



JAGJANANI TEXTILES LIMITED

Annual Report 2010-2011



JAGJANANI TEXTILES LIMITED

BOARD OF DIRECTORS

Mr. S.G.Vyas (Managing Director)
Mr. S.K.Singhal
Mr. N.K.Khurana
Mr. Akash Bharatbhai Shah

COMPANY SECRETARY

Ms. Manu Agarwal

AUDITORS

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

REGISTERED OFFICE

S-25, Shyam Nagar,
Jaipur – 302 019

HEAD OFFICE

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

MILLS

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

REGISTRAR & TRANSFER AGENT

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



NOTICE

NOTICE is hereby given that the 14th Annual General Meeting (hereinafter referred to as AGM) of the Members of JAGJANANI TEXTILES LIMITED will be held at its Registered Office at S-25 Shyam Nagar, Jaipur on Friday the 30th day of September, 2011 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Akash Bharatbhai Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s G. Dutta & co., Chartered Accountants, Jaipur (ICAI Registration No. 002136 'C') the retiring auditors of the Company as Auditors, who shall hold the office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass the following resolution with or without modification as a Special resolution:

“RESOLVED THAT pursuant to the provisions of Section 94(1) (a) and other applicable provision(s) of the Companies Act, 1956, if any, the Authorized Capital of the Company of ₹ 18 Crores (Rupees Eighteen Crore) divided into 1,80,00,000 equity shares of ₹ 10/- each be increased to ₹ 23 Crores (Rupees Twenty Three Crores) divided into 2,30,00,000 Equity Shares of ₹ 10/- each.”

RESOLVED FURTHER THAT Clause V of Memorandum of Association of the Company be substituted as under:-

“The Share Capital of the Company is ₹ 23 Crores divided into 2, 30, 00, 000 equity shares of ₹ 10/- (Rupees Ten) each with rights, privileges and conditions attached thereto as are provided by the regulations of the company for the time being. The Company shall have power to increase or reduce the share capital and to divide the shares in the capital for the time being, whether original or increased into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or as provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT Shri S G Vyas, Managing Director and Ms. Manu Agarwal, Company Secretary be and are hereby jointly and / or severally authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable to give effect to above resolution.”

5. To consider, and if thought fit, to pass the following resolution with or without modification as a Special resolution:



“RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company's bankers in the ordinary course of Business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys to be borrowed by the Board of Directors and outstanding shall not exceed the sum of ₹ 1,00,00,00,000/- (Rupees One Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorized to do all such acts, deeds, matters and things including delegation of all or any of the powers herein above referred to any committee of Directors and / or any Director(s) and / or any officer(s) as in its absolute discretion it may consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by the Board in the best interest of the Company.”

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

“RESOLVED THAT pursuant to provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and subject to the approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993, and subject to the approval, consent, permission and / or sanction of the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, Securities and Exchange Board of India (SEBI) and/ or any other authorities, institutions or bodies as may be relevant (hereinafter collectively referred to as "the appropriate authorities"), and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, which term shall include any Committee thereof) consent is hereby accorded to the Company to create, offer, issue and allot in one or more tranches whether rupee denominated or denominated in foreign currency, in the course of domestic/ international offerings to any persons as per SEBI (Issue Of Capital And Disclosure Requirements) Regulations



2009 ("SEBI ICDR Regulations") including, but not limited to, Domestic/Foreign Institutions, Promoters, Employees of the Company, Non-Resident Indians, Indian Public Companies, Corporate Bodies, Mutual Funds, Banks, Insurance Companies, Pension Funds, individuals or otherwise, whether shareholders of the Company or not (collectively called the "Investors"), through public issue(s) and/or on a private placement basis, or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment to be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the lead managers or any other advisors, as the Board in its absolute discretion may deem fit and appropriate, equity shares, debentures or bonds whether partly/optionally/fully convertible and/or securities linked to ordinary shares including but not limited to foreign currency convertible bonds and / or any other financial instruments (OFIs) convertible into or linked to Equity Shares or with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form (hereinafter referred to as "Securities"), or any combination of Securities secured or unsecured such that the total amount raised through the aforesaid Securities should not exceed ₹ 5,00,00,000 (Rupees Five Crores only), including Greenshoe Option, if any, or its equivalent, of incremental funds for the Company.

RESOLVED FURTHER THAT in the event that securities convertible into equity shares are issued under SEBI ICDR Regulations are issued, the relevant date for the purpose of pricing of the securities, shall be the 30th day prior to the date on which the shareholder resolution in terms of Section 81(1A) of the Companies Act, 1956 approving the proposed issue of Securities on preferential basis is passed **OR** thirty days prior to the date on which the holder of such securities becomes entitled to apply for equity shares against such securities.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Company be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed.

RESOLVED FURTHER THAT:

(i) The Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(ii) The underlying Equity Shares shall rank pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board or a Committee thereof duly authorized in this regard by the Board be and are hereby authorized on behalf of the Company to finalize the pricing,



terms and conditions relating to the issue of aforesaid Securities, determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue/ conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/ or abroad as the Board or Committee in their absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s).

RESOLVED FURTHER THAT the Board or a Committee thereof duly authorized in this regard by the Board, be and are hereby severally authorized to make appointments as may be required of Managers (including Lead Managers), Merchant Bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Principal Paying/ Transfer/ Conversion agents, Listing Agents, Registrars, Trustees and all other agencies, whether in India or abroad, and to finalize the terms and conditions (including the payment of fees, commission, out of pocket expenses and their charges subject to requisite approvals of Reserve Bank of India) of the aforesaid appointments and remunerate them by way of commission, brokerage, fees or the like and also to renew or terminate the appointments so made, as they may in their absolute discretion think fit and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s).

RESOLVED FURTHER THAT the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such Equity Shares ranking pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents.

RESOLVED FURTHER THAT the preliminary as well as the final offer document for the aforesaid issue be finalized, approved and signed by any Director (s), duly authorized by the Board in this regard, for and on behalf of the Company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents, authorities as may be required from time to time.

RESOLVED FURTHER THAT the Company do open one or more Bank accounts in the name of the Company in Indian currency or foreign currency (ies) with such Bank or Banks in India and/ or such foreign countries as may be required in connection with the aforesaid issue, subject to requisite approvals from Reserve Bank of India and other overseas regulatory authorities, if any, in accordance with the approval of the Board or a Committee thereof duly authorized in this regard by the Board.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed on any agreement, undertaking, deed or other document, in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board or a Committee thereof duly authorized in this regard by the Board be and is hereby authorized to do such acts, deeds and things as may be necessary in connection with the said issue of Securities, including but not limited to the following:



- I. Finalise the allotment of Securities in respect of the subscriptions received, basis of allotment in case of over-subscription, accept and appropriate the proceeds of the issue,
- II. Authorizing the maintenance of a Register of holders of Securities, if so required, in India or abroad as may be deemed fit,
- III. To authorize Directors/Executives of the Company, including granting of Power of Attorneys to do such acts, deeds and things as may be necessary in connection with the issue and allotment of the Securities.

Place : Jaipur
Date : 27.08.2011

By Order of the Board
Sd/-
(MANU AGARWAL)
COMPANY SECRETARY



JAGJANANI TEXTILES LIMITED

NOTES:

- (i) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the Meeting.
- (ii) The information pursuant to Corporate Governance Clause of the Listing Agreement regarding the director seeking appointment/re-appointment in the Annual General Meeting as proposed in item no. 2 of the Notice is also being annexed hereto separately and forms part of the Notice.
- (iii) The Register of Members and the Share Transfer Books of the Company shall remain closed from 23rd September, 2011 to 30th September, 2011.
- (iv) The Members holding shares in physical mode are requested to notify the change in their address, if any, at the earliest to the Registrar & Transfer Agent/Company. However members, holding shares in electronic mode may notify the change in their address, if any, to their respective Depository Participants.
- (v) Members desiring any information, as regards Accounts, are requested to write to the Company at its Registered Office at least 10 days before the date of Annual General Meeting so as to enable the Management to keep the information ready.
- (vi) Members are requested to bring their copy of Annual Report along with them to the Annual General Meeting.
- (vii) Members holding shares in the same/identical name(s) under different folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company/Registrar and Transfer Agent.

By Order of the Board
Sd/-
(MANU AGARWAL)
COMPANY SECRETARY

Place : Jaipur
Date : 27.08.2011



**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE
COMPANIES ACT, 1956**

Item 4.

The Company is proposing to allot shares to prospective investor(s) to meet funds requirement for the Company. It is proposed to increase the Authorised Capital from ₹ 18, 00, 00,000/- (Rupees Eighteen Crores) to ₹ 23, 00, 00,000/- (Rupees Twenty Three Crores). The increased share capital of ₹ 23, 00, 00,000/- (Rupees Twenty Three Crores) will consist of 2, 30, 00,000 Equity Shares of ₹ 10/- each. The necessary amendment in the Memorandum and Articles of Association are proposed to reflect the enhanced Authorised Capital.

As per the provisions of Section 94 read with the other applicable provisions, the Authorised Capital of the company can be increased by the shareholders. Therefore, the necessary resolution as per Item no. 4 is being placed before you. Further, the Memorandum of Association can be amended by Special Resolution. In order to reflect the enhanced Authorised Capital in Articles, your approval by way of Special Resolution in item no. 4 is being obtained to substitute the clause V of the Memorandum of Association. Thus, the same is consequential amendment.

The copy of Memorandum and Articles of Association of the company is open for inspection of the shareholders at the registered office of the company during working hours except on holidays.

None of the directors of the company is in any way interested or concerned in the resolutions.

Item 5.

Pursuant to Section 293 (1) (d) of the Companies Act, 1956 the money or money(ies) to be borrowed taken together with the moneys already borrowed by the Company, apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, should not exceed the aggregate of the paid-up share capital of the Company and its free reserves without the prior approval of members in their general meeting to this effect. Your Directors propose to complete the pending expanded ring spinning project which will require additional loan funds. Accordingly member's approval is sought for authorizing the Board of Directors of the Company to borrow upto ₹ 1,00,00,00,000/- (Rupees One Hundred Crores only) over and above its paid up capital and free reserves, at any point of time apart from temporary loans obtained from the Company's bankers in the ordinary course of business. Accordingly the Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way concerned or interested in the said resolution.

Item 6.

The Board of Directors of the Company ("the Board") has been examining opportunities to further strengthen and/ or consolidate the Company's presence in the competitive internet market. This can be achieved through investing in existing businesses and / or launching new businesses and / or acquisition opportunities. Such plans demand that the Company augments its funds position so that as and when an opportunity(s) arise the same can be materialized by the Company.



JAGJANANI TEXTILES LIMITED

The draft Resolution in the accompanying Notice being proposed as a Special Resolution is essentially an enabling one and relates to a proposal to offer, issue and allot Equity Shares/ or other appropriate securities upto an amount not exceeding ₹ 5, 00, 00,000 (Rupees Five Crores only) or its equivalent in foreign currency, inclusive of premium on Equity Shares, in the course of domestic/ international offerings. Such securities are proposed to be issued to any eligible person as per SEBI ICDR Regulations including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Institutional Investors and Qualified Institutional Buyers, etc.

The detailed terms and conditions of the offer will be determined by the Board in consultation with the advisor(s), lead manager(s), underwriter(s), and such other authority (ies) and agency (ies) as may be required to be consulted by the Company. This will be done after considering the prevailing market conditions and all other relevant factors. To the extent applicable, the pricing of the offering(s) will be market related subject to "floor price" as determined in accordance with applicable laws. As the pricing of the Offering (s) will be decided at a later stage the exact number of securities to be issued will depend upon the price so decided. Securities issued through such proposed offering, if required, may be listed on either International Stock Exchange(s) or Indian Stock Exchanges, as appropriate.

The proposed issue requires the approval of Shareholders through a Special Resolution as per the provisions of Section 81(1A) of the Companies Act, 1956 and the Listing Agreement entered into by the Company with the Stock Exchanges.

Your Directors recommend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

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

Name of the Director	Mr. Akash Bharatbhai Shah
Date of Birth	13.07.1974
Date of appointment	13.01.2006
Expertise in specific or more functional area	Industrial & business expertise
Qualification	Degree in Engineering
Directorships of other Companies as on 31 st March, 2011	Nil
Chairman/Member of Committees of other Companies as on 31 st March, 2011.	Nil
No. of shares held	Nil

CORPORATE GOVERNANCE REPORT

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