% (GDP at market price). Indian textile Industry is one of such sectors which contribute to national economy in terms of employment generation and foreign exchange earnings. textiles sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion in 2014-15, a growth of 5.4 per cent, as per The Cotton Textiles Export Promotion Council (Texprocil). The future for Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand.

Company's Business

Company is mainly engaged in the business of manufacturing and processing of polyesters yarns and the same falls under man-made fibre industry which is a part of textile industry. Processed Yarn are used at engaged in manufacturing of texturised, twisted, high bulk and dyed yarns which are used for shirting's, suiting upholstery, Elastic tape, Narrow woven fabrics, knitting, labels and curtains etc.

During the year company has diversified into manufacturing of narrow Woven Elastic Tape from its own Yarn processed yarn for high value addition.

Segment-wise Performance

Company operates only in one segment as the Manufacturer of Polyester Dyed Yarn, High Bulk Yarn, Cotton Dyed Yarn and other fancy Dyed Yarn and performance of same are reflected in financial statement. The Company is also engaged in the business of manufacturing of Woven elastic tapes and this activities of the Company revolve around the main business and as such, there are no separate reportable segments.

Outlook

With the favourable government policies from New Stable Government, Outlook of current year remain extremely good. Company is implementing an action plan which comprises thrust on high margin products, increase in capacity utilisation, optimizing working capital management.

Insurance

All the insurable interest of your company including inventories, building, plant and machinery and other assets are adequately insured.

ISO CERTIFICATION

Your Company has successfully completed its certification audit for a period of three (3) years for the **ISO 9001:2008 Certification from BSCIC Certifications Private Limited**. Thereby meeting the global quality and international standards.

Oeko-Tex® Certification

Your company has successfully granted authorization according to **Oeko-tex® Standard 100 Product Class I Certification from Hohenstein Textile Testing Institute GmnH & Co. KG**. Thereby meeting the human-ecological requirements of the standards presently established for baby articles.

Risk and Concern

Risk is an integral part of business reality. It is uncertainty regarding business decisions, events and their possible outcomes that could impact a Company's performance and prospects. Successful risk management implies not only avoidance of risk, but anticipation of same, implementation of relevant mitigation strategies.

Information Technology

Company's Head Office (Mumbai) and factory (Silvassa) is connected with cloud computing system. The head office (Mumbai), Computer's software are updated with Office 365 for better and fast processing work.

Internal control systems and their adequacy

The Company has a proper and adequate internal control system to ensure that all resources are put to efficient use and protect against unauthorised use or disposition. The Company takes adequate steps to review and monitor working of internal control system.

Discussion on Financial Performance With Respect To Operational Performance

During the year under review turnover of the company stands at ₹ 3581.64 Lakhs (P.Y. ₹ 3268.25 Lakhs). Operating Net Profits during the year are ₹186.75 Lakhs (P.Y. 236.19 Lakhs).

Human Resources Management / Industrial Relation Front

Company considers Human resources as one of the vital and important factors for sustained growth. The company recognises that job satisfaction requires working environments that motivate employees to be productive and innovative and provide training opportunities to equip them with skill & technological advancements. 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. Emphasis was placed on building a cohesive workforce to maximize returns to all stakeholders. The industrial relation climate of the Company continues to remain harmonious with focus on quality and safety.

Cautionary Statement

Statements Made in this Management Discussion and Analysis may be "forward looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of the future events that are subject to risks and uncertainties. Actual future results and trend may differ materially from historical results, depending on variety of factors like changes in economic conditions affecting demand/supply, price conditions in which the Company operates, Government regulations, tax laws and other statutes and incidental factors.

For Jattashankar Industries Limited

Place: Mumbai
Date:-22/07/2016

sd/-
Jattashankar Poddar
Managing Director

ANNEXURE TO DIRECTORS REPORT

Annexure-2

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31/03/2016

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

I. Registration & Other Details:

i) CIN No.	L17110MH1988PLC048451
ii) Registration Date	11/08/1988
iii) Name of the Company	Jattashankar Industries Limited
iv) Category/Sub-Category of the Company	Company Limited By Shares Indian Non-Government Company
v) Address of the registered office & contact details	11, Parasrampuria Apartment, Film city Road, Gokuldharm, Goregoan (East), Mumbai- 400 063 Phone: +91-22-8414262/4264/4266 Email id: jattashankarind@yahoo.com Website: www.jsil.in
vi) Whether Listed Company	Yes, Bombay Stock Exchange(BSE)
vii) Name, Address & Contact Details of the Registrar & Transfer Agent	Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Ind. Premises, 1 st Floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072 Phone: 28515606/5644 Fax: 28512885 Email: sharexindia@vsnl.com Website: www.sharexindia.com

II. Principal Business Activities of the Company

All business activities contribution 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ Service	% of total turnover of the Company
1	Texturised and Twisted Yarns	2030	73.07%
2	Narrow fabrics	1399	26.93%

III. Particulars of Holding, Subsidiary & Associate Companies

Sl. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL				

IV. Shareholding Pattern (Equity Share Capital break up as % to total equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	3281600	100	3281700	74.803	3281600	100	3281700	74.803	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	3281600	100	3281700	74.803	3281600	100	3281700	74.803	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	3281600	100	3281700	74.803	3281600	100	3281700	74.803	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	300	300	0.007	0	300	300	0.007	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	0	300	300	0.007	0	300	300	0.007	0
(2) Non Institutions									
a) Bodies corporates									
i) Indian	0	10500	10500	0.239	0	10500	10500	0.239	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	3700	622000	625700	14.262	10500	593300	603800	13.763	-0.499
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	0	401300	401300	9.147	390200	33200	423400	9.651	0.504
c) Others									
NRI	0	67600	67600	1.541	0	67400	67400	1.536	-0.005
SUB TOTAL (B)(2):	3700	1101400	1105100	25.189	404900	700200	1105100	25.189	0
Total Public Shareholding (B)= (B)(1)+(B)(2)	3700	1101700	1105400	25.196	404900	700500	1105400	25.196	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3285300	1101800	4387100	100	3686600	700500	4387100	100	0

IV) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

SI No.		Shareholding at the beginning of the Year	Cumulative Shareholding during the year
	For each of the top ten shareholders		
1.	NAWAL KISHORE GOENKA		
	At the beginning of the year	33200	33200
	Change during the year	No change during the year	
	At the end of the year	33200	33200
2.	RAKSHA S VALIA		
	At the beginning of the year	5900	5900
	Change during the year	No change during the year	
	At the end of the year	5900	5900
3.	NIKITA H. JOTWANI		
	At the beginning of the year	4500	4500
	Change during the year	No change during the year	
	At the end of the year	4500	4500
4.	HARISH S. JOTWANI		
	At the beginning of the year	9900	9900
	Change during the year	No change during the year	
	At the end of the year	9900	9900
5.	JUGAL KISHORE AGARWAL		
	At the beginning of the year	7200	7200
	Change during the year	No change during the year	
	At the end of the year	7200	7200

SI No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
6.	AZAD FINANCE & TRADING INVESTMENT Ltd.				
	At the beginning of the year	4200		4200	
	Change during the year	No change during the year			
	At the end of the year	4200		4200	
7.	BIPIN DHARAMSEY NENSEY				
	At the beginning of the year	15000		15000	
	Change during the year	No change during the year			
	At the end of the year	15000		15000	
8.	LAXMIKANT SINGRODIA				
	At the beginning of the year	190000		190000	
	Change during the year	No change during the year			
	At the end of the year	190000		190000	
9.	LATA SINGRODIA				
	At the beginning of the year	178100		178100	
	Change during the year	No change during the year			
	At the end of the year	178100		178100	
10.	RAGHAV SINGRODIA*				
	At the beginning of the year	0		22000	
	Change during the year				
	Purchase 18/12/2015				
	At the end of the year	22000		22000	

* Become a top ten shareholder from 18 December, 2015.

II. SHAREHOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Jattashankar Poddar	1421000	32.39	NIL	1421100	32.39	NIL	0.003
2	Sharad Poddar	1420100	32.37	NIL	1420100	32.37	NIL	NIL
3	Seema J Poddar	219900	5.012	NIL	219900	5.012	NIL	NIL
4	Seema S Poddar	111700	2.546	NIL	111700	2.546	NIL	NIL
5	Subhash Poddar HUF	105900	2.414	NIL	105900	2.414	NIL	NIL
6	Sharad Poddar HUF	3000	0.068	NIL	3000	0.068	NIL	NIL
7	Subhkaran Poddar	100	0.003	NIL	0	0	NIL	-0.003
	Total	3281700	74.803		3281700	74.803		0.000

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1.	Jattashankar Poddar	1421000	32.39	1421100	32.393
	Increase During Year				
	Transfer -10.07.2015	100	0.003		
	At the end of the year	1421000	32.390	1421100	32.393

*There is no any change in the holding of other promoters during the year.

(V) SHAREHOLDING OF DIRECTORS & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Jattashankar Poddar				
	At The Beginning of The Year	1421000	32.39	1421100	32.393
	Increase During The Year				
	Transfer - 10/07/2015	100	0.003		
	At The End of The Year	1421100	32.393	1421100	32.393
2	Sharad Poddar				
	At the beginning of the year	1420100		1420100	
	Increase/decrease during the year	No Change during the year			
	At the end of the year	1420100		1420100	
3	Sandeep kumar Modi				
	At the beginning of the year	0	0	0	0
	Increase/decrease during the year	No Change during the year			
	At the end of the year	0	0	0	0
4	Udit S. Master				
	At the beginning of the year	0	0	0	0
	Increase/decrease during the year	No Change during the year			
	At the end of the year	0	0	0	0
5	Seema S Poddar				
	At the beginning of the year	111700	2.546	111700	2.546
	Increase/decrease during the year	No Change during the year			
	At the end of the year	111700	2.546	111700	2.546
6	Richa Choudhary				
	At the beginning of the year	0	0	0	0
	Increase/decrease during the year	No Change during the year			
	At the end of the year	0	0	0	0
7	Prakash Purohit, CFO				
	At The Beginning Of The Year	0	0	0	0

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	Increase/decrease during the year	No Change during the year			
	At The End Of The Year	0	0	0	0
8	Vaidehi jha, CS*				
	At the beginning of the year	0	0	0	0
	Increase/decrease during the year	No Change during the year			
	At the end of the year	0	0	0	0

*Resigned wef 29.05.2016

(VI) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment.

	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	3,00,00,000	0	3,00,00,000
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	3,00,00,000	0	3,00,00,000
Change in Indebtedness during the financial year			
Additions	0	0	0
Reduction	1,80,00,000	0	1,80,00,000
Net Change	1,80,00,000	0	1,80,00,000
Indebtedness at the end of the financial year			
i) Principal Amount	1,20,00,000		1,20,00,000
ii) Interest due but not paid	0	0	0
iii) Interest accrued but not due	0	0	0
Total (i+ii+iii)	1,20,00,000	0	1,20,00,000

(VII) Remuneration of Directors and Key Managerial Personnel

Remuneration to Managing Director, Whole-time Director and/ or Manager:

Sl. No	Particulars of Remuneration	MANAGING DIRECTOR	WHOLE-TIME DIRECTOR
1	Gross salary	Jattashankar Poddar	Sharad Poddar
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	60,00,000	60,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission as % of profit others (specify)	NIL	NIL

Sl. No	Particulars of Remuneration	MANAGING DIRECTOR	WHOLE-TIME DIRECTOR
5	Others, please specify	NIL	NIL
	Total (A)	60,00,000	60,00,000
	Ceiling as per the Act	Remuneration paid is within the ceiling prescribed under the Company Act 2013	

Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors			
		Udit S Master	Sandeep Modi	Richa Choudhary	Seema Poddar
1	Independent Directors				
	(a) Fee for attending board committee meetings	15000	20000	10000	
	(b) Commission	NIL	NIL	NIL	
	(c) Others, please specify	NIL	NIL	NIL	
	Total (1)	15000	20000	10000	
2	Other Non-Executive Directors				
	(a) Fee for attending board committee meetings				15000
	(b) Commission				NIL
	(c) Others, please specify.				NIL
	Total (2)				15000
	Total (B)=(1+2)	60,000			
	Total Managerial Remuneration	1,20,60,000			
	Overall Ceiling as per the Act.	The Sitting fees has been paid within the ceiling prescribed under the Company Act 2013			

c. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration		
1	Gross Salary		
		Vaidehi Jha	Prakash Purohit
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2,59,864	2,75,067
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission as % of profit	0	0
	others, specify		
5	Others, please specify	0	0
	Total	2,59,864	2,75,067

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment / Compounding fees imposed	Authority (RD / NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

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

To,

The Members,
Jattashankar Industries Limited
11, Parasrampur Apartment, Film City Road,
Opp. Bank of India, Gokuldharm
Goregaon (East) Mumbai-400063

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Jattashankar Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Jattashankar Industries Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) Other laws applicable specifically to the company:
 - (a) Factories Act, 1948
 - (b) The Payment of Wages Act, 1936, and rules made thereunder,
 - (c) The Minimum Wages Act, 1948, and rules made thereunder,
 - (d) Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and rules made thereunder
 - (e) The Payment of Bonus Act, 1965, and rules made thereunder,
 - (f) Payment of Gratuity Act, 1972, and rules made thereunder,
 - (g) Equal Remuneration Act, 1976 and rules made thereunder,
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975, The Employee Compensation Act, 1923
 - (i) The Air (Prevention and Control of Pollution) Act, 1981
 - (j) Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008

We have also reviewed the compliances with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above .

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

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

We further report that, to the best of our knowledge and belief, no other events having a major bearing on the company's affairs have been occurred during the audit period in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

Place: Mumbai

Date: 22/07/2016

Sd/-

Kala Agarwal

Practising Company Secretary

COP No.: 5356

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
Jattashankar Industries Limited
11, Parasrampur Apartment, Film City Road,
Opp. Bank of India, Gokuldham
Goregaon (East), Mumbai-400063

Our report of even date is to be read along with this letter.

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

Place: Mumbai

Date: 22/07/2016

Sd/-

Kala Agarwal

Practising Company Secretary

COP No.: 5356

INDEPENDENT AUDITOR'S REPORT

To the Members of JATTASHANKAR INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of JATTASHANKAR INDUSTRIES LIMITED, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.5 to the financial statement that company has made the provision of gratuity on the basis of actuarial valuation pursuant to compliance of Accounting Standard-15. However the same had been provided on adhoc basis up to last year. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SHANKARLAL JAIN & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.109901 W/ W100082

Place: Mumbai
Date: 30.05.2016

S.L. AGARWAL
(PARTNER)
Membership No. 72184

**ANNEXURE “A” TO AUDITORS REPORT
JATTASHANKAR INDUSTRIES LIMITED**

For the year ended 31st March 2016

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The Company has a regular program of physically verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years.in accordance with the program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodically of physical verification is reasonable having regards to the size of the company and the nature of its assets.
c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable of property are held in the name of the company.
2. In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on such physical verification. The procedures followed by the management for physical verification of stock are in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
3. As per the information and explanations given to us, the company has not granted loans to associate companies/ parties Covered in the register maintained under Section 189 of the Companies Act. Accordingly, this para is not applicable.
4. In our opinion According to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loan and investments made.
5. As per the information and explanations given to us, the company has not accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. The Central government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act & as informed to us, the same has also not been maintained.
7. a) According to the information and explanation given to us and based on the books and records examined by us the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, have been generally deposited regularly during the year with appropriate authorities. There are no outstanding statutory dues as on 31st March, 2016 for a period of more than six months from the date they become payable.
b) According to the information and explanation given to us and based on the books and records examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, which have not been deposited on account of any dispute.
8. As per the information and explanation given to us the Company has not taken a term loan hence this para is not applicable.
9. The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year, Accordingly, this para is not applicable.
10. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
11. As per the information and explanations given to us and based on our examination of the record of the company, the company has paid managerial remuneration in accordance with the provision of section 197 read with schedule V to the Act.
12. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, this para is not applicable.
13. According to the information and explanation given to us and based on our examination of the record of the company, transaction with the related parties are in accordance with the section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us and based on our examination of the record of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, this para is not applicable.
16. The Company is not required to be registered under section 45-IA of reserve bank of India Act, 1934.

For SHANKARLAL JAIN & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.109901 W/W100082

Place: Mumbai
Date: 30.05.2016

S.L. AGARWAL
(PARTNER)
Membership No. 72184

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Jattashankar Industries Limited

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

We have audited the internal financial controls over financial reporting of Jattashankar Industries Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Date: 30.05.2016

For SHANKARLAL JAIN & ASSOCIATES LLP
Chartered Accountants
Firm Reg. No.109901 W/ W100082

S.L. AGARWAL
(PARTNER)
Membership No. 72184

BALANCE SHEET AS AT 31ST MARCH,2016

in (₹)

Particulars	Note No.	As at 31st March,2016	As at 31st March,2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	4,38,71,000	4,38,71,000
Reserves and Surplus	3	3,05,34,020	84,45,609
Sub - total of Shareholder's Fund		<u>7,44,05,020</u>	<u>5,23,16,609</u>
Non-Current Liabilities			
Long-term Borrowings	4	1,20,00,000	3,00,00,000
Long-term Provision	5	84,30,228	2,66,463
Sub - total of Non-Current Liabilities		<u>2,04,30,228</u>	<u>3,02,66,463</u>
Current Liabilities			
Trade Payables	6	1,36,57,986	86,87,995
Other Current Liabilities	7	33,27,565	36,42,640
Short-term Provision	8	18,46,907	16,24,427
Sub - total of Current Liabilities		<u>1,88,32,458</u>	<u>1,39,55,062</u>
TOTAL		<u><u>11,36,67,706</u></u>	<u><u>9,65,38,133</u></u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	9	2,01,37,287	2,01,10,401
Long Term Loan and Advances	10	1,96,92,355	96,51,845
Sub - total of Non-Current Assets		<u>3,98,29,642</u>	<u>2,97,62,246</u>
Current Assets			
Current Investments	11	1,15,92,003	34,99,600
Inventories	12	1,67,50,955	2,44,67,189
Trade Receivables	13	3,12,16,876	2,87,73,367
Cash and Cash Equivalents	14	59,42,809	55,35,847
Short- Term Loans and Advances	15	81,38,848	42,45,784
Other Current Assets	16	1,96,573	2,54,100
Sub - total of Current Assets		<u>7,38,38,064</u>	<u>6,67,75,887</u>
TOTAL		<u><u>11,36,67,706</u></u>	<u><u>9,65,38,133</u></u>
See Accompanying Notes to the Financial Statements	1		

As per our report of even date
For SHANKARLAL JAIN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
(Firm Reg. No. 109901W / W 100082)

For JATTASHANKAR INDUSTRIES LIMITED

S. L. AGARWAL
PARTNER
M.NO. 72184

JATTASHANKAR PODDAR-(MANAGING DIRECTOR)

SHARAD PODDAR -(WHOLETIME DIRECTOR)

PRAKASH PUROHIT- (CHIEF FINANCIAL OFFICER)

PLACE :-MUMBAI
DATE:- 30.05.2016

PRADEEP KUMAR VYAS (COMPANY SECRETARY)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH,2016

in (₹)

	Note No.	Year Ended 31st March,2016	Year Ended 31st March,2015
INCOME			
Revenue From Operation	17	35,81,64,967	32,50,89,511
Other Income	18	11,90,908	17,35,534
Total Revenue		<u>35,93,55,875</u>	<u>32,68,25,045</u>
EXPENDITURE			
Cost of Raw Materials Consumed	19	16,10,34,153	17,14,13,811
Other Manufacturing Expenses	20	12,30,86,729	9,99,98,969
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	58,88,854	(22,60,545)
Employee Benefits Expense	22	2,81,99,550	1,41,16,932
Depreciation and Amortization Expense	9	15,04,118	14,65,371
Finance Cost-Interest		1,30,139	33,440
Administrative Expenses	23	1,60,54,970	1,43,05,195
		<u>33,58,98,513</u>	<u>29,90,73,173</u>
Profit Before Exceptional and Extraordinary Items and Tax		2,34,57,361	2,77,51,872
Exceptional Items		-	-
Profit Before Extraordinary Items and Tax		<u>2,34,57,361</u>	<u>2,77,51,872</u>
Extraordinary Items		-	-
Profit Before Tax		<u>2,34,57,361</u>	<u>2,77,51,872</u>
Tax Expense:			
(1) Current tax		47,82,686	41,33,352
(2) MAT Credit Entitlement		(35,94,837)	(41,33,352)
(3) Short Provision For Income Tax		1,87,884	-
(4) Short Provision For MAT Credit Entitlement		(1,87,884)	-
(5) Interest On Income Tax		1,81,101	-
Profit/(Loss) After Tax for the year Carried to Balance Sheet		<u>2,20,88,411</u>	<u>2,77,51,872</u>
Earnings per Share (Basic & Diluted)		5.00	6.33
See Accompanying Notes to the Financial Statements	1		

As per our report of even date
For SHANKARLAL JAIN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
(Firm Reg. No. 109901W / W 100082)

S. L. AGARWAL
PARTNER
M.NO. 72184

PLACE :-MUMBAI
DATE:- 30.05.2016

For JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR PODDAR-(MANAGING DIRECTOR)

SHARAD PODDAR -(WHOLETIME DIRECTOR)

PRAKASH PUROHIT- (CHIEF FINANCIAL OFFICER)

PRADEEP KUMAR VYAS (COMPANY SECRETARY)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2016

in (₹)

PARTICULARS	FOR THE YEAR ENDING 31.03.2016	FOR THE YEAR ENDING 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
a. NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEM	2,34,57,361	2,77,51,872
Adjustment for:		
Depreciation	15,04,118	14,65,371
Interest Income	(4,80,023)	(6,05,380)
Loss on Sale of Fixed assets	-	9,54,102
Profit From Mutual Fund Investment	(6,49,229)	(8,81,048)
b. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,38,32,227	2,86,84,917
Adjustment for (Increase)/Decrease in Operating assets:		
Trade Receivable	(24,43,509)	(1,01,06,631)
Inventories	77,16,234	(61,24,600)
Loan and Advance	(1,01,50,853)	(47,76,979)
Other Current assets	(7,908)	(20,64,555)
Adjustment for Increase/(Decrease) in Operating liabilities:		
Trade Payable	49,69,992	20,47,491
Other current liabilities	87,86,175	18,26,998
c. CASH GENERATED FROM OPERATIONS	3,27,02,358	94,86,641
d. CASH FLOW BEFORE EXTRAORDINARY ITEMS		
NET CASH INFLOW FROM OPERATING ACTIVITIES	3,27,02,358	94,86,641
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(15,31,005)	(43,37,029)
Investment in Mutual Fund	(80,92,403)	(17,00,200)
Sale of Fixed Asset	-	9,59,153
Interest Received	5,45,458	5,06,950
Profit From Mutual Fund Investment	6,49,229	8,81,048
Direct Taxes paid	(56,85,575)	(30,79,914)
Income Tax Refund.	-	3,28,527
Interest On Income Tax Paid	(1,81,101)	-
NET CASH INFLOW FROM INVESTING ACTIVITIES	(1,42,95,397)	(64,41,465)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Secured Long term Loan	-	-
Payment of Accrued Interest on Secured Loan	-	-
Increase/(Decrease)of Unsecured Long term Loan	(1,80,00,000)	(40,00,000)
NET CASH FLOW INFLOW FORM FINANCING ACTIVITIES	(1,80,00,000)	(40,00,000)
D. NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS	4,06,961	(9,54,824)
Cash and Cash Equivalents at beginning of the year	7,84,848	17,39,672
Cash and Cash Equivalents at end of the year	11,91,809	7,84,848

Notes to Cash Flow Statement

in (₹)

1. Components of Cash and Cash Equivalents:-

Particulars	As at	As at
	March 31,2016	March 31,2015
Cash On Hand	5,96,730	2,12,440
Balance With Schedule Banks		
-On Current Account	5,95,079	5,72,407
-Bank Deposits due to mature after 12 month of original maturity of the reporting date	47,51,000	47,51,000
Cash & Bank Balance as per Note 14	59,42,809	55,35,847
Less:- Fixed Deposit not considered as cash & Cash Equivalents		
-Fixed Deposits (With Maturity more than 3 Months)	47,51,000	47,51,000
Net Cash & Cash Equivalents	11,91,809	7,84,847

2. Above the cash flow statement has been prepared under the “ Indirect Method “ as set out in the Accounting Standards -3 on the cash flow statement issued by the ICAI.

3. Previous year figures have been regrouped /rearranged wherever necessary.

4. The notes referred to above form an integral part of the Financial Statements.

As per our report of even date

For SHANKARLAL JAIN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
 (Firm Reg. No. 109901W / W 100082)

S. L. AGARWAL
PARTNER
M.NO. 72184

PLACE :-MUMBAI
DATE:- 30.05.2016

For JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR PODDAR-(MANAGING DIRECTOR)

SHARAD PODDAR -(WHOLETIME DIRECTOR)

PRAKASH PUROHIT- (CHIEF FINANCIAL OFFICER)

PRADEEP KUMAR VYAS (COMPANY SECRETARY)

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 II of Companies Act,2013 based on useful life.

(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 made provision for gratuity of its eligible employees. Contribution to Provident und 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 .

(g) Sale

Sale are net of Sales return 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.

NOTES ANNEXED AND FORMING PART OF BALANCE SHEET

in (₹)

Particulars	As at 31/03/16	As at 31/03/15
Note 2		
Share Capital		
Authorised		
10500000 (10500000) Equity Shares of ₹10 each	<u>10,50,00,000</u>	<u>10,50,00,000</u>
Issued,Subscribed & Paid up		
4387100 (4387100) Equity Shares of ₹10 each fully paid up (Each share carrying 1 voting right.)	4,38,71,000	4,38,71,000
Total	<u>4,38,71,000</u>	<u>4,38,71,000</u>

Details of shareholders holding more than 5% share in the company:	% of Holding	As at 31/03/16	As at 31/03/15
Shri Sharad Poddar	32.37 (32.37)	14,20,100	14,20,100
Shri Jatta Shankar Poddar	32.39 (32.39)	14,21,100	14,21,000
Smt. Seema J Poddar	5.01 (5.01)	2,19,900	2,19,900

Note 3

Reserves & Surplus

Reserves

Capital Reserves

Opening Balance	2,26,500	2,26,500
Additions during the year	-	-
Closing Balance	<u>2,26,500</u>	<u>2,26,500</u>
Securities Premium Reserve		
Opening Balance	4,18,06,500	4,18,06,500
Additions during the year	-	-
Closing Balance	<u>4,18,06,500</u>	<u>4,18,06,500</u>

Surplus

Profit & Loss A/c

Opening Balance	(3,35,87,391)	(6,12,39,692)
Add :Net Profit for the current year	2,20,88,411	2,77,51,872
Less: Depreciation Charge From Retained Earning As Per Requirement	-	(99,571)
Of Schedule - II Of New Companies Act,2013.		
Closing Balance	<u>(1,14,98,980)</u>	<u>(3,35,87,391)</u>
Total	<u>3,05,34,020</u>	<u>84,45,609</u>

NOTES ANNEXED AND FORMING PART OF BALANCE SHEET

Particulars	As at 31/03/16	As at 31/03/15
		in (₹)
Note 4		
<u>Long Term Borrowings</u>		
Unsecured Loans		
From Strategic Promoter(Related Party)	1,20,00,000	3,00,00,000
Total	<u>1,20,00,000</u>	<u>3,00,00,000</u>
Note 5		
<u>Long Term Provision</u>		
Provision For Gratuity	84,30,228	2,66,463
Total	<u>84,30,228</u>	<u>2,66,463</u>
Note 6		
<u>Trade payables</u>		
Trade payables	1,36,57,986	86,87,995
(Including for SSI ₹8,35,808 /- PY ₹ 7,16,271/-)		
Note :-To the extent information available with the Company ,amount payable to Micro, Small and Medium Enterprise creditors are not overdue .Hence Provision for interest has not been made.		
Total	<u>1,36,57,986</u>	<u>86,87,995</u>
Note 7		
<u>Other Current Liabilities</u>		
Advance From Cutomers	5,37,520	2,17,470
Outstanding Liabilities	19,48,841	19,66,880
TDS payable	6,60,837	5,62,918
Provision for income tax (Net of Advance Tax ₹C.Y 89,23,555, P.Y.32,37,980/.)	1,80,367	8,95,372
Total	<u>33,27,565</u>	<u>36,42,640</u>
Note 8		
<u>Short Term Provision</u>		
Provision For Employees Benefits	18,46,907	16,24,427
Total	<u>18,46,907</u>	<u>16,24,427</u>

NOTES ANNEXED AND FORMING PART OF BALANCE SHEET

NOTE 9 FIXED ASSETS

Particulars	Life of Assets	Gross Block			Accumulated Depreciation				Net Block		
		As at 1st April, 2015	Additions	(Disposal)	As at 31st March, 2016	As at 1st April, 2015	Depreciation charge for the year	Charge from Retained Earning	On disposals	As at 31st March, 2015	As at 31st March, 2016
TANGIBLE											
Freehold Land	-	14,97,901	-	-	14,97,901	11,85,451	-	-	-	11,85,451	3,12,450
Factory Buildings	30	2,55,24,320	-	-	2,55,24,320	2,44,07,852	-	-	-	2,44,07,852	11,16,468
Office Premises	60	7,91,280	-	-	7,91,280	3,09,706	12,229	-	-	3,21,935	4,81,574
Plant and Machinery	15	7,35,29,026	4,49,517	-	7,39,78,543	5,71,92,112	10,39,217	-	-	5,82,31,329	1,63,36,914
Office equipment	5	1,58,430	-	-	1,58,430	1,34,869	5,185	-	-	1,40,054	18,376
Computer Hardware	3	25,36,165	-	-	25,36,165	17,59,630	52,908	-	-	18,12,538	7,23,627
Furniture & Fixtures	10	24,02,133	33,663	-	24,35,796	22,97,717	272	-	-	22,97,989	1,37,807
Vehicles	8	15,47,171	10,47,825	-	25,94,996	8,07,635	1,96,104	-	-	10,03,739	15,91,257
INTANGIBLE											
Computer Software	3	4,14,856	-	-	4,14,856	1,95,909	1,98,205	-	-	3,94,114	20,742
Total		10,84,01,282	15,31,005	-	10,99,32,287	8,82,90,881	15,04,118	-	-	8,97,94,999	2,01,37,287
Previous year		14,13,71,795	57,26,810	3,86,97,323	10,84,01,282	12,35,10,006	14,65,371	99,572	3,67,84,068	8,82,90,881	2,01,10,401
											1,78,61,789

NOTES ANNEXED AND FORMING PART OF BALANCE SHEET

in (₹)

Particulars	As at 31/03/16	As at 31/03/15
Note 10		
Long- Term Loans and Advances		
To Related Party*	1,96,00,000	96,00,000
To Others	92,355	51,845
* Interest free deposit as per Job Agreement with the Party		
Total	<u>1,96,92,355</u>	<u>96,51,845</u>

Note 11

Current Investment

INVESTMENT (At Cost)

In Mutual Fund

Birla Sun Life Dynamic Bond Fund- Retail -Growth (CY 4,73,332.734 Units PY 1,35,907.415 Units)	1,15,92,003	31,00,000
Birls Sun Life Saving Fund -Growth (Current Year Nil PY 742.564 Units)	-	1,99,800
Birla Sun Life Cash Manager (Current Year Nil, PY 594.869)	-	1,99,800
		-
Total	<u>1,15,92,003</u>	<u>34,99,600</u>

Note 12

Inventories

(As taken, valued & certified by management)

Finished goods	56,74,908	74,32,908
Work-in-progress	56,84,394	98,15,248
Raw Materials	39,46,081	56,04,775
Stores and Packing Materials	14,45,572	16,14,258
Total	<u>1,67,50,955</u>	<u>2,44,67,189</u>

Note 13

Trade Receivables

Unsecured, considered good

Outstanding for a period exceeding six months	1,13,349	49,682
Others	3,11,03,527	2,87,23,685
Total	<u>3,12,16,876</u>	<u>2,87,73,367</u>

NOTES ANNEXED AND FORMING PART OF BALANCE SHEET

in (₹)

Particulars	As at 31/03/16	As at 31/03/15
Note 14		
Cash and cash equivalents		
Balance with banks		
Cash in Hand	5,96,730	2,12,440
Balance with Banks	5,95,079	5,72,407
Fixed Deposits With Bank & Others	47,51,000	47,51,000
(On Fixed Deposit Account with Maturity in More Than 12 Months Receipts Pledge of ₹17.25/-Lacs with Electricity Department PY. 17.25 Lacs and ₹ 0.26 Lacs With Sales Tax Department. PY 0.26 Lacs.)		
Total	<u>59,42,809</u>	<u>55,35,847</u>
Note 15		
Short-Term Loans and Advances		
Unsecured, considered good		
Advances Recoverable in cash or in kind	2,22,775	1,12,432
MAT Credit Entitlement	79,16,073	41,33,352
Total	<u>81,38,848</u>	<u>42,45,784</u>
Note 16		
Other Current Assets		
Prepaid Expense	1,47,223	1,39,315
Interest Accrued But Not Due	49,350	1,14,785
Total	<u>1,96,573</u>	<u>2,54,100</u>

NOTES ANNEXED AND FORMING PART OF STATEMENT OF PROFIT AND LOSS

in (₹)

Particulars	Year Ended 31st March , 2016	Year Ended 31st March , 2015
Note 17		
Revenue From Operation		
Sales	35,81,64,967	32,33,08,678
Yarn Processing Charges (TDS ₹Nil P.Y. 27,780/-.)	-	17,80,833
Total	<u>35,81,64,967</u>	<u>32,50,89,511</u>

Note 18**Other Income**

Interest -Other (TDS ₹Nil/- .PY ₹16910/-.)	52,420	2,52,104
Interest on Bank Deposit (TDS ₹42,761/-PY.35224/-.)	4,27,603	3,53,276
Profit On Sale of Units of Mutual Fund	6,49,229	8,81,048
Sundry Balance Written Back	22,573	58,140
Miscellaneous Income	39,083	1,90,966
Total	<u>11,90,908</u>	<u>17,35,534</u>

Note 19**Raw Material Consumed**

Opening Stock	56,04,775	21,05,535
Add: Purchases-Yarn (Net of Vat Credit)	15,93,75,459	17,49,13,051
Less : Closing Stock	39,46,081	56,04,775
Total	<u>16,10,34,153</u>	<u>17,14,13,811</u>

(Yarn Consumption CY ₹14,18,79,373,PY ₹16,12,68,645)
(Rubber Consumption CY ₹1,91,54,780,PY ₹1,01,45,166)

Note 20**Other Manufacturing Expense**

Processing charges	6,89,12,236	5,18,82,811
Power and Fuel	89,61,207	91,02,823
Stores & Spares Consumed*	6,565,793	58,65,575
Dyes & Chemical Consumed	2,53,98,695	1,95,57,727
Repairs to Building	8,88,830	11,13,038
Repairs to Machines	1,39,017	52,230
Packing Material Consumed	1,22,20,951	1,19,17,521
Testing charges	-	5,07,244
Total	<u>12,30,86,729</u>	<u>9,99,98,969</u>

(*All Indigenous)

NOTES ANNEXED AND FORMING PART OF STATEMENT OF PROFIT AND LOSS

in (₹)

Particulars	Year Ended 31st March , 2016	Year Ended 31st March , 2015
Note 21		
<u>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</u>		
<u>Opening Stock</u>		
Work In Progress	98,15,248	95,72,757
Finished Goods	74,32,908	54,14,854
	<u>1,72,48,156</u>	<u>1,49,87,611</u>
<u>LESS: Closing Stock</u>		
Work In Progress	56,84,394	98,15,248
Finished Goods	56,74,908	74,32,908
	<u>1,13,59,302</u>	<u>1,72,48,156</u>
Total	<u>58,88,854</u>	<u>(22,60,545)</u>
Note 22		
<u>Employee Benefits Expense</u>		
Managerial Remunation	1,20,00,000	43,50,000
Salaries and Incentives	71,55,232	90,35,141
Contributions to Provident fund & Pension Fund	1,18,674	34,598
Gratuity fund contributions	83,03,343	1,66,463
Staff welfare expenses	6,22,301	5,30,730
Total	<u>2,81,99,550</u>	<u>1,41,16,932</u>
Note 23		
<u>Administrative Expenses</u>		
Brokerage & Commission	33,53,859	30,92,898
Freight and Forwarding Expense	32,89,833	20,35,739
Professional Charges	11,91,395	11,00,617
Travelling & Conveyance	8,60,623	11,38,763
Rates & Taxes	1,42,578	-
Business Promotion Expenses	6,31,831	5,84,348
Rent	3,60,000	5,40,000
Repairs to Others	4,90,614	6,01,400
Insurance Charges	2,38,964	2,85,945
Advertisement	1,52,482	1,97,428
Registrar and Transfer Agent Expenses	2,61,501	2,15,773
Registration & Filing Fees	41,450	56,347
Directors Sitting Fees	60,000	-

NOTES ANNEXED AND FORMING PART OF STATEMENT OF PROFIT AND LOSS

in (₹)

Particulars	Year Ended 31st March , 2016	Year Ended 31st March , 2015
Loss on Sale of Fixed Assets	-	9,54,102
Cash Discount	8,05,726	7,92,662
Rate Difference	11,68,168	2,57,115
Claims Allowed	2,28,394	1,48,859
Quantity Discount	4,82,197	4,51,367
Other Discount	83,710	1,23,645
Payment To Auditors		
Audit Fees	1,07,152	89,888
For others	61,175	1,07,242
Miscellaneous Expense	20,43,318	15,31,057
Total	<u>1,60,54,970</u>	<u>1,43,05,195</u>

24 Contingent liabilities not provided for in the accounts.

There were no Contingent Liability as on 31.03.2016.

25. Balance of sundry debtors, Creditors and loans and advances are subject to confirmation, reconciliation and adjustment required, if any.**26. Disclosure required under Accounting Standard-15 (Revised 2005) for “Employee Benefits” are as under:-**

The Company has recognized the expected liability of Gratuity as at 31st March, 2016 based on actuarial valuation carried out using the Project Unit Credit Method. Up to the Previous Year, the company had been provided retirement benefits on adhoc basis instead of actuarial basis. Hence the gratuity liability of ₹83, 03,343 provided during the year includes past retirement benefits.

The below disclosure have been obtained from independent actuary. The other disclosures are made in accordance with Accounting Standard-15 (Revised) pertaining to the Defined Benefit Plan is as given below:-

Assumptions (Current Period)	
Expected Return on Plan Assets	N.A.
Rate of Discounting	7.96%
Rate of Salary Increase	8.00%
Rate of Employee Turnover	For ages 40 Years and below 3.00% p.a.& For ages 41 years and above 1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)
Mortality Rate after Employment	N.A.
Table Showing Changes in the Present Value of Projected Benefit Obligation	
Present Value of Benefit Obligation at the Beginning of the period	2,66.463
Interest Cost	-
Current Service Cost	3,31.543
Past Service Cost- Non- Vested Benefit Incurred During thePeriod	-
Past Service Cost- Vested Benefit Incurred During the Period	-
Liability Transferred in / Acquisitions	-
(Liability Transferred Out / Divestment)	-
(Gains)/Losses on Curtailment	-
(Liabilities Extinguished on Settlement)	-

(Benefit Paid Directly by the Employer)	-
(Benefit Paid From the Fund)	-
The Effect of Changes in Foreign Exchange Rates	-
Actuarial (Gains)/ Losses on Obligations-Due to Change in Demographic Assumption	-
Actuarial (Gains)/ Losses on Obligations-Due to Change in Financial Assumptions	-
Actuarial (Gains)/Losses on Obligations- Due to Experience	79,71,800
Present Value of Benefit Obligation at the End of Period	85,69,806
Amount Recognized in the Balance Sheet	
(Present Value of Benefit Obligation at the end of the Period)	(85,69,806)
Fair Value of Plan Assets at the end of the Period	-
Funded Status (Surplus/(Deficit))	(85,69,806)
Unrecognized Past Service Cost at the end of the Period	-
Net Liability/(Asset) at the Beginning	(85,69,806)
Expenses Recognized in the Statement of Profit or Loss for Current Period	
Current Service Cost	3,31,543
Net Interest Cost	-
Actuarial (Gains)/ Losses	79,71,800
Past Service Cost-Non-Vested Benefit Recognized During the Period	-
Past Service Cost- Vested Benefit Recognized During the Period	-
(Expected Contributions by the Employees)	-
(Gains)/Losses on Curtailments and Settlements	-
Net Effect of Changes in Foreign Exchange Rates	-
Change in Asset Ceiling	-
Expenses Recognized in the Statement of Profit or Loss	83,03,343
Balance Sheet Reconciliation	
Opening Net Liability	2,66,463
Expense Recognized in Statement of Profit or Loss	83,03,343
Net Liability/(Asset) Transfer In	-
Net Liability/(Asset) Transfer Out	-
(Benefit Paid Directly by the Employer)	-
(Employer's Contribution)	-
Net Liability/(Asset) Recognized in the Balance Sheet	85,69,806

27. 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.
28. 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 :-

Relationships:

Key Management Personnel

- (i) Jattashankar Poddar
- (ii) Sharad Poddar

Relative of Key Management Personnel and their Enterprises where transactions have taken place

Sunrise Colours Limited

Shivkripa Enterprises Private Limited

Subhash Poddar HUF (Jattashankar Poddar is karta of HUF)

Sharad Poddar HUF (Sharad Poddar is Karta of HUF)

Disclosure in respect of material transactions with related parties during the year

Nature of Transaction	2015-16	2014-15
(a) Key Management Personnel		
Remuneration	1,20,00,000/-	43,50,000/-
Office Rent	Nil	1,80,000/-

(b) Relative of Key Management Personnel and their Enterprises where transaction have taken place		
Processing Charges	6,18,07,325/-	4,97,98,509/-
Payable Sundry Creditors	27,458/-	5,52,746/-
Security Deposit (Given)	1,96,00,000/-	96,00,000/-
Loan taken O/s	1,20,00,000/-	3,00,00,000/-
Office Rent	3,60,000/-	3,60,000/-

29. The company mainly deals in Dyed yarns and Elastic tapes which are considered only one segment of Textile Products therefore, disclosure of segment reporting pursuant to Accounting Standards –17 issued by the ICAI is not required.
30. In view of the applicability of Accounting Standards –22 accounting for taxes on income issued by the ICAI, Company does not have 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.
31. Earning Per Share (EPS) pursuant to Accounting Standard –20 issued by the ICAI as under:

Particulars	Current Year	Previous Year
Net Profit after Exceptional items available for Equity shareholders	2,20,88,412	2,77,51,872
Average Equity shares ₹10/- each	43,87,100	43,87,100
Basic EPS of ₹ 10/- each	5.03	6.33
Diluted EPS of ₹10/- each	5.03	6.33

32. There were no Impairment of Fixed Assets during the year pursuant to requirement of Accounting Standard -28 issued by the ICAI.
33. Previous years figures have been regrouped / rearranged wherever is necessary.

As per our report of even date
For SHANKARLAL JAIN & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
(Firm Reg. No. 109901W / W 100082)

For JATTASHANKAR INDUSTRIES LIMITED

S. L. AGARWAL
PARTNER
M.NO. 72184

JATTASHANKAR PODDAR-(MANAGING DIRECTOR)
SHARAD PODDAR -(WHOLETIME DIRECTOR)
PRAKASH PUROHIT- (CHIEF FINANCIAL OFFICER)
PRADEEP KUMAR VYAS (COMPANY SECRETARY)

PLACE :-MUMBAI
DATE:- 30.05.2016

**FORM MGT -11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

JATTASHANKAR INDUSTRIES LIMITED

CIN: L17110MH1988PLC048451

Regd. Office: 11, Parasrampur Apartment, Filmcity Road, Gokuldham, Goregoan (East),
Mumbai- 400 063 Tel. No. 28414262/64/66 Fax-28414269
Email: jattashankarind@yahoo.com Website: www.jsil.in

Name of the Member(s): _____

Registered Address: _____

E-mail id: _____

Folio No/*Client Id: _____

*DP Id: _____

I/We being the member (s) of _____ shares of Jattashankar Industries Limited, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him
2. _____ of _____ having e-mail id _____ or failing him
3. _____ of _____ having e-mail id _____ .

And whose signature(s) are appended below as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 28th Annual General Meeting of the Company to be held on Saturday, 3rd September, 2016 at 10.00 a.m. at 11, Parasrampur Apartment, Filmcity Road, Gokuldham, Goregoan (East), Mumbai- 400 063 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	For	Against
To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 and the Reports of Directors and Auditors thereon.		
To appoint a Director in place of Mrs. Seema Poddar (DIN: 07157093), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.		
To ratify the appointment of M/s. Shankarlal Jain & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Reg No. 109901W), as approved by members at the 27th Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of 29th Annual General Meeting and to fix their remuneration for the financial year ended March 31, 2017.		

*Applicable for investors holding shares in electronic form.

Signed this _____ day of _____ 2016.

Affix a
Revenue
Stamp

Signature of Shareholder

Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Notes:

This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.

