

26TH ANNUAL REPORT 2013-14

JATTASHANKAR INDUSTRIES LIMITED
CIN:L1711MH1988LC048451

JATTASHANKAR INDUSTRIES LIMITED

26th ANNUAL REPORT

YEAR- 2013-14

BOARD OF DIRECTORS : Shri Jatta Shankar Poddar – Chairman Cum Managing Director

: Dr. Sharad Poddar - Director

: Shri Sandeep Modi - Director

: Shri Udit Master - Director

AUDITORS : Shankarlal Jain & Associates
Chartered Accountants

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

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

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

CONTRACT DETAILS

Telephone :91-22-28414262

Fax :91-22-28414269

Websit :www.jsil.in

JATTASHANKAR INDUSTRIES LIMITED

NOTICE TO THE MEMBERS

NOTICE IS HEREBY GIVEN THAT THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF JATTASHANKAR INDUSTRIES LTD. WILL BE HELD ON MONDAY ON 29TH SEPTEMBER 2014 AT 11, PARASRAMPURIA APT. ,FILM CITI ROAD, GOKULDHAM, GOREGAON(EAST), MUMBAI 400 063 AT 9.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To received, consider and adopt the audited Statement of Profit and Loss, Cash Flow Statement of Company for the year ended 31st March 2014 and the Balance Sheet as at 31st March 2014 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Kumar Modi (holding DIN 02420276),who retires by rotation and being eligible ,offer himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as in **Ordinary**

Resolution:

“ **RESOLVED THAT** pursuant to Section 139(1) of Companies Act,2013,M/s Shankarlal Jain Associates, Chartered Accountant, Mumbai (Reg. No. 109901W) be and hereby appointed as Statutory Auditors of Company to hold office for the period of 3 (three) years from the conclusion of this Annual General Meeting until the conclusion of Annual General Meeting to be held during the year 2017,to examine and audit the accounts of Company for the financial year 2014-15, 2015-16 and 2016-17 at such remuneration as may be mutually agreed upon between the Board of Directors of Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes.”

“**FURTHER RESOLVED THAT** the appointment of M/s Shankarlal Jain Associates, chartered Accountant,Mumbai (Reg.No. 109901W) for the period of 3 (three) years made at the ensuing Annual General Meeting shall be subject to ratification at every subsequent 3 Annual General Meeting.”

SPECIAL BUSINESS:

4. To consider and thought fit,to pass with or without modification,the following resolution as a **Special Resolution:**
“ **RESOLVED THAT** pursuant to the provision of section 149,152 readwith Schedule IV and any other applicable provision of the Companies Act,2013 and the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) read with schedule IV of the Companies Act,2013,Mr. Udit Master (holding DIN 02424071),Director of the Company whose period of office was liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member under section 160 of Companies Act , 2013 proposing his candidature for the office of independent Director , be and is hereby appointed as an independent Director of the Company , not liable to retire by rotation and to hold office for five consecutive years.

- 5 To consider and thought fit,to pass with or without modification,the following resolution as a Special Resolution:
“ **RESOLVED THAT** in a partial modification of Resolution passed at 25th Annual General Meeting of the Company held on 30th September 2013 ,for the appointment and terms of remuneration of Mr. Jattashankar Poddar (DIN 00335747) as Managing Director of the Company and pursuant to provision of Section 196 & 197 and other applicable provisions if any , of the Companies Act 2013 (‘the Act’) as amended or re-enacted from time to time , read with Schedule V of the Act , the consent and approval of the members of the company is and be hereby accorded for revision in his terms of appointment for increase limit of Minimum remuneration by monthly salary upto Rs. 5,00,000 (Rupees Five Lac only) in the year of inadequate profit or loss as per provision of schedule V of Companies Act, 2013 with effect from 1st October 2014 for remainder tenure of his appointment upto 31st December 2015.”

“**RESOLVED FURTHER THAT** the Board or a committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.”

- 6 To consider and thought fit,to pass with or without modification,the following resolution as a **Special Resolution:**

“ **RESOLVED THAT** in a partial modification of Resolution passed at 25th Annual General Meeting of the Company held on 30th September 2013 ,for the appointment and terms of remuneration of Mr. Sharad Poddar (DIN 00335806) as Wholetime Director of the Company and pursuant to provision of Section 196 & 197 and other applicable provisions if any , of the Companies Act 2013 (‘the Act’) as amended or re-enacted from time to time , read with Schedule V of the Act , the consent and approval of the members of the company is and be hereby accorded for revision in his terms of appointment for increase limit of Minimum remuneration by monthly salary upto Rs. 5,00,000 (Rupees Five Lac only) in the year of inadequate profit or loss as per provision of schedule V of Companies Act, 2013 with effect from 1st October 2014 for remainder tenure of his appointment upto 31st December 2015.”

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“RESOLVED FURTHER THAT the Board or a committee thereof be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to above resolution.”

FOR JATTASHANKAR INDUSTRIES LIMITED

Place-Mumbai
Date 14.08.2014

sd/-
JATTASHANKAR PODDAR
Managing Director

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the Meeting
2. The Register of Members and share Transfer Books of the company will remain closed from 24-09-2014 to 29-09-2014 (both day inclusive).
3. Explanatory Statement pursuant to Sec 102 of the Companies Act 2013 is annexed to the Notice
4. All documents referred to in the Notice and the Explanatory statement are open for inspection at the Registered office of the company during office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
5. Members are requested to bring copy of Annual Report as copies of Report will not be distributed again at the meeting.
6. The members are requested to send/intimate to Registrar of companies Sharex Dynamic (India) Pvt Ltd of following
 - a) Latest Specimen Signature attested by Bank Branch Manager
 - b) Changes in Address along with Proof of Address & PAN
 - c) Email address
 - d) Nomination detail
7. Members should bring the Attendance Slip, duly filled in and signed for attending the meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the company at an early so as to enable the management to keep the information ready.
9. Details under clause 49 of Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment at the Annual General Meeting, forms intergral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. In term of section 108 of Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the company has made arrangement to its members to exercise their right to vote at Annual General Meeting by electronic means.

The instructions for members for voting electronically are as under:-

- a) E-voting period will commence on 25.09.2014(9.00 am) and 27.09.2014 end on (6.00 Pm)
- b) During this period shareholders of the Company, holding shares either in physical form or in dematerialised form may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
- c) Kala Agarwal, Practicing Company Secretary (CP No. 5356) has been appointed as the Scrutinizer to scrutinize e-voting process.
- d) In case members have any queries or issues regarding e-voting, they may refer Frequently Asked Question and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk: evoting@cdslindia.com.

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com

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- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “JATTASHANKAR INDUSTRIES LTD.” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <JATTASHANKAR INDUSTRIES LTD.> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- xix. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- xx. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- xxi. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 25.09.2014 (9.00 am) and ends on 27.09.2014 (6.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off

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date (record date) of **24.09.2014 to 29.09.2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,2013

Item No. 2 & 4 –APPOINTMENT OF INDEPENDENT DIRECTOR

Shri Sandeep Modi and Shri Udit Master are independent Directors of the Company. They hold the vast experience and experts in their respective fields.They are also the committee Members of Audit Committee and Remuneration Committee and Shareholders Grievances Committee.

In the opinion of the Board these Directors fulfill the conditions of Companies Act,2013 and rules thereunder for their appointment as independent Directors of the Company and are independent of the Promoter Group of the Company.Copy of the draft of Letter of appointment issued to them is available at the registered office of the company

Board recommends these resolutions as mentioned a

ITEM NO. 5-REVISION IN TERMS OF REMUNERATION OF MR.JATTASHANKAR PODDAR AS MANAGING DIRECTOR

At 25th Annual General Meeting of the Company held on 30th September 2013,the Members of Company had approved the appointment and terms of remuneration of Mr. Jattashankar Poddar Managing Director of the Company for a period of 3 years with effect from 01/01/2013 with limit of remuneration upto Rs. 2 Lacs per month in accordance with the provisions of Schedule XIII of Companies Act 1956 in year of inadequate profit Or Loss. He is a founder promoter Director of company and his remuneration has been very low since last 15 years due to financial sickness. Now due to his effort in Sales and marketing , Company has been Turn around resulting into positive Networth . There has been increase in limit of Managerial Remuneration in case of Companies having inadequate profit or Loss as per provision of Schedule V of New Companies Act 2013 based on effective capital by way of Special Resolution in General Meeting. Accordingly Board of Directors and Remuneration committee at its meeting held on 14.08.2014 has approved revision in Term of Remuneration by increasing Limit of Remuneration from Rs.2 Lacs to Rs. 5 Lacs per month wef 01.10.2014 for remainder tenure of his appointment upto 31.12.2015 based on effective capital in accordance with the provisions of Schedule V to the Companies Act, 2013 in case of inadequate profit or Loss.

All other terms of appointment of Mr. Jattashankar Poddar as approved by the members at their Annual General Meeting held on 30.09.2013 will remain unchanged

The Board recommends the resolution for approval of Members in proposed Annual General Meeting of Company by Special Resolution .

None of the Directors, except Mr. Jattashankar Poddar is concerned or interested in the resolution.

ITEM NO. 6-REVISION IN TERMS OF APPOINTMENT OF WHOLETIME DIRECTOR

At 25th Annual General Meeting of the Company held on 30th September 2013,the Members of Company had approved the appointment and terms of remuneration of Mr. Sharad Poddar Whole time Director of the Company for a period of 3 years with effect from 01/01/2013 with limit of remuneration upto Rs. 2 Lacs per month in accordance with the provisions of Schedule XIII of Companies Act 1956 in year of inadequate profit Or Loss. He is a founder promoter Director of company and his remuneration has been very low since last 15 years due to financial sickness. Now due to his effort for renovation of Plant and rehabilitation strategy , Company has been Turn around resulting into positive Networth . There has been increase in limit of Managerial Remuneration in case of Companies having inadequate profit or Loss as per provision of Schedule V of New Companies Act 2013 based on effective capital by way of Special Resolution in General Meeting. Accordingly Board of Directors and Remuneration committee at its meeting held on 14.08.2014 has approved revision in Term of Remuneration by increasing Limit of Remuneration from Rs.2 Lacs to Rs. 5 Lacs per month wef 01.10.2014 for remainder tenure of his appointment upto 31.12.2015 based on effective capital in accordance with the provisions of Schedule V to the Companies Act, 2013 in case of inadequate profit or Loss.

All other terms of appointment of Mr. Sharad Poddar as approved by the members at their Annual General Meeting held on 30.09.2013 will remain unchanged

The Board recommends the resolution for approval of Members in proposed Annual General Meeting of Company by Special Resolution .

None of the Directors, except Mr. Jattashankar Poddar is concerned or interested in the resolution.

FOR JATTASHANKAR INDUSTRIES LIMITED

sd/-

JATTASHANKAR PODDAR
Managing Director

Place-Mumbai
Date - 14.08.2014

JATTASHANKAR INDUSTRIES LIMITED

DIRECTOR'S REPORT

TO the members,

JATTASHANKAR INDUSTRIES LIMITED.

Your Director's have pleasure in presenting 26th Annual Report and the Audited account of the company for the year ended 31st March 2014.

FINANCIAL RESULTS

	YEAR ENDED 31.03.14 Rs.in lacs	YEAR ENDED 31.03.13 Rs.in lacs
Sales & Processing Charges	2585.63	1989.37
Operating Profit Before Exception item	259.10	119.86
Less: Current Tax and Deferred Tax	---	---
Profit After Tax	259.10	119.86
Loss brought forward	871.50	991.36
Total Loss available for appropriation	612.40	871.50

REVIEW OF OPERATIONS FOR 2013-14

In the year under review, the turnover of the company has increased to Rs. 2585.63 Lacs from Rs 1989.37 Lacs Operating Profit Margin has also increased to Rs 259.10 Lacs from Rs. 119.86 Lacs due to selling of value added dyed yarn.

The management continues to pursue its efforts to further improve its capacity utilization, operating efficiencies and cost competitiveness to improve its performance in the coming year through increase in Turnover, improved with appropriate restructuring of products and procedures. Outlook for current year will be better barring any unforeseen circumstances.

DIVIDEND

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

OPEN OFFER

During the year Open Offer has been made pursuant to Regulation 3(2) and other applicable provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 by the Promoters of the Company for acquiring 11,40,646 shares at a price of Rs. 3/- per share and after completion of Open Offer formalities in April 2014, shareholding of promoter's has been increased from 32.15% to 74.80%.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

JATTASHANKAR INDUSTRIES LIMITED

DIRECTOR

Board of Directors of Company consist of 2 Independent Directors ,Shri Sandeep Kumar Modi and Shri Udit Master , who has been appointed since more than are 5 years as on 01.04.2014 and are liable for retiring by rotation . This year Independent Director Shri Sandeep Modi retires by rotation in coming annual general meeting and being eligible to offer himself for reappointment for period of 5 years as per provision of Companies Act 2013 . Company has received requisite notices in writing from member proposing Shri Udit Master as Independent Director for period of 5 years . The Company has received declaration from both directors confirming that they meet with the criteria of independence as prescribed under Section 149 of Companies Act 2013 and under clause 49 of the Listing Agreement of Stock Exchange.

AUDITORS AND AUDITOR'S REPORT

M/s. Shankarlal Jain & Associates, Chartered Accountants, Auditors of the company, retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment for term upto year 2017 as per provision of new Companies Act 2013. There are no Qualification in Auditor's Report and notes to accounts are self explanatory .

PARTICULARS OF EMPLOYEES

There were no employees who have received remuneration in excess of of amount prescribed under section 134 of Companies Act,2013 read with the Companies (Particulars of Employees) Rules, 1975.

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

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

INSURANCE

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

INDUSTRIAL REALATIONS :

During the year ,industrial relations have been extremely cordial . Management thank all the employees of the company for their dedicated and unstinted service and their highly valued contribution and continuing support to your company at all levels.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis are enclosed in ths Annual report.

CORPORATE GOVERNANCE REPORT

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

ACKNOWLEDGMENTS

Your Directors convey their since thanks to the Government of India,Bankers , Employees, Customers, Agents and suppliers for the support and assistance provided to the company.

For and on behalf of the Board of Directors

Place: Mumbai

SD/-

Date: 14.08.2014

(JATTA SHANKAR PODDAR)
CHAIRMAN

JATTASHANKAR INDUSTRIES LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Information as per section 217 (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Director) Rules, 1988 and forming part of the Directors report for the year ended 31st March 2014.

(i) CONSERVATION OF ENERGY:-

The company is making continuous effort to conserve energy wherever practicable by economizing on use of power and electricity in the factory and office. The total energy consumption as per prescribed Form 'A' is as under:-
Form for disclosure of particulars with respect to conservation of energy. Total energy consumption and energy consumption per unit of production.

PART A POWER AND FUEL CONSUMPTION

	Year Ended 31.03.14	Year Ended 31.03.13
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1. Electricity:--Silvassa

a) Purchased Units (in Lacs)	15.46	8.85
Total amount (Rs.in Lacs)	65.16	36.47
Rate /Unit (Rs.)	4.21	4.12

Coal	0.00	0.00
2. Furnace Oil	0.00	0.00
3. Other/Internal Generation System	0.00	0.00

(ii) TECHNOLOGY ABSORPTION

Research & Development:-

The company is continuously developing new shades in dyed yarn. The company is also planning to install Computer Software developed for getting various shades in Dyed Yarn which will provide great help in capturing the market. Research and Development on improving the production process, yield and quality is ongoing exercise, Expenditure on Research and Development and its benefit is not separately quantified at present, since it is continuous exercise merged in the manufacture and quality and quality control activity. The company has not availed any foreign technology during the year.

(iii) FOREIGN EXCHANGE EARNINGS / OUTGOINGS:-

Foreign Exchange earning were	Rs. Nil
Foreign Exchange outgoing was as under:	
I) Raw material	Rs. Nil
II) Capital Goods	Rs. Nil
III) Traveling	Rs. Nil
IV) Interest on Foreign Currency Loan	Rs. Nil

Place: Mumbai
Date: 14.08.2014

For and on behalf of the Board of Directors
SD/-
(JATTA SHANKAR PODDAR)
CHAIRMAN

JATTASHANKAR INDUSTRIES LIMITED

MANAGEMENT DISCUSSION & ANALYSIS 2013-14

The Management of **JATTASHANKAR INDUSTRIES LIMITED** presents its report covering performance and outlook of the Company. The Report has been prepared in compliance with the requirement of Corporate Governance as laid down in the Listing Agreement. The Management accepts responsibility for the integrity and objectivity of the financial statements. However, investors and readers are cautioned that this discussion contains certain forward looking Statements that involve risk and uncertainties.

Industry Structure & Developments:

In year 2013-14, India's economic growth were stagnant with Low GDP growth, Low industrial output ,High inflation , High Interest Rate , Depreciation in Rupee & conservative policy reform. Growth of Indian textile industry also effected due to above adverse Economic factors. Indian Textile Industry is one of such sectors which contribute to national economy in terms of employment generation and foreign exchange earning. The Textiles Industry accounts for 14% of industrial production, which is 4% of GDP; 9% of total excise collections, 18% of employment in industrial sector and employ 35 million people and accounts of nearly 17% share of the country's total export basket. The highlights of Union Budget 2014-2015 in respect of Textiles Sector are Technology Up gradation Fund Scheme (TUFS) to continue in 12th Plan with an investment target of Rs. 2,00,000 crore. The major focus would be on modernisation of the powerloom sector. Ministry of Textile to set up Scheme for Integrated Textile Parks (SITP). The Scheme will necessary infrastructure to facilitate the textiles industry become globally competitive using latest processing standards and technology.

Company's Business

Company is mainly engaged in business of Manufacturer & processor of Polyesters yarn and same falls under Man made Fibre Industry which is itself a part of Textile Industry. Company is having facility to manufacture Texturised, Twisted , High Bulk and Dyed Yarns which are used for making fabrics for Shirting, Suiting Upholstery, Elastic Tape, Narrow Woven Fabrics,Knitting, Labels and Curtains etc.

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.

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 .

Risk and Concern

The market growth opportunities it remains susceptible to various factors like rising inflation ,volatile financial markets, competition from various small local Manufacturers and other uncertain events.The price of raw materails & other inputs are subject to significant volatility in crude oil price & Domestic –international factors which may correspondingly effect the operating margin .

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 contrl system.

Discussion on financial performance with respect to operational performance:

During the year under review turnover of the company stands at Rs. 2585.63 Lacs (PY. Rs.1989.37 Lacs). Operating Net Profits during the year are Rs.259.10 Lacs(P.Y. 119.86 Lacs).

Development in Human Development In Human Resources / Industrial Relation Front

Company considers Human resources as one of the vital and impotant factors for sustained growth . The Company believes that the quality of the employees is the key to success in the long run and is committed to provide necessary human resource development and training opportunities to equip them with skill & technological advancements. 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 securities 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.

JATTASHANKAR INDUSTRIES LIMITED

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

I. The Company's Philosophy on Code of Governance

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

II. Board of Directors

(i) Composition and category of Director :

The strength of the Board was 4 Directors as on 31st March, 2014. The Composition and category of Directors on the Board of the Company are : 2 Executive/promoter Directors & 2 Independent Directors

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

During the year 2013-14 9 times Board Meeting were held on 16/05/2013 , 29/05/2013 , 14/08/2013 , 03/09/2013 , 19/10/2013 , 15/11/2013 , 24/12/2013 ,13/02/2014 ,06/03/2014, & AGM were held on 30.09.2013 & all the 4 directors have attendend all Board Meetings & AGM

iii) Details of Directors with Memberships or Chairmanships:

Name of Director	Directorship in other	Chairman of Committee	Member of other Committee
Jattashankar Poddar	2	Share Holder Committee (SGC)	AC,RC
Sharad Poddar	2	0	SGC, AC,RC
Sandeep Modi	1	Remuneratiom Committee	SGC,AC
Udit Master	0	Audit Committee(AC)	SGC,RC

iv) Code of Conduct :

The Board has formulated a code of conduct for the Board Members and Senior Management Personnel of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the code for the financial year ended 31st March, 2014. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

III. AUDIT COMMITTEE

The Composition of the Audit Committee and their attendance at the Audit Committee Meetings are as follows :

During the year 5 meeting of Audit Committee were held on 29/05/2013 , 14/08/2013 , 03/09/2013 , 15/11/2013 & 13/02/2014.All the members have attended same.

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

IV. REMUNERATION COMMITTEE

The Company has constituted a separate committee to determine the terms of reference and remuneration package for its managerial personnel.

i) Remuneration Policy:

The Board of Directors determines the remuneration to be paid to Managing Director and other Directors of the Company. The same is within the limits approved by the Shareholders of the Company.In last year AGM as on 30.09.2013,memebrs has approved increase in minimum remuneration upto Rs. 2 Lacs ,in the year of inadequate profit or Loss , of Mr. Jattashankar Poddar,Managing Director and Mr. Sharad Poddar ,Whole Time Director as per Schedule XIII of Companies Act 1956 . Now as per New Companies Act 2013 ,the limit of minimum remuneration has been increased for both of them as per recommendation of Remuneration Committee duly approved by Board of Directors as per Board Resolution dated 14.08.2014 subject to approval of members by special Resoluton in coming as on 29.09.2014

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

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

B. During the year Company has paid aggregate value of remuneration to 2 Directors Mr Jattashankar Poddar and Sharad Poddar amounting to Rs.10,80,000/- each,

V. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

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

During the year 4 meeting of Audit Committee were held on 29/05/2013 , 14/08/2013 , 15/11/2013 & 13/02/2014. All the members have attended same.

B. COMPLIANCE OFFICER:

As required by the Listing Agreement, Dr.Sharad Poddar is the present Compliance Officer. Email address of Compliance Officer is jattashankarind@yahoo.com . No Complaints were pending at the beginning of the year and company has received 1 complaints during the year under review from the shareholder and same were disposed off to their satisfaction. No share transfers were pending as on 31st March, 2014.

VI. GENERAL BODY MEETINGS

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

Year	Date	Place
2012-13	30/09/2013 at 9.00 a.m.	Registered office
2011-12	28/09/2012 at 9.00 a.m.	Registered office
2010-11	30/09/2011 at 10.00 a.m.	Registered office

No Special Resolution nor any Resolution by Postal Ballot were passed during last year.

JATTASHANKAR INDUSTRIES LIMITED

VII. DISCLOSURES

i. Related Party Transaction:

There are related party transactions i.e. transactions of the Company with its Promoters, Directors or Management, their subsidiaries or relatives, not conflicting with Company's interest at large, the details of which have been shown in Note No.27 of Balance-Sheet .

ii. There has been no incidence of non-compliance by the Company of any statutory regulations nor any penalty or structure has been imposed by the Stock Exchange or any other statutory authority, on any matter relating to the capital market over the last 3 years

iii. The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.

iv. In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

v. The constitution of whistle blower policy is a non mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2013- 2014.

vi. The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

VIII. MEANS OF COMMUNICATION

i) Quarterly Result

The Quarterly financial result of the company are reviewed by Audit Committee and thereafter approved and taken on records by the Board of Directors within the prescribed time frame and immediately sent to stock exchange . For Last Quarter Audited Financial result reviewed by Audit Committee and duly approved and taken on records by Board is submitted to Stock Exchange.

ii) Annual Report

Annual report contains Notice , Director's Report , Corporate Governance Report, Management Discussion and Analysis , Certification of Corporate Governance , Auditor's Report , Audited Financial statement with Notes .

iii) Both Quarterly report and Annual Report has been uploaded in company's website www.jsil.in

iv) All shareholders are requested to register their email address to Registrar and Transfer Agent Sharex Dynamics (I) Pvt Ltd. for the purpose of service of documents under section 53 of the Companies Act, 1956 by email instead of by post in view of circular No. 17/95/2011 CL-V.

IX. GENERAL SHAREHOLDER INFORMATION

a) Company has paid Annual Listing Fees of Bombay Stock Exchange for FY 2013-14. Company has applied for voluntary delisting of shares from Delhi Stock Exchange , Madras Stock Exchange and Ahmedabad Stock Exchange .

b) Other Information

i) AGM Date – 29.09.2014 at 09.00 am at Parasrampuria Apt, Film Citi Road, Goregaon(E), Mumbai—400063

ii) No shares has been traded in BSE during the year 2013-14

iii) Stock Code – Bombay Stock Exchange Ltd -514318

iv) ISIN Code INE722N01014

v) Book Closure Date-24.09.2014 to 29.09.2014

vi) Registrar and Transfer Agent – Sharex Dynamics (India) Pvt. Ltd.

Unit-1, Luthra Industrial Estate , Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai-400072

vii) Shares of Company has been admitted for Dematerialization at Central Depository Services (I) Ltd (CDSL) . As on date 3284200 shares (74.86%) of the company are dematerialised at CDSL.

viii) Distribution of Shareholding as on Date were as under

Range	Number of Shareholders	% of total holders	Total Shareholding(in Rs)	% in capital
1 - 5000	3157	95.46	5140000	11.72
5001- 10000	99	2.99	771000	1.76
10001- 20000	29	0.89	441000	1.01
20001- 30000	6	0.18	173000	0.39
30001- 40000	2	0.06	80000	0.18
40001- 50000	2	0.06	87000	0.20
50001- 100000	3	0.09	230000	0.52
100001 & Above	9	0.27	36949000	84.22
	3307	100.00	43871000	100.00

By order of the Board
JATTASHANKAR INDUSTRIES LIMITED

SD/-

JATTASHANKAR PODDAR
Managing Director

Place-Mumbai
Date: 14.08.2014

JATTASHANKAR INDUSTRIES LIMITED

Certificate of Chief Executive Officer

We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief.

1. These Statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered in to by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the company and we have disclosed to the auditors and the Audit committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and steps we have taken or propose to taken to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee:
 - a) There have been no significant changes in internal control system during the year.
 - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) There have been no instances of significant fraud, of which we have become aware, involving management or an employee having a significant role in the Company's internal control system.

For Jattashankar Industries Ltd

Sd/-

Jattashankar Poddar
Managing Director/Chief Executive Officer

Place: Mumbai

Date: 14.08.2014

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

To

The member of
JATTASHANKAR INDUSTRIES LIMITED,

We have examined the compliance of conditions of Corporate Governance by **Jattashankar Industries Limited** (Formerly known as Jatta Poly-Yarn Limited) for the year ended on 31st March 2014 as stipulated in clause 49 of Listing Agreement of the said company with Stock Exchanges.

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

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

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

Sd/-

Kala Agarwal
Practicing Company Secretary

Place: Mumbai
Date: 14.08.2014

JATTASHANKAR INDUSTRIES LIMITED

INDEPENDENT AUDITORS REPORT

**To the Members of
JATTASHANKAR INDUSTRIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **JATTASHANKAR INDUSTRIES LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control 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 these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor’s Report) order, 2003 issued by the central government in terms of Section 227 (4A) of the companies Act, we give in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books;
 - c) The Balance Sheet, Statement of Profit and Loss Account & Cash Flow Statement with this report are in agreement with the books of accounts;
 - d) In our opinion Balance Sheet & Profit and Loss Account & Cash Flow Statement dealt with this report Comply with the Accounting Standards as specified in section 211 (3 C) of the Companies Act, 1956

JATTASHANKAR INDUSTRIES LIMITED

- e) On the basis of written representations and explanations received from Directors, as on 31.03.2014 and taken on record by the Board of directors, none of the Directors is disqualified as on 31.03.14 from being appointed as a director in terms of Clause (g) of Sub Section (1) of Section of 274 of the Companies Act, 1956.

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

PLACE: MUMBAI
DATE:30/05/2014

sd/-
S.L.AGRAWAL
(PARTNER)
Membership No. 72184

ANNEXURE TO THE AUDITORS REPORT **(Referred to its paragraph 1 thereof)**

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

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed assets **but the same is to be updated.**
b) **We are informed that fixed assets were not verified by the management during the year. Discrepancy if any , will be determined only after the fixed asset register is updated.**
c) The company has not disposed off substantial part of fixed assets during the year to effect to its going concern.
- 2.a) Inventories have been physically verified during the year by the management at reasonable intervals.
b) The procedure followed by the management for physical verification of stock is in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.
c) In our opinion and according to information and explanation given to us ,the company has maintained proper records of its inventories & discrepancies were noticed on verification between the physical stock and book stock were not material & have been properly dealt with in the books of account.
3. a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956. Hence relevant Provisions are not applicable to the Company .
b) The Company has taken interest free unsecured loan from a company (strategic promoter).Balance outstanding of Rs. 340.00 lacs at the end of the year.In our opinion the terms and conditions of the said loan are not prejudicial to the interest of the Company.
c) Company is regular in repayment of principal and interest as stipulated .
4. In our opinion and according to the information and explanation given to us ,there are adequate internal control procedures commensurate with the size of the company and the nature of its business ,for the purchase & sale of inventories ,fixed assets and with regards to sale of goods and services .During the course of our audit ,We have not observed any continuing to correct the major weakness in internal controls .
- 5.a) There are transactions in the company that need to be entered in the register in pursuance of Section 301 of the Companies Act 1956 ,were duly entered .
b) In our opinion and according to the information and explanation given to us,the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of companies Act 1956 and aggregating during the year to 5,00,000/- or more in respect of each party ,have been made at prices seems reasonable as prevailing market prices for such goods ,materials or the price at which transactions for similar goods ,materials or services have been made with the other parties are not comparable not having similar goods or services.
6. In our opinion and according to information and explanation given to us ,the company has not accepted any deposits from public ,hence provisions of Section 58A & 58 AA of the Companies Act 1956 are not applicable.
7. The company has no Internal Audit System during the year.
8. We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209 (1) of the companies Act 1956 & are of

JATTASHANKAR INDUSTRIES LIMITED

the opinion that prima facie the prescribed accounts and records have been made maintained by the company . However, We have not made detailed examination of records so as to ascertain whether they are accurate and complete.

9. The company is regular in depositing statutory dues including Provident fund ,Investor Education & Protection Fund ,Employees State Insurance ,Income Tax, Wealth Tax ,Sales Tax ,Customs duty and Excise duty, Service Tax , Cess and other materials statutory dues wherever applicable with appropriate authorities . We are informed that no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March 2014for the period of more than six months from the date they became payable.
- 10 The company has accumulated loss at the financial year of Rs. 6,12,39,692/- (reported figure) and it has incurred no cash loss in the financial year & immediately preceding current financial year .
11. In our opinion and according to information and explanation given to us, company has not defaulted in repayment of dues to financial institution & others .
12. According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the company is not a chit / nidhi / mutual fund/society. Therefore the provision of Clause 4 (Xiii) of the companies (Auditors Report) orders 2003 are not applicable to the company.
14. In our opinion the company is not dealing or trading in any shares ,securities ,debentures & others investments .Accordingly the provision of Clause 4 (Xiii) of the companies (Auditors Report) order 2003 are not applicable to the company.
15. The company has not given guarantee for loans taken by others from Banks or Financial Institutions.
16. The company has not taken any term loan during the year.Hence relevant clause is not applicable to the company.
17. According to information and explanation given to us and an overall examination of Balance Sheet of the company, we report that no funds raised during the year, on short term basis have been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956.
19. The company has not issued any debentures during the year.
20. The company has not raised any money by way of Public issue during the year.
21. According to information and explanations given to us, no frauds on or by the company has been noticed or reported during the course of our audit.

For SHANKARLAL JAIN & SSOCIATES
CHARTERED ACCOUNTANTS
(Firm Reg. No. 109901W)
sd/-
S.L.AGRAWAL
(PARTNER)
Membership No. 72184

PLACE: MUMBAI
DATE: 30/05/2014

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED BALANCE SHEET AS AT 31st March, 2014

Particulars	Note No.	As at 31st March,2014	As at 31st March,2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	43,871,000	43,871,000
Reserves and Surplus	3	(19,206,692)	(45,116,715)
Sub - total of Shareholder's Fund		24,664,308	(1,245,715)
Non-Current Liabilities			
Long-term borrowings	4	34,000,000	43,900,000
Sub - total of Non-Current Liabilities		34,000,000	43,900,000
Current Liabilities			
Trade Payables	5	6,640,504	6,651,113
Other Current Liabilities	6	2,811,160	2,527,226
Sub - total of Current Liabilities		9,451,664	9,178,339
TOTAL		68,115,972	51,832,624
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	17,861,789	16,421,358
Capital Work in Progress		1,389,781	1,883,998
Long Term Loan and Advances	8	1,676,845	47,455
Sub - total of Non-Current Assets		20,928,415	18,352,811
Current Assets			
Current Investments	9	1,799,400	1,000,000
Inventories	10	18,342,589	13,450,044
Trade Receivables	11	18,666,736	13,383,070
Cash and Cash Equivalents	12	4,240,672	4,916,377
Short- Term Loans and Advances	13	3,797,046	573,955
Other Current Assets	14	341,114	156,368
Sub - total of Current Assets		47,187,557	33,479,813
TOTAL		68,115,972	51,832,624
See accompanying notes to the financial statements	1		

As per our report of even date
For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
 Firm Reg. No. 109901W
 SD-
S.L. AGRAWAL
PARTNER
 M.NO. 72184
 PLACE: MUMBAI
 DATE: 30.05.2014

For JATTASHANKAR INDUSTRIES LTD.

 SD/-
JATTASHANKAR PODDAR-MANAGING DIRECTOR
 SD/-

SHARAD PODDAR-DIRECTOR

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE MONTH ENDED 31st March,2014

	Particulars	Note No.	Year ended 31st March , 2014	Year ended 31st March , 2013
	<u>INCOME</u>			
I.	Revenue From Operation	15	258,563,410	198,937,028
II.	Other Income	16	1,389,518	7,275,678
III.	Total Revenue (I + II)		259,952,928	206,212,706
IV.	<u>EXPENDITURE</u>			
	Cost of Raw Materials Consumed	17	143,636,682	108,788,059
	Other Manufacturing Expenses	18	73,019,025	58,844,162
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(2,712,633)	9,250,070
	Employee Benefits Expense	20	6,699,489	4,976,226
	Depreciation and Amortization Expense	7	1,353,027	1,449,818
	Finance Cost-Interest		81,704	32,926
	Administrative Expenses	21	11,965,610	10,885,664
			234,042,904	194,226,925
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		25,910,023	11,985,781
VI.	Exceptional Items		-	-
VII.	Profit Before Extraordinary Items and Tax (V - VI)		25,910,023	11,985,781
VIII.	Extraordinary Items		-	-
IX.	Profit Before Tax (VII- VIII)		25,910,023	11,985,781
X.	Tax Expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
XI.	Profit/(Loss) After Tax for the year Carried to Balance Sheet (IX-X)		25,910,023	11,985,781
XII.	Earnings per Share (Basic & Diluted)		5.91	2.73
	See accompanying notes to the financial statements	1		

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

sd/-
S.L. AGRAWAL
PARTNER
M.NO. 72184
DATE: 30.05.2014

For JATTASHANKAR INDUSTRIES LTD.

sd/-
JATTASHANKAR PODDAR-MANAGING DIRECTOR
sd/-
SHARAD PODDAR -DIRECTOR

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

<u>PARTICULARS</u>	FOR THE YEAR ENDING 31.03.14 (Rs.)	FOR THE YEAR ENDING 31.03.13 (Rs.)
<u>A. CASH FLOW FROM OPERATING ACTIVITIES</u>		
<u>a. NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEM</u>	25,910,023	11,985,781
Adjustment for:		
Depreciation	1,353,027	1,449,818
Interest Income	-317,672	-394,564
Profit on Sale of Fixed assets	-	-5,405,245
<u>b. OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</u>	26,945,378	7,635,790
<u>Adjustment for (Increase)/Decrease in Operating assets:</u>		
Trade Receivable	-5,283,666	-3,372,547
Inventories	-4,892,545	10,281,184
Loan and Advance	-4,839,843	278,663
Other Current assets	-172,385	-26,040
<u>Adjustment for Increase/(Decrease) in Operating liabilities:</u>		
Trade Payable	-10,609	-12,796,443
Other current liabilities	283,934	-1,300,243
<u>c. CASH GENERATED FROM OPERATIONS</u>	12,030,264	700,364
<u>d. CASH FLOW BEFORE EXTRAORDINARY ITEMS</u>		
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	12,030,264	700,364
<u>B. CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	-2,793,458	-7,907,430
Capital Work in Progress	494,217	-1,883,998
Investment in Mutual Fund	-799,400	1,415,244
Sale of Fixed Asset	-	5,926,153
Interest Received	305,310	633,471
Direct Taxes paid	-123,751	-122,503
Income Tax Refund.	111,113	-
<u>NET CASH INFLOW FROM INVESTING ACTIVITIES</u>	-2,805,969	-1,939,063
<u>C. CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase/(Decrease) of Unsecured Long term Loan	-9,900,000	1,281,098
<u>NET CASH FLOW INFLOW FORM FINANCING ACTIVITIES</u>	-9,900,000	1,281,098
<u>D. NET INCREASE /DECREASE IN CASH AND CASH EQUIVALENTS</u>	-675,705	42,399
Cash and Cash Equivalents at beginning of the year	4,916,377	4,873,978
Cash and Cash Equivalents at end of the year	4,240,672	4,916,377

1 Above has been prepared under the 'Indirect Method' as set out in Accounting Standard 3 on Cash Flow issued by the IC

As per our report of even date

for SHANKARLAL JAIN & ASSOCIATES For JATTASHANKAR INDUSTRIES LTD.

CHARTERED ACCOUNTANTS

(Firm Reg.No.109901W)

sd/-
S.L.AGRawal
(PARTNER)

sd/-
JATTASHANKAR PODDAR
(DIRECTOR)

Sd/-
SHARAD PODDAR
(DIRECTOR)

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED Notes Annexed And Forming Part Of Balance Sheet

Particulars		As at 31/03/14	As at 31/03/13
Note 2 Share Capital			
Authorised			
10500000 (10500000) Equity Shares of Rs.10 each		105,000,000	105,000,000
Issued,Subscribed & Paid up			
4387100 (4387100) Equity Shares of Rs.10 each fully paid up (Each share carrying 1 voting right.)		43,871,000	43,871,000
	Total	43,871,000	43,871,000
	% of Holding	No. of Shares 31/03/2014	No of Shares 31/03/2013
Details of shareholders holding more than 5% share in the company:			
Shri Sharad Poddar *	12.17 (8.35)	533,900	366,400
Shri Jatta Shankar Poddar *	10.04 (8.84)	440,500	388,000
Smt. Seema J Poddar	5.01 (5.01)	219,900	219,900
Shivkripa Enterprise Pvt Ltd	0 (11.40)	-	500,000
Smt. Pushpa Devi Poddar	0 (5.01)	-	220,000
* Open Offer has been made pursuant to Regulation 3(2) and other applicable provisions of SEBI(Substantial Acquisition of Shares and Takeovers(Regulations , 2011 by the Promoters of the Company for acquiring 11,40,646 shares at a price of Rs 3/- and after completion of open offer formalities in April 2014 , shareholding of promoter's has been increased from 32.15% to 74.80%			
Note 3 Reserves & Surplus			
Reserves			
Capital Reserves			
Opening Balance		226,500	226,500
Additions during the year		-	-
Closing Balance		226,500	226,500
Securities Premium Reserve			
Opening Balance		41,806,500	41,806,500
Additions during the year		-	-
Closing Balance		41,806,500	41,806,500
Surplus			
Profit & Loss A/c			
Opening Balance		(87,149,715)	(99,135,496)
Add :Net Profit for the current year		25,910,023	11,985,781
Closing Balance		(61,239,692)	(87,149,715)
	Total	(19,206,692)	(45,116,715)
Note 4 Long Term Borrowings			
Unsecured Loans			
From Strategic Promoter		34,000,000	43,900,000
	Total	34,000,000	43,900,000
Note 5 Trade payables			
Trade payables (Including for SSI Rs.16,27,489 /- PY Rs. 20,98,103/-)		6,640,504	6,651,113
	Total	6,640,504	6,651,113
Note 6 Other Current Liabilities			
Advance From Cutomers		661,309	267,559
Deposit Received		-	165,000
Outstanding Liabilities		1,645,117	1,212,005
TDS payable		504,734	882,662
	Total	2,811,160	2,527,226

JATTASHANKAR INDUSTRIES LIMITED

Notes: 7

TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April 2013	Additions / (Deduction)	As at 31st March 2014	As at 1st April 2013	Depreciation for the Year/ (Depreciation on Disposal)	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
Freehold Land	1497901	0	1497901	1185451	0	1185451	312450	312450
Factory Buildings	25524320	0	25524320	23748523	548123	24296646	1227674	1775797
Office Premises	791280	0	791280	283755	12898	296653	494627	507525
Plant and Machinery	104846515	2326102	107172617	92348617	624688	92973305	14199312	12497898
Office equipment	132780	25650	158430	110950	6438	117388	41042	21830
Computer Hardware	1836237	26850	1863087	1639631	25256	1664887	198200	196606
Furniture & Fixtures	2402133	0	2402133	2297717	0	2297717	104416	104416
Vehicles	1547171	1547171	1547171	542335	119042	661377	885794	1004836
Intangible Assets								
Software Licenses		414856	4147856	0	16582	16582	398274	0
Total	138578337	2793458	141371795	122156979	1353027	123510006	17861789	16421358
Previous yr	137436459	1141878	138578337	126951805	(4794826)	122156979	16421358	10484654

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED Notes Annexed And Forming Part Of Balance Sheet

Particulars	As at 31/03/14	As at 31/03/13
<u>Note 8 Long- Term Loans and Advances</u>		
Security Deposit	1,676,845	47,455
	1,676,845	47,455
<u>Note 9 Current Investment</u>		
Investment (At Cost)		
(Unquoted Other Than Trade)		
In Mutual Fund		
In 813.578 (Nil) Units of Birla Sun Life Savings Growth Fund	199,800	-
In 647.994 (Nil) Units of Birla Sun Life Cash Manager Growth Fund	199,800	-
In 58509.187 (52267.631) Units of Birla Sun Life Dynamic Bond Fund- Retail -Growth	1,200,000	1,000,000
In 7339.867 (Nil) Units of HDFC Cash Management Fund-Treasury Advantage Plan-Retail Growth (NAV Rs. 18,41,306/- P.Y. RS 10,36,531/-)	199,800	-
	Total	1,000,000
	1,799,400	1,000,000
<u>Note 10 Inventories</u>		
Finished Goods	5,414,854	7,353,769
Work-in-Progress	9,572,757	4,921,209
Raw Material	1,824,766	2,79,099
Stores and Spacking Material	1,530,212	8,95,967
	Total	13,450,044
	18,342,589	13,450,044
<u>Note 11 Trade Receivables</u>		
Unsecured, considered good		
Outstanding for a period exceeding six months	198,379	93,223
Others	18,468,357	13,289,847
	Total	13,383,070
	18,666,736	13,383,070
<u>Note 12 Cash and cash equivalents</u>		
Balance with banks		
Cash in hand	480,087	157,839
Balance with banks	1,259,585	497,364
Fixed Deposits with banks	2,501,000	4,261,174
	Total	4,916,377
	4,240,672	4,916,377
<u>Note 13 Short- Term Loans and Advances</u>		
Unsecured, considered good		
Advances Recoverable in cash or in kind	3,310,453	100,000
Advances Income Tax	486,593	473,955
	Total	573,955
	3,797,046	573,955
<u>Note 14 Other Current Assets</u>		
Prepaid Expense	324,760	152,375
Interest accrued but not due	16,354	3,992
	Total	156,367
	341,114	156,367

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED Notes Annexed And Forming Part of Statement of Profit And Loss

Particulars		Year ended 31st March , 2014	Year ended 31st March , 2013
<u>Note 15 Revenue From Operation</u>			
Sale -Yarn (* Net of Claim,Rate Difference & Discount of Rs15,70,575/- PYRs14,42,221/-)		249,065,074	196,267,129
Yarn Processing Charges (TDS Rs. 1,78,272/- PY RS 47,508 /-)		9,498,336	2,669,899
	Total	258,563,410	198,937,028
<u>Note 16 Other Income</u>			
Interest -Other (TDS Rs. 3,714/- PY Rs.4,346/-)		77,295	51,023
Interest on Bank Deposit (TDS Rs. 24039/- PY Rs.37,648/-)(NET)		240,377	376,467
Profit On Sale of Units of Mutual Fund(Net)		712,202	799,549
Rent Income (TDS Rs NIL PY 33,000/-)		165,000	495,000
Sundry Balance Written Back		6,398	148,394
Profit On Sale of Fixed Asset (Net)		-	5,405,245
Misellaneous Income		18,978	-
Insurance Claim Received		169,267	-
	Total	1,389,518	7,275,678
<u>Note 17</u>			
<u>Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</u>			
Opening Stock			
Work In Progress		4,921,209	12,378,840
Finished Goods		7,353,769	9,146,208
		12,274,978	21,525,048
LESS: Closing Stock			
Work In Progress		9,572,757	4,921,209
Finished Goods		5,414,854	7,353,769
		14,987,611	12,274,978
	Total	(2,712,633)	9,250,070
<u>Note 18</u>			
<u>Raw Material Consumed</u>			
Opening Stock		279,099	476,839
Add: Purchases-Yarn (Net of Vat Credit)		145,182,349	108,590,319
Less : Closing Stock		1,824,766	279,099
		143,636,682	108,788,059

JATTASHANKAR INDUSTRIES LIMITED

Particulars		Month ended 31st March , 2014	Year ended 31st March , 2013
Note 19			
<u>Other Manufacturing Expense</u>			
Dyeing Job Charges		38,878,052	32,477,500
Power and Fuel		6,621,194	3,753,922
Stores & Spares Consumed		4,196,155	4,712,134
Dyes & Chemical Consumed		13,425,110	9,802,025
Repairs to Building		229,000	224,800
Repairs to Machines		219,900	43,500
Packing Material Consumed		9,449,614	7,830,281
	Total	73,019,025	58,844,162
Note 20			
<u>Employee Benefits Expense</u>			
Managerial Remunation		2,160,000	960,000
Salaries and Incentives		4,051,348	3,783,223
Contributions to Provident fund & Pension Fund		33,316	26,445
Gratuity fund contributions		100,000	17,833
Staff welfare expenses		354,825	188,725
	Total	6,699,489	4,976,226
Note 21			
<u>Administrative Expenses</u>			
Repairs to Others		207,623	121,807
Insurance Charges		247,183	253,140
Freight and Forwarding Expense		258,205	299,533
Rent		720,000	720,000
Advertisement		37,796	32,905
Business Promotion Expenses		297,740	242,724
Registration & Filing		27,639	672,531
Brokerage & Commission		1,607,873	1,359,273
Registrar and Transfer Agent Expenses		66,413	45,477
Professional Charges		828,517	637,555
Sales Tax		5,838,163	4,467,882
<u>Payment To Auditors</u>			
auditor Fees		78,652	78,652
for taxation matters		-	22,472
For others		19,663	24,626
Miscellaneous Expense		1,730,143	1,907,087
	Total	11,965,610	10,885,664

JATTASHANKAR INDUSTRIES LIMITED

NOTE 1-- NOTES FORMING PART OF THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES :

(a) Basis of preparation of financial statement

The financial statement has been prepared under the historical cost convention.

(b) Fixed Assets :

Fixed Assets are stated at cost net of Excise Duty Cenvat availed on capital goods less depreciation .All pre-operative expenses including financing cost till the commencement of commercial production are capitalized to fixed asset on appropriate basis.

(c) Depreciation :

Depreciation is provided on all depreciable assets on Straight Line Method at the rates and in the manner prescribed in schedule XIV of the Companies Act , 1956.

(d) Inventories :

i) Raw Material ,stores & spares are valued at cost .

ii) Finished goods are valued at lower of cost or net realizable value.

iii) Work in Progress are valued at estimated cost.

(e) Provision for retirement benefits

The company has made provision for gratuity of its eligible employees . Contribution to Provident fund and pension funds are monthly determined and paid by the company.

(f) Recognition of Income and Expenditure

All expenditure and income are accounted on accrual basis and to the extent company is reasonably certain of ultimate realization of income .

(g) Sale

Sale are inclusive of excise duty and net of rebate ,discount ,claims and sales tax collected on sales .Sales is recognized on the basis of invoice or dispatch to the customer.

(h) Write off of miscellaneous expenditure

Preliminary expenses, share issue expenses and Increase in Authorised Share capital expenses are written off over a period of 5 years.

(i) Borrowing Cost that are directly attributable to the acquisition , construction or production of a qualifying assets is capitalized and other borrowing cost are recognized as an expenses in the period in which they are incurred.

(j) Use of Estimates

The preparation of financial statements in conformity with the Accounting Standards generally accepted in India requires ,the management to make estimates and assumption in respect of certain items like provision for doubtful debts ,provision for impairment of fixed assets etc. that affect the reported amount of assets and liability & disclosure of contingent liability as at the date of the financial statement and reported amount of revenue and expenses for the year. Actual result could differ from these estimates .Any revision to accounting estimates is recognized in current and future period.

(k) Impairment of Assets

The company assesses at each balance sheet date whether there is any indication of impairment of any assets .If such indication exist , assets are impaired by comparing carrying amount of each asset to the recoverable amount being higher of net selling price.

22 Contingent liabilities not provided for in the accounts

There were no Contingent Liability as on 31.03.2014

23. Balance of sundry debtors, Creditors and loans and advances are subject to confirmation, reconciliation and adjustment required ,if any.

24. Gratuity liability has been provided during the year instead of cash basis as per past practice. Due to this profit for the year is understated by Rs.1,00,000/-.

25. 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.

26. 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.

JATTASHANKAR INDUSTRIES LIMITED

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

Name of Party	I. Relationship	Nature of Transaction	Amount of Current year	Amount of Previous year.
Sunrise Colours Ltd.	Associate Company	Dyeing Job Charges Expense	3,81,91,671/-	3,24,77,500/-
		Purchase Of Yarn	--	3,71,464/-
		Payable O/S	70,332/-	12,67,740/-
		Advance Given O/S	32,13,000/-	-
Jattashankar Poddar	Director	Remuneration	10,80,000/-	4,80,000/-
Sharad Poddar	Director	Remuneration	10,80,000/-	4,80,000/-
Jattashankar Poddar	Director	Office Rent	1,80,000/-	1,80,000/-
Sharad Poddar	Director	Office Rent	1,80,000/-	1,80,000/-
Subhash Poddar HUF	Associates	Office Rent	1,80,000/-	1,80,000/-
Sharad Poddar HUF	Associates	Office Rent	1,80,000/-	1,80,000/-
Shivkripa Enterprise Pvt Ltd	Associate Company	Loan taken O/s	3,40,00,000/-	4,39,00,000/-

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

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

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

30. 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	2,59,10,023	1,19,85,781
Average Equity shares Rs.10/- each	43,87,100	43,87,100
Basic EPS of Rs. 10/- each	5.91	2.73
Diluted EPS of Rs.10/- each	5.91	2.73

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

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

a) Details of Raw Material consumed

Items	Qty.(Kgs)	Value (Rs.)
Partially Oriented Yarn	1238286 (799177)	13,50,50,657 (8,13,40,930)
Texturised /Twisted Yarn	81824 (240920)	98,14,772 (2,82,75,113)
TOTAL	1320110 (1040097)	14,48,65,429(10,96,16,043)

* The above does not include Rate difference ,Claims & discount received of Rs12,28,747/-(P.Y. Rs.8,27,984/-).

b) Raw Material consumed

Items	% of total consumption	Value (Rs.)
Imported	Nil (Nil)	Nil (Nil)
Indigenous	100 % (100%)	14,48,65,429 (10,96,16,043)
Total	100 % (100%)	14,48,65,429(10,96,16,043)

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

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

As per our report of even date

SHANKARLAL JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

(Firm Reg. No. 109901W)

SD/-

(S.L. AGRAWAL)

PLACE : MUMBAI

DATE : 30.05.2014

SD/-

JATTASHANKAR PODDAR- DIRECTOR

SHARAD PODDAR -DIRECTOR

JATTASHANKAR INDUSTRIES LIMITED

JATTASHANKAR INDUSTRIES LIMITED
Regd. Office: 11,Parasrampuria Apartment, Film City Road,
Gokuldhm,Goregaon(East), Mumbai-400063
CIN :L17110MH1988PLC048451

PROXY FORM

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

I/We _____
of _____ being a shareholder of
Jattashankar Industries Limited, hereby appoint _____ of
_____ or failing him / her _____ of _____
_____ as my/our Proxy to attend and vote for me/us on my/our behalf at the 26th Annual
General Meeting of the Company being held on 29th day,September 2014 at 11,Parasrampuria Apartment ,Film city Road,
Gokuldhm,Goregaon(East),Mumbai-400063 at 9.00 am or /and at any adjournment thereof.

Affix the Revenue Stamp

Dated: _____

Signature of the Shareholder / Proxy

Notes:

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

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ATTENDANCE SLIP

JATTASHANKAR INDUSTRIES LIMITED

REGISTERED OFFICE : 11, Parasrampuria Apartment, Film City Road,
Opp. Bank of India, Gokuldhm, Goregaon (East)
Mumbai 400 063.
CIN : L17110MH1988LC048451

(Please complete this slip and hand it over at the entrance of the Meeting Hall)

26TH ANNUAL GENERAL MEETING

Member's Name (in capital letters)
Regd. Folio No.No. of Shares held

DP ID*	
Client ID*	

I hereby record my presence at the 26th Annual General Meeting of the Members of the Company being held on 29th September 2014 at 11, Parasrampuria Apartment,Film city Road, Gokuldhm Goregaon (East).

Signature of the Shareholder or Proxy

* Applicable for investors holding shares in electronic form.

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