

19th Annual Report 2003 - 2004

JAYBHARAT SAREES LIMITED





JAYBHARAT SAREES LIMITED

BOARD OF DIRECTORS

Shri Rajan Aggarwal *Chairman*
 Shri Anil Anand Rao
 Shri Gaurav Thakur
 Shri Akhilesh Kumar Vora
 Shri Rajshekhar S. Ganiger
 Shri Anil Kumar Dubey
 Shri Subhash Chandra Nigam
 Shri Suresh Dattu Patil
 Shri Farinda Bihari Rai
 Shri Pravin Sharma
 Shri Sanjay Nimbalkar

PRINCIPAL BANKER

UTI Bank Ltd

AUDITORS

M/s Sanjay & Vijay Associates
 Chartered Accountants

REGISTERED OFFICE

Poonam Vinod Jagan Park,
 Chala Vapi, Gujrat 396195

CORPORATE OFFICE

Kamat Industrial Estate,
 396, Veer Savarkar Marg
 Prabhadevi,
 Mumbai 400025.

PLANTS

Bhilad, Valsad, Gujarat
 Silvassa (U.T. of D.N.H.)

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ANNUAL GENERAL MEETING on Friday, 10th September 2004, at 1.30 p.m., at Poonam Vinod Jagan
 Park Chala, Vapi, Gujrat 396195

JAYBHARAT SAREES LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of the Members of JAYBHARAT SAREES LIMITED will be held at the Registered Office of the Company i.e. Poonam Vinod Jagan Park, Chala, Vapi 396 195 at 1.30 p.m. on Friday the 10th September 2004 to transact the following business:

ORDINARY BUSINESS

1. To discuss and adopt the Company's Balance Sheet as at 31st March 2004 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Subhash Chandra Nigam, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Suresh Dattu Patil, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Sanjay & Vijay Associates, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the Auditors' remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications the following resolutions **AS ORDINARY RESOLUTIONS**:

5. **"RESOLVED THAT** Shri Farindra Bihari Rai, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 22nd January 2004 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. **"RESOLVED THAT** Shri Sanjay Nimbalkar, who was appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on the 30th July 2004 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. **"RESOLVED THAT** pursuant to the recommendation of the Board of Directors in this behalf and pursuant further to Article 116 of Articles of Association and subject to the consent and other approvals, if any, a sum of Rs. 77,19,000/- standing to the credit of Profit and Loss Account be and is hereby capitalized and aforesaid sum of Rs 77,19,000/- be applied for allotment of bonus shares to person whose name appear on the Register of members on a date to be specified by Board of Directors in the proportion of Thirty one such new equity shares for every Ten existing equity shares held by such persons respectively on the said date, upon the footing they become entitled thereto for all purpose as capital.

RESOLVED FURTHER THAT any of such new shares which on an exact distribution in the proportion aforesaid, would fall to be allotted in fractions be allotted in the name of Director of the Company upon trust to sell the same and divide the net proceeds amongst the shareholders entitled to such fractions pro-rata in accordance with their rights; and such new equity shares, as and when issued and fully paid, shall rank parri pasu with the existing issued equity shares. Such equity shares shall carry the right to receive dividend pro-rata.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle any question or difficulty whatsoever in regard to the issue and allotment of the aforesaid bonus shares including any fractional entitlement of members in such manner as it may think necessary or expedient."

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NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto under item no 5, 6 & 7 and forms an integral part of this notice.
2. A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A SHAREHOLDER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING AND SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.
3. The instrument(s) appointing the Proxy, if any, shall be delivered at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting and the instrument of proxy shall be treated as invalid in case of default.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, the 8th September 2004 to Friday, the 10th September 2004 (both days inclusive) to comply with Annual Book Closure requirements.
5. All documents and agreements referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 10.00 A.M. and 1.00 P.M., up to the date of Annual General Meeting.
6. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.

For and on Behalf of the Board of Directors

Place: Mumbai
Date : 30th July 2004

Rajan Aggarwal
Chairman

JAYBHARAT SAREES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5 :**

Shri Farindra Bihari Rai was appointed as an Additional Director by the Board on the 22nd January 2004 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice alongwith the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Farindra Bihari Rai for the office of the Director of the Company.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

The Board recommends the passing of this resolution. None of the Directors is interested in this resolution.

ITEM NO. 6 :

Shri Sajay Nimbalkar was appointed as an Additional Director by the Board on 30th July 2004 under Section 260 of the Companies Act, 1956. He holds office till the conclusion of this Annual General Meeting. The Company has received a Notice along with the requisite deposit amount from a member, under Section 257 of the Act, signifying his intention to propose the candidature of Shri Sanjay Nimbalkar for the office of the Director of the Company.

Shri Sanjay Nimbalkar is M.Com. and has wide experience of working in Senior Level in Textile and Processing Industry. The company will get the benefit of his rich experience and commercial acumen.

The Board recommends the passing of this resolution. None of the Directors is interested in the resolution.

ITEM NO.7:

The Company has to the credit of its Profit and Loss account the sum of Rs 92.44 lacs as at 31st March 2004. The Directors propose to capitalize a sum of Rs. 77,19,000 out of this to be applied for the issue of 771900 new equity shares of Rs 10/- each credited as fully paid up as bonus shares. Article 116 of the company's Articles of Association authorizes the capitalization and the issue of the bonus shares by the company in the manner proposed. The proposed resolution is intended to give effect to the above proposal. New equity shares will be issued and allotted as bonus equity shares in the proportion of Thirty one such new equity shares credited as fully paid up for every Ten of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The fraction entitlement if any of the respective members will be settled in the manner indicated in the resolution.

The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect. The bonus shares will be allotted to such members of the company whose name appear in the register of members of the company as on the date to be decided by the Board of Directors. Requisite application will also be made to various Stock Exchanges where the existing shares of the Company are already listed for permission to deal in such bonus shares.

The Directors recommend the Resolution for members' approval.

All the directors are deemed to be interested or concerned in this resolution to the extent of their shareholding.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30th July 2004

Rajan Aggarwal
Chairman

ANNUAL REPORT 2003-2004**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 19th Annual Report and the audited Statements of Accounts of your Company for the financial year ended 31st March 2004.

FINANCIAL RESULTS

	2003-2004 (Rs. , 000)	2002-2003 (Rs. , 000)
Sales	60127	19552
Other Income	43	-
Profit before Depreciation, Interest and Tax	10507	668
Interest & Finance Charges	0.7	0.9
Depreciation	985	-
Provision for Tax	887	245
Profit (Loss) for the year	8373	422
Net Profit (Loss)	8373	422
Profit / (Loss) brought forward from Previous Year	872	450
Profit / (Loss) carried to Balance Sheet	9245	872

Note : Previous year figures have been regrouped / rearranged wherever necessary

DIVIDEND

In view of the inadequacy of profits, your Directors do not recommend any dividend on the equity shares for the year under review

BONUS SHARES

The Company has to the credit of its Profit and Loss account the sum of Rs 92.44 lacs as at 31st march 2004 .The Directors propose to capitalize a sum of Rs. 77,19,000 out of this to be applied for the issue of 771900 new equity shares of Rs 10/- each credited as fully paid up as bonus shares. New equity shares will be issued and allotted as bonus equity shares in the proportion of Thirty one such new equity shares credited as fully paid up for every Ten of existing equity shares as proposed in the resolution. The said bonus equity shares shall rank pari passu in all respects with the existing equity shares except that new equity shares would not entitle for any dividend that may be declared before allotment thereof. The proposed issue of bonus shares will be in compliance with applicable guidelines issued by Securities and Exchange Board of India in this respect.

OPERATIONS

The Company has achieved a sales turnover of Rs.601.27 Lacs in F. Y. 2004 as against Rs.195.52 Lacs in F. Y. 2003. Cash accruals have increased to Rs.93.58 Lacs from Rs.4.22 Lacs in F. Y. 2003. The net profits has gone up to RS.83.73 Lacs in F. Y. 2004 from Rs.4.22 Lacs in F. Y. 2003. The P.B.I.D.T. has increased to Rs.105.07 Lacs in F. Y. 2004 from Rs.6.68 Lacs in F. Y. 2003. The G. P. margin has gone up to 14 % in F. Y. 2004 from 2% in F. Y. 2003.

FUTURE PLANS

The Company has commenced its own manufacturing activities. The company has purchased land at Silvassa for further expansion of its activities in manufacturing sector .

DIRECTORS

During the year, Shri Dhananjay Kandhare, Shri Unnikrishnan Menon and Shri Promod Patil resigned from the Directorship of the Company. Your Directors place on record their appreciation of the services rendered by the Directors concerned. Shri Farindra Bihari Rai & Shri Sanjay Nimbalkar was appointed as Additional Director of the Company during the year.

Shri Subhash Chandra Nigam and Shri Suresh Dattu Patil, Directors, retire by rotation and, being eligible, offer themselves for re-appointment.

JAYBHARAT SAREES LIMITED

PARTICULARS OF EMPLOYEES

There were no employees drawing remuneration of Rs.24,00,000/- or more per annum employed throughout the year or Rs.2,00,000/- or more, per month employed for a part of the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibilities Statement, it is hereby confirmed :

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2004, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (iv) that the Directors had prepared the accounts for the financial year ended 31st March 2004 on a 'going concern' basis.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

LISTING AGREEMENT

Your Company is committed to good corporate governance practice. Under clause 49 of the listing agreement, your Directors are pleased to inform that Company has implemented all the major stipulations prescribed under clause 49 of the listing agreement with the Stock Exchange. A certificate from the Statutory Auditors of the Company in line with clause 49 is annexed to and forms part of the Director's Report.

AUDITOR'S REPORT

The remarks made by the Auditors in their Report have been suitably dealt within the schedules and notes and therefore, do not call for any further clarification.

AUDITORS

M/s. Sanjay & Vijay Associates, Chartered Accountants, the Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the assistance and support extended by Banks, Consultants, Solicitors, Shareholders and Employees of the Company.

For and on Behalf of the Board of Directors

Place : Mumbai
Date : 30th July 2004

Rajan Aggarwal
Chairman

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Information as per Section 217(1)(e), of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year 2003 - 2004

I) CONSERVATION OF ENERGY**a) Energy conservation measures taken :**

The Company has been making concerted efforts for enhancement in capacity utilisation, cost competitiveness and quality through systematic process monitoring and adherence to technological norms. Sophisticated instruments are used for regulation and adjustment as per parameters. Efforts are also made for upgradation of the quality of the Plant Operation. Utilities are being combined for effective energy conservation.

b) Additional Investments and Proposals being implemented for reduction of consumption of energy :

The Company, as a matter of policy, has a regular and ongoing programme for investments in energy saving devices. Studies are being made to reduce energy consumption and make suitable investments in this area, if necessary.

c) Impact of the measures (a) & (b) above for reduction of energy consumption and consequential impact on the cost of production of goods:

The Company has economised considerably the cost of power despite steep hike in the tariffs and is constantly exploring avenues for cost saving as an on-going process.

d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A OF THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THEREOF

	Year ended 31.03.2004	Year ended 31.03.2003
A. Power and Fuel Consumption in respect of :		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	-	-
2. Total amount (Rs. in lacs)	-	-
3. Rate per unit (Rs/unit)	-	-
(b) Own Generation (Through Diesel Generator/Furnace Oil)		
1. Units (KWH in Lacs)	5.40	-
2. Units per litre of fuel	3.62	-
3. Cost per unit (Rs/unit)	5.58	-
2. Coal	-	-
3. Furnace Oil	-	-
4. Others/Internal Generation	-	-
B. Consumption per unit of production (Product : Yarn & Fabric)		
1. Electricity (KWH/Tonne)	934.72	-
2. Coal (Kgs.)	-	-
3. Furnace Oil (Ltrs.)	-	-
4. Steam (Tonnes)	-	-

Note : Since the Company manufactures different qualities of fabrics/yarns with product-mix changing significantly, there are no specific norms for per unit of production.