

The Jamshri Ranjitsinghji Spg. & Wvg. Mills Company Ltd.



106th ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Shri Prem Ratan Damani
Chairman & Managing Director

Shri Navratan Damani
Joint Managing Director

Shri Rajesh Damani

Shri E.A.K. Faizullahoy

Shri Kiranbhai J Shah

Shri S.K. Somany

Shri Balkishan Mohta

Shri Bipinbhai M Patel

GENERAL MANAGER

Shri J.M. Adhia

SOLICITORS

M/s. Mulla & Mulla and Craigie Blunt and Caroe

AUDITORS

M/s. Mittal & Associates

Chartered Accountants

BANKERS

Bank of India

MILLS & REGISTERED OFFICE

Fatehchand Damani Nagar,

Station Road,

Solapur – 413 001

LISTED AT

The Stock Exchange – Mumbai.

NOTICE

NOTICE is hereby given that the Hundred and Sixth Annual General Meeting of the Shareholders of THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD., will be held at the Company's Registered office at Fatehchand Damani Nagar, Station Road, Solapur – 413 001, on 18th September 2014 at 12.30 P.M.(S.T.) to transact the following business;

- 1) To receive, consider and adopt the audited financial statement of the company for the financial year ended 31st March, 2014, the report of the Board of Directors and Auditors thereon.
- 2) To appoint Shri N. R. Damani Joint Managing Director who retires by rotation but being eligible offers himself for reappointment.
- 3) To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Mittal and Associates Chartered Accountants (Registration No. 106456W) be and are hereby appointed as Auditors of the Company for a period 3 (three) years and to hold office as such from the conclusion of this Annual General Meeting of the Company till the conclusion of the 109th Annual General Meeting of the company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

- 4) To Appoint Shri S.K.Somany (DIN: 00001131) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014(including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Shri S.K. Somany(DIN:00001131), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 111th Annual General Meeting of the Company in the calendar year 2019.”

- 5) To Appoint Shri E.A.K.Faizullahbhoi (DIN:00531466) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014(including any statutory modification(s) or reenactment thereof for the time being in force) and clause 49 of the Listing Agreement, Shri E.A.K. Faizullahbhoi (DIN:00531466), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 111th Annual General Meeting of the Company in the calendar year 2019.”

- 6) To Appoint Smt. Rekha Thirani (DIN: 00054058) as Director

To appoint a Director in the place of Smt. Rekha Thirani (DIN: 00054058) who was appointed as an additional Director of the Company by the Board of Directors with effect from 11th August, 2014 under 161(1) of the Companies Act, 2013 and who holds office up to the date of the forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under the provisions of Section 160 of the Act.

- 7) To appoint Shri Rajesh Damani (DIN:00184576) as Joint Managing Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196 and 197 and 203 read with Schedule V and all other applicable provisions of the Companies (Appointment and Remuneration of Managerial Personnel) rules 2014 (including any statutory modification(s) or re enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri Rajesh Damani (DIN: 00184576) as Joint Managing Director for a period of 3 (three) years with effect from October 1, 2014 on the terms and conditions including as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors(hereinafter referred to as “the Board” which term shall be deemed to include the Human Resources, Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Rajesh Damani subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re enactment thereof;

“FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

Place: Mumbai
Date: 11th August ,2014

By Order of the Board of Directors

P. R. DAMANI
CHAIRMAN

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Item No, 2, 4 to 7 set out in the Notice is annexed hereto
- (c) Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No. 21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
- (d) The Register of Members and Shares Transfer Books in respect of Equity Shares of the Company will remain closed from 2-9-2014 to 9-9-2014 (both days inclusive).
- (e) Members holding shares in physical form are requested to immediately notify change in their address, to the Registrar and Transfer Agent of the Company, viz. Computech Sharecap Ltd. 147, Mahatma Gandhi Road, 3rd Floor, Opp. Jehangir Art Gallery, Fort, Mumbai – 400023. quoting their Folio Numbers.
- (f) Shareholders seeking any information with regard to Accounts are requested to write to the Company early so as to enable the management to keep the information ready.
- (g) The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth the email addresses indicated in your respective Depository participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in (e) above quoting their folio number (s).
- (h) The Company has provided e voting facility for its members and detailed instructions are given on the backside of the Postal Ballot Form. Please follow them
- (i) The e voting will start on 10-9-2014 and will close on 12-9-2014 and will remain open between 9.00 a.m. to 6.00 p.m.

ANNEXURE TO NOTICE – EXPLANATORY STATEMENT.

In conformity with the provisions of the Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all the material facts relating to item No.2, 4 to 7 mentioned in the accompanying Notice dated 11th August, 2014

BRIEF RESUME OF THE DIRECTORS SEEKING APPOINTMENT OR RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENTS.

ITEM NO. 2

Shri N. R. Damani aged 65, is an Industrialist with an experience of nearly 45 years in the textile Industry. His association with the company will be of great help. The Board considers that the Company would benefit from his experience and knowledge and recommends his reappointment as Joint Managing Director on the Board of Company under Item no. 2 of the agenda of the accompanying notice of 106th Annual General Meeting of the members of the Company. The other details of the Director is given in the Corporate Governance Report.

No other Director is interested in this resolution except Shri N. R. Damani.

ITEM NO. 4

Shri S.K.Somany

Shri S.K.Somany is an Industrialist with a wide experience of more than 57 years in textile industry. He is Chairman of Soma Textiles & Industries Ltd and has advised our Company on many occasions. His presence on the Board of Company is an asset. He is Chairman of the Audit Committee Constituted by the Board of Directors of the Company and Member of the Shareholder/Investors Grievances Committee. The Board considers that the Company would benefit from his experience and knowledge and recommends his re-appointment as Director on the Board of Company under Item No 4. of the Agenda of accompanying Notice of 106th Annual General Meeting of the members of the Company. The other details of the Director is given in the Corporate Governance Report.

No other Director is interested in this Resolution except Shri S. K. Somany.

ITEM NO. 5

Shri E.A.K.Faizullahbhoj

Shri E.A.K. Faizullahbhoj is an Eminent Solicitor and Partner of M/s Mulla & Mulla & Cragie Blunt & Caroe. He is on Board of Company since last 30 years and has given valuable legal advice whenever required. He is member of the Remuneration Committee Constituted by the Board of Directors of the Company. The Board considers that the Company would benefit from his experience and knowledge and recommends his re-appointment as Director on the Board of Company under item No. 5 of the Agenda of accompanying Notice of 106th Annual General Meeting of the Members of the Company. The other details of the Director is given in the Corporate Governance Report

No other Director is interested in this Resolution except Shri E.A. K. Faizullahbhoj.

ITEM NO. 6

Smt Rekha Thirani was appointed as an additional Director by the Board with effect from 11th August, 2014, In terms of Section 161(1) of the companies Act, 2013 Smt Rekha Thirani holds office as Director only till the date of the forth coming Annual General,

but is eligible for Appointment. Notice has been received from a member as required by Section 160 of the Companies Act, 2013 signifying its intention to propose the candidature of Smt. Rekha Thirani

Smt. Rekha Thirani is an M.Com graduate from Mumbai University and has considerable knowledge of textile industry. She has had extensive experience with a leading writing materials company for brand building, marketing and packaging solutions.

Smt. Rekha Thirani is interested and concerned in the Resolution mentioned at item no.6 of the Notice. She belongs to the Promoter group and Shri P.R.Damani (Father), Shri Rajesh Damani (Brother) other Members of the Promoter group are also interested in this Resolution.

The Board recommends the Resolution for approval by the Members.

ITEM NO. 7**Shri Rajesh Damani.**

Shri Rajesh Damani is Director of the Company since 24.07.2013. He is the son of Shri P.R.Damani, Managing Director of the Company. He has experience of 20 years in the textile business. The Board is of the opinion that his induction as Joint Managing Director will help the Company in its growth and as such recommends his appointment as Joint Managing Director on the following terms and conditions.

- | | |
|------------------|---|
| I. SALARY | : Rs. 45000/- (Rupees Forty Five Thousand only) per month |
| II. COMMISSION | : One per cent of the net profits of the Company, subject to a ceiling of 50% of the salary or Rs.2,70,000/- per annum, whichever is less |
| III. PERQUISITES | : The Joint Managing Director, Shri Rajesh Damani shall also be entitled to the perquisites listed below, subject to the condition that the perquisites listed under part 'A' shall be limited to the annual salary or Rs.8,10,000/- per annum whichever is less. |

PART – A

- | | |
|----------------------------------|--|
| (i) HOUSING | : House Rent allowance @30% of the salary.
The expenditure incurred on gas, electricity, water and furnishings will be valued as per the Income Tax Rules 1962 which will be subject to a ceiling of 10% of the salary. |
| (ii) MEDICAL REIMBURSEMENT | : reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary over a period of three years. |
| (iii) LEAVE TRAVEL CONCESSION | : For self, wife and dependant children once a year to and from any place subject to the condition that only actual fares and no hotel expenses etc. will be allowed. |
| (iv) PERSONAL ACCIDENT INSURANCE | : Of an amount, the annual premium of which shall not exceed Rs. 4000/- per annum. |
| (v) CLUB FEES | : Fess of Clubs, subject to maximum of two clubs provided no life membership fee or admission fees is paid |

PART - B

- | | |
|--|---|
| (i) COMPANY'S CONTRIBUTION TOWARDS PROVIDENT FUND/ SUPERANNUATION FUND AND PENSION | : As per Rules of the Company, but not exceeding 25% of the salary as laid down under the Income-Tax Rules, 1962. |
| (ii) GRATUITY | : Not exceeding one-half month's salary for each completed year of service. |

PART - C

- | | |
|--------------------|--|
| (i) CAR | : Free use of Car with driver for the Company's business. |
| (ii) TELEPHONE | : Free Telephone facility at residence. |
| OTHER PERQUISITES | : |
| (i) LEAVE | : One full pay and allowance as per Rules of the Company but not exceeding one month's leave for every 11 months of service subject to condition that leave accumulated but not availed of will not be allowed to be encashed. |
| (ii) ENTERTAINMENT | : Reimbursement of all entertainment and all other expenses actually and properly incurred for the business of the Company which will not be treated as an item of remuneration for the purpose of the Companies Act, 1956. |

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|----------------------|--|
| MINIMUM REMUNERATION | : Where in any financial year during the tenure of Mr. Rajesh Damani as the Joint Managing Director, if the Company has no profit or the profits are inadequate then there will be no reduction in the remuneration by way of salary and perquisites.
Shri P.R.Damani and Smt Rekha Thirani being relatives are interested in this Resolution apart from Shri Rajesh Damani himself |
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By Order of the Board

Place: Mumbai
Date: 11th August, 2014

P.R.Damani
Managing Director

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

ONE HUNDRED & SIXTH REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

	THIS YEAR	PREVIOUS YEAR
Gross Profit/(Loss)	86,09,802	58,17,712
ADDITIONS/DEDUCTIONS		
Depreciation	55,11,006	51,08,382
Profit /Loss before Taxation	30,98,796	7,09,330
Less: Provision for Tax	1,00,000	0
Profit/(Loss) after taxation	29,98,796	7,09,330
Balance brought forward	(1,20,47,220)	(1,27,56,550)
Profit/(Loss) dealt with as under	(90,48,424)	(1,20,47,220)
Surplus/(Deficit) carried to Balance Sheet	(90,48,424)	(1,20,47,220)

2. DIVIDEND

In view of accumulated loss the Directors are unable to recommend any dividend.

3. RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of Companies Act.1956 your Directors subscribe to the "Directors' Responsibility Statement" and confirm as under :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period;
- that the Directors have taken proper and sufficient care of 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;
- that the Directors have prepared the annual accounts on a going concern basis.

4. WORKING

The working during the year was affected due to slow down of economy .

With the import liberalization the realisation of our products could not match the increase in input cost as low cost Chinese yarn was available in market in abundance. Overall recession in Textile Industry continued during Current year also.

5. CORPORATE GOVERNANCE

A separate report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to the report on Corporate Governance.

6. CURRENT OUTLOOK.

As per announcement of Government of Maharashtra the power tariff is expected to be lower during current year. This will make our product more competitive and will be able to match International competition. However working the plant to full capacity seems to be a challenge due to shortage of skilled workers.

7. DIRECTORS

As per Companies Act, 2013, Shri S.K.Somany and Shri E.A.K. Faizullahoy retire and are eligible for reappointment as Independent Directors. Shri N. R. Damani Joint Managing Director retires by rotation and eligible for reappointment.

8. INSURANCE

Your Company's Buildings, Plant and Machinery, Tool, Electrical installations, Stock in Process, Finished Goods and Raw Materials have been adequately insured.

9. PUBLIC DEPOSITS

The Company has not taken any Fixed Deposit from the Public.

- 10.** M/s Mittal & Associates, Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the forth coming Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility for reappointment under the provisions of section 139 of the Companies Act, 2013

11. PARTICULARS OF EMPLOYEES

There is no Employee in receipt of remuneration exceeding Rs.5,00,000/- p.m. or part thereof or Rs.60,00,000/- p.a. Accordingly no particulars are furnished u/s. 217(2A) of the Companies Act.

12. ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of contribution made by the employees at all levels for the operations of the Company during the year under review.

13. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EARNING AND OUTGO

Information pursuant to Section 217(i)(e) of the Companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988 is given in the annexure.

For and on behalf of the Board

Place : MUMBAI

Date : 28th May, 2014

CHAIRMAN

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

ANNEXURE “A” TO DIRECTORS REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988

A. CONSERVATION OF ENERGY

a. ENERGY CONSERVATION MEASURE TAKEN.

- i) 7 Nos of energy efficient motors are installed on Ring Frame.
- ii) Energy efficient spindles are replaced on two Ring Frames.
- iii) Invertors are fitted on 4 nos Ring Frame.
- iv) Element is changed on one no of compressor.
- v) More energy efficient electronic chucks are installed.
- vi) Power factor is maintained at unit level.

b. ADDITIONAL INVESTMENT AND PROPOSAL IF ANY BEING IMPLEMENTED FOR REDUCTION IN CONSUMPTION OF ENERGY.

- i) To install energy efficient compressors.
- ii) To change energy efficient motors on more Ring Frames.
- iii) To arrest Air leakages and reduce compressor working.
- iv) To change Humidification monitoring level.
- v) To change spindles on more Ring Frames.

c. IMPACT OF MEASURES (a) AND (b) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION ON THE COST OF PRODUCTION OF GOODS.

- i) Power consumption is reduced due to energy efficient motor.
- ii) Energy efficient spindles have improved productivity of machine & there by reducing Power consumption per unit production.
- iii) Invertors have improved productivity of machine & there by Power consumption per unit production.
- iv) The element change on compressor has saved sustential energy.
- v) Electronic chucks are saving the energy.
- vi) The improvement in power factor is reduciong the power cost.
- vii) Energy efficient compressors will reuce the energy.
- viii) Air leakages blockage will reduce compressor Air Consumption there by energy.

d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF THE PRODUCTION:FORM-“A” ENCLOSED

B TECHNOLOGY ABSORPTION.

EFFORTS MADE IN TECHNOLOGY ABSORPTION:FORM-“B” ENCLOSED.

C FOREIGN EXCHANGE EARNING AND OUTGO. (RS.IN LACS)

- | | |
|----------------------------|-----|
| i) Foreign currency earned | NIL |
| ii) Foreign currency used | NIL |

NOTES: FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014**FORM "A"****A. POWER AND FUEL CONSUMPTION**

	CURRENT YEAR 01.04.2013-31.03.2014	PREVIOUS YEAR 01.04.2012-31.3.2013
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1. Electricity		
a) Purchased		
Unit (Kwh) in Lacs	90.98	84.34
Total Amount (Rs. in Lacs)	668.92	656.76
Rates/Unit (Rs.)	7.35	7.63
b) Own generation through Diesel Generator		
Unit (Kwh) in Lacs	0.00	0.00
Total Amount (Rs.in Lacs)	0.00	0.00
Cost/Unit (Rs.)	0.00	0.00
2. Coal		
Quantity in M. Tons.	0.00	0.00
Total Cost (Rs.in Lacs)	0.00	0.00
Average Rate (Rs./M. Tons)	0.00	0.00
3. Other Fuels		
Quantity in M. Tons.	0.00	0.00
Total Cost (Rs.in Lacs)	0.00	0.00
Average Rate (Rs./M. Tons)	0.00	0.00

B. CONSUMPTION PER UNIT OF PRODUCTION

1) Electricity (Units)		
Per Kg of Yarn.	3.58	3.20
Per Linear Metre of Fabric	0.00	0.00
2) Fuels (Rs.)		
Per Kg Of Yarn.	0.00	0.00
Per Linear Metre of Fabric	0.00	0.00

FORM-B**DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)****1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY.**

- i) Better opening of reusable waste.
- ii) Autoconer 238 are installed with better clearers.
- iii) Stationary suction on Ring Frame.

2. BENEFIT DRIVEN AS A RESULT OF THE ABOVE R&D PRODUCT DEVELOPMENT/IMPROVEMENT.

- i) The breakage on Ring Frame stage are reduced.
- ii) The yarn quality has improved.
- iii) The problem of drum choking & blocking the suction is avoided.

3. IMPORT SUBSTITUTION

Nil

4. FURTHER PLAN OF ACTION.

- i) To Purchase new wrapping count and Strength testing machine.

EXPENDITURE ON R&D	(RS.IN LACS)
A) CAPITAL	NIL
B) RECURRING	6.53
C) TOTAL	6.53
D) TOTAL R&D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.15

TECHNOLOGY ABSORPTION, ADOPTION AND INOVATION EFFORTS IN BRIEF MADE TOWARDS TECHNOLOGY ABSORPTION,ADOPTION,INOVATION AND BENEFITS AS RESULT THEREOF.

- I) EFFORTS FOR ESTABLISHING PRODUCTIVITY OF POLYSTER YARN IN PROGRESS.

THE JAMSHRI RANJITSINGHJI SPG. & WVG. MILLS CO. LTD.

INDEPENDENT AUDITOR'S REPORTS

To the Members of

The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 principles generally accepted in India including accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation 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 required 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 misstatements.

An audit involves performance procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 preparations and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required and read 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 Statement of Profit and Loss of the 'Profits' of the Company for the year ended on that date; and
- (c) In the case of 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 ("the order") issued by the Central Government of India in terms of Section 227(4A) of the 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 explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
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