



A Tayal Enterprise

# JAYBHARAT

TEXTILES AND REAL ESTATE LIMITED



27<sup>th</sup>  
Annual Report  
2011 - 2012

# Annual Report 2011-2012

## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

### Annual Report : 2011-2012

#### **BOARD OF DIRECTORS**

##### **CHAIRMAN**

Shri Deepak Mathur

##### **MANAGING DIRECTOR**

Shri Rajiv Chauhan

##### **DIRECTOR**

Shri Mahesh Prasad Mehrotra

Shri Rajshekhar S. Ganiger

Shri Farindra Bihari Rai

Shri Kailash Nath Bhandari

Shri Kulwinder Kumar Nayyar

##### **AUDITORS**

M/s. A.F.Khasgiwala & Co.,  
Chartered Accountants

##### **BANKERS**

Indian Overseas Bank, Allahabad Bank,  
UCO Bank, Oriental Bank of Commerce,  
Bank of Maharashtra, Bank of India

##### **REGISTERED OFFICE**

Village Salvav, Taluka Pardi,  
Near Vapi, Valsad Gujarat 396 191

##### **CORPORATE OFFICE**

Raghuvanshi Mills Compound,  
11/12 Senapati Bapat Marg,  
Lower Parel (W),  
Mumbai - 400013.

##### **REGISTRAR & SHARE TRANSFER AGENT**

Universal Capital Securities Private Limited  
(Formerly known as Mondkar Computers Pvt. Ltd)  
21, Shakil Nivas, Opp Satya Sai Baba Temple,  
Mahakali Caves Road, Andheri (East)  
Mumbai- 400 093

##### **PLANTS**

Pulgaon, Maharashtra.

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**27<sup>th</sup> ANNUAL GENERAL MEETING** on **Saturday, 21<sup>st</sup> July, 2012** at 3 :00 P.M.  
at Village Salvav, Taluka Pardi, Vapi, Dist Valsad, Gujarat 396 191.

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## NOTICE

NOTICE IS HEREBY GIVEN that the 27<sup>th</sup> Annual General Meeting of the Members of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** will be held on Saturday the 21<sup>st</sup> July, 2012 at 3.00 P. M. at the Registered Office of the Company at Village Salvav, Taluka Pardi, Near Vapi, Dist Valsad - 396191, to transact the following business.

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31<sup>st</sup> March, 2012 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 Rajshekhar Ganiger, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Mahesh Prasad Mehrotra, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To reappoint Auditor and to fix 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 A. F. Khasgiwala. & Co, Chartered Accountant be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification(s) the following Resolutions :

#### AS ORDINARY RESOLUTION

5. **"RESOLVED THAT** in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Shri Kulwinder Kumar Nayyar, who was appointed by the Board of Directors on 4<sup>th</sup> November, 2011 as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."
6. **RESOLVED THAT** in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Shri Deepak Mathur, who was appointed by the Board of Directors on 28<sup>th</sup> April, 2012 as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and whose tenure of office comes to an end at this Annual General Meeting, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

#### AS SPECIAL RESOLUTION

7. **"RESOLVED** that the appointment of Shri Rajiv Chauhan as the Managing Director of the Company, made by the Board of Directors of the Company pursuant to the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, be and is hereby approved by the shareholders of the Company on the following terms :

Particulars	Terms
Tenure	28 <sup>th</sup> April, 2012 till 27 <sup>th</sup> April, 2017
Salary	₹ 50,000/- per month or Rs. 6,00,000/- per annum
Maximum	₹ 12,00,000 per annum

**RESOLVED FURTHER** that Shri Deepak Mathur, Chairman or Shri Farindra Bihari Rai, Director of the Company, be and is hereby authorised to file the relevant e-forms with Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above Resolution."

### NOTES :

1. The Explanatory Statement pursuant to section 173(2) of Companies Act, 1956, in respect of special business under item no. 5, 6 and 7 are annexed here to and form 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 19<sup>th</sup> July, 2012 to 21<sup>st</sup> July, 2012 (both days inclusive) to comply with Annual Book Closure requirements.
5. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. In case of joint holders attending the meeting, only such joint holders who are higher in order of names will be entitled to vote.
7. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as

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to enable the Management to keep the information ready.

8. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Members are requested to immediately notify any change in their registered address specifying full address with Pin Code Number and quoting their Registered Folio Number to the Company.
9. 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.
10. **Green Initiatives in the Corporate Governance** : The Government of India-Ministry of Corporate Affairs has, vide the Circular No. 17/2011 dated 21<sup>st</sup> April, 2011, allowed service of documents to the shareholders in the electronic mode. Thus, having regard to the said Circular read with the Information Technology Act, 2000 and Section 53 of the Companies Act, 1956, the Company hereby requests the Members to register their **E-mail Address** (and any change therein from time to time) with **Universal Capital Securities Private Limited** (Formerly known as Mondkar Computers Pvt. Ltd), the Registrar and Share Transfer Agents of the Company. The Company proposes to send the future correspondences in electronic form to the Members whose E-mail Address is registered with the Registrar and Share Transfer Agents of the Company. Any Member desiring to receive the said correspondences in the physical form should inform the Company.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

Sd/-  
Deepak Mathur  
Chairman

## EXPLANATORY STATEMENTS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### Item No. 5

Shri Kulwinder Kumar Nayyar was appointed as an Additional Director by the Board on 4<sup>th</sup> November, 2011 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 Kulwinder Kumar Nayyar for the office of the Director of the Company.

Shri Kulwinder Kumar Nayyar has done Diploma in Textile Technology. He has more than 15 Years of experience and Specialised in Spinning Production / Market for Open End / Ring Spinning, etc.

The Board recommends the passing of this Resolution. Except Shri Kulwinder Kumar Nayyar, none of the Directors is interested in the Resolution.

### Item No. 6

Shri Deepak Mathur was appointed as an Additional Director by the Board on 28<sup>th</sup> April, 2012 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 Deepak Mathur for the office of the Director of the Company.

Shri Deepak Mathur is Textile Engineer and has done MBA and he has rich experience in Textile industry.

The Board recommends the passing of this Resolution. Except Shri Deepak Mathur, none of the Directors is interested in the Resolution.

### Item No. 7

Shri Rajiv Chauhan was appointed as a Managing Director by the Board of Directors of the Company on 28<sup>th</sup> April, 2012, in accordance with the provisions of Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956.

Shri Rajiv Chauhan is Textile Engineer and has done MBA in Finance. He has rich experience in Textile Sector of more than 25 yrs.

Shri Rajiv Chauhan is not disqualified from being appointed as Managing Director in terms of Section 274(1)(g) of the Act. The Company has received the requisite Form 'DD-A' from Shri Rajiv Chauhan in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003, confirming his eligibility for such appointment. Shri Rajiv Chauhan does not hold any shares in the Company.

The Board recommends the passing of this Resolution. Except Shri Rajiv Chauhan, none of the Directors are interested in this Resolution.

For and on Behalf of the Board of Directors

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

Sd/-  
Deepak Mathur  
Chairman



# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## DIRECTOR'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS :

	2011-2012 (₹ in Lacs)	2010-2011 (₹ in Lacs)
Revenue from operations	71,857.73	61,188.01
Finance Cost	3716.43	2632.14
Depreciation and Amortization Expense	3930.06	3722.55
Profit/(Loss) before Exceptional and Extraordinary Items and tax	(3818.45)	41.78
Exceptional and Extraordinary Items	----	----
Profit/(Loss) before tax	(3818.45)	41.78
Deferred tax Liabilities	46.48	262.80
Provision for Tax	----	90.25
Profit/(Loss) after Tax	(3864.93)	(311.27)

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

### DIVIDEND :

In view of inadequacy of profits, your Directors are unable to recommend any dividend on the equity shares for the year under review.

### REVIEW OF OPERATIONS :

The Company has achieved Revenue from operations of ₹ 71,857.73 Lacs in Financial Year 2011-12 as against ₹ 61,188.01 Lacs in previous Financial Year 2010-2011. During the year 2011-12 Interest outgo of the Company has registered at ₹ 3716.43 Lacs as against ₹ 2632.14 Lacs in the previous year 2010-2011. The Depreciation has registered at ₹ 3930.06 Lacs as against ₹ 3722.55 Lacs for the previous year 2010-2011. In the financial year 2011-12 the Company has incurred Net Loss of ₹ 3864.93 Lacs as against Net Loss of ₹ 311.27 Lacs in Financial Year 2010-2011.

### CORPORATE DEBT RESTRUCTURING :

The Company has entered into the scheme of Debt Restructuring with the present Consortium Lenders, as the Company has suffered huge losses during the current year on account of volatility in the cotton prices, increase in power cost and heavy burden of Rate of Interest (Interest Rate increased from 11-12% to 15-17%) and the proposal for the same has been duly filled with Corporate Debt Restructuring Cell.

### SUBSIDIARY COMPANY :

As on 31<sup>st</sup> March, 2012, your Company had only one material subsidiary viz. M/s. Pulgaon Cotton Mills Limited.

Earlier M/s. Realtime Properties Limited was the Subsidiary Company of the Company as Company hold 49,994 shares(99.99%) of the Company but during the year M/s. Realtime Properties Limited has allotted 9,50,000 new shares and hence from the total Share capital of Realtime Properties Limited, now Company hold only 4.99% shares. Therefore M/s. Realtime Properties Limited is no more subsidiary Company of the Company.

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the **Accounting Standard (AS) 21** on Consolidated Financial Statements read with the **Accounting Standard (AS) 23** on Accounting for Investments in Subsidiaries, the Audited Consolidated Financial Statements are provided in the Annual Report.

The Ministry of Corporate Affairs, Government of India, has issued a **Circular No. 2/2011** dated February 8, 2011 granting general exemption to Companies under Section 212 (8) of the Companies Act, 1956 from attaching the documents referred to in Section 212 (1) of the said Act pertaining to its subsidiaries, subject to approval by the Board of Directors of the Company and furnishing of certain financial information in the Annual Report.

The Board of Directors of your Company has accordingly accorded its consent to the Company dispensing with the requirement of attaching to its Annual Report, the annual audited accounts of your Company's subsidiaries. Accordingly, the Annual Report of your Company does not contain the individual financial statements of these subsidiaries, but contains the audited consolidated financial statements of your Company and its subsidiaries. The Annual Accounts of these subsidiary companies, along with the related information, are available for inspection at the Company's Registered Office and its subsidiaries and copies of the same shall be provided on request. The statement on subsidiaries pursuant to Section 212 (3) of the Companies Act, 1956 is part of this Annual Report.

### DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Shri Rajshekhar Ganiger, and Shri Mahesh Prasad Mehrotra, Directors, retire by rotation and, being eligible, offered them for re-appointment.

Ms. Mrinal Tayal and Dr. Pritam Singh resigned on 4<sup>th</sup> November, 2011, Shri Mahendra Kumar Aggrawal resigned on 14<sup>th</sup> March, 2012 and Shri Saurabh Kumar Tayal resigned on 22<sup>nd</sup> March, 2012 as Directors of the Company. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company.

The Board of Directors of the Company in its meeting held on 4<sup>th</sup> November, 2011 appointed Shri Kulwinder Kumar Nayyar and on 28<sup>th</sup> April, 2012 appointed Shri Deepak Mathur, as an Additional Directors of the Company.

Further the Board of Directors of the Company has appointed Shri Rajiv Chauhan as an Additional Director w.e.f. 14/03/2012 and after in its meeting held on 28<sup>th</sup> April, 2012 appointed him as a Managing Director of the Company for a period of 5 years.

### 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 :

- that in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2012, the applicable Accounting Standards

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had been followed alongwith proper explanation relating to material departures.

- b. that the Directors had 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 statement of Profit & Loss of the Company for the year under review;
- c. 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;
- d. that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2012, on a 'going concern' basis.
- e. That the accounts have been prepared on the basis of the revised schedule VI & the Companies Act, 1956, accordingly the previous year figures have adjust/ regroup/ rearranged to confirm with the current year figure.

## **FIXED DEPOSITS :**

The Company has not invited/received any fixed deposits from the public during the year under Report.

## **INSURANCE :**

The properties, stock, assets of your Company are adequately insured.

## **AUDIT COMMITTEE :**

The composition of Audit Committee is given in the Report on Corporate Governance.

## **SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE :**

The composition of Share Transfer and Investors' Grievance Committee is given in the Report on Corporate Governance.

## **REPORT ON CORPORATE GOVERNANCE :**

The Company has complied with Corporate Governance Code as stipulated under Clause 49 of the Listing Agreement. A separate section on Corporate Governance alongwith a certificate from M/s. A. F. Khasgiwala & Co., Statutory Auditors and Shri Rajiv Chauhan, Managing Director, confirming the compliance with the said Clause, forms part of this report.

## **SAFETY, HEALTH AND ENVIRONMENT :**

A sustained and meticulous effort continues to be exercised by the Company at the plant of the Company towards greener production and Environment Conservation. The Company perseveres its efforts to indoctrinate safe and environmentally accountable behavior in every Employee as well as Vendors by compulsory annual training and refresher courses and frequent awareness programs. Mock drills of emergency preparedness are regularly conducted at the plant showing Company's commitment towards safety, not only of its own men and plant, but also of the society at large. Involvement of workers in all safety matters has been encouraged by their participation in shop floor safety meetings.

The health of employees and the environment in and around the plant area have been given due care and attention. The Company continues to comply with the prescribed Industrial Safety Environment Protection and Pollution Control Regulation at its production plant through periodic checks of the system involved and constant monitoring to meet the standards set by the Pollution Control Authorities, etc.

The Plant of the Company is eco-friendly and do not generate any harmful effluents. Safety devices have been installed wherever necessary.

## **INDUSTRIAL RELATIONS & HUMAN RESOURCES MANAGEMENT :**

The Company recognizes that in a people-intensive business, major gains can be scored in the area of productivity management. In view of this, the Company has strengthened its people management through performance-linked incentives, amenities, training, multi-skilling and career path identification.

The Company is of firm belief that good Human Resource (HR) Management would ensure success through high performance. HR strategy and plans of the Company are deeply embedded with the organizational goals. In order to enhance the manpower productivity, the goal is set to increase the production capacity of the plant and rationalize the manpower through scientific study. All the operational goals of the top management emanate from the business plan. The goals of MD are shared with his subordinates who in turn share their goal with their respective subordinates and so on. Regular visits by HR team is being made to the plant to meet the employees and also interaction meetings are conducted to get their feedback, based on which HR policies are improved continuously. The process has resulted in better employer-employee relationship.

The Company lays due emphasis on all-round development of its human resource. Hence, training of the employees is aimed at systemic development of knowledge, skills, aptitude and team work. Training is designed for the development of personal skills necessary for the performance of the present job and to prepare them for future growth. Individual development is given top priority to groom high caliber manpower.

## **CONSERVATION OF 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.

## **PARTICULARS OF EMPLOYEES :**

There were no employees drawing remuneration of ₹ 60,00,000/- or more per annum employed throughout the year or ₹ 5,00,000/- or more per month employed for a part of the year. This information is furnished pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

## **AUDITORS :**

M/s. A. F. Khasgiwala & Co., Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. A. F. Khasgiwala & Co. to the effect that their re-appointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956.

## **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  
Sd/-

Deepak Mathur  
Chairman

Place : Mumbai

Date : 28<sup>th</sup> April, 2012

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT :

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 2011 - 2012 :

### I. CONSERVATION OF ENERGY

#### a) Energy conservation measures taken :

The Company has been making concerted efforts for enhancement in capacity utilization, 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 up gradation 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 :

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 economized 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 in accordance with Form 'A' of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, in respect of Industries specified in the Schedule thereof :

	Year ended 31.03.2012	Year ended 31.03.2011
<b>A. Power and Fuel Consumption :</b>		
1. Electricity		
(a) Purchased		
1. Units (KWH in Lacs)	332.57	131.59
2. Total Amount (₹ in lacs)	1942.23	743.48
3. Rate/Unit (₹)	5.84	5.65
(b) Own Generation (through Diesel Generator/ Furnace Oil / Gas)		
1. Units (KWH in Lacs)	287.02	465.12
2. Units per Liter of fuel	4.32	4.32
3. Cost per unit (₹)	12.03	9.15
2. Coal		--
3. Furnace Oil		--
4. Others/Internal Generation/Steam		--
<b>B. Consumption per unit of production</b> (Product : Yarn & Fabric)		
1. Electricity (KWH per tonne)	4809.53	1901.61
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.

### II. TECHNOLOGY ABSORPTION :

#### Efforts made in technology absorption in prescribed Form 'B' :

1. Research and Development (R & D)	
a) Specified areas in which R & D activities are carried out by the Company	R & D activities are being carried out by the Company continuously to produce better quality of yarn and fabrics.
b) Benefits derived as a result of the above	As a result of R & D activities, the Company has been able to produce quality yarn and fabrics conforming to international standards. Efforts aimed at cost reduction, improvement in quality of and development of new process will continue.
c) Future Plan of Action	Efforts aimed at cost reduction, improvement in quality of and development of new process will continue.
d) Expenditure on R & D	Expenditure on R & D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained.
2. Technology Absorption, Adaption and Innovation	The Company has not utilized any imported technology.

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a) Activities relating to export Markets for products and services and export plan	The Company is exploring avenues to export its premium quality yarns.
	Year ended                      Year ended
	31.03.2012                      31.03.2011
b) Foreign Exchange Outgo (₹ in Lacs)	---
c) Foreign Exchange earned (₹ in Lacs)	106.94

For and on Behalf of the Board of Directors  
Sd/-  
Deepak Mathur  
Chairman

Place : Mumbai  
Date : 28<sup>th</sup> April, 2012

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## CORPORATE GOVERNANCE REPORT

This brief report on matters required to be stated on Corporate Governance pursuant to Clause 49 of the Listing Agreements is as under :

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The concept of our Company, of Corporate Governance hinges on total transparency, integrity and accountability of the management team. The main goal of Corporate Governance is maximization of shareholder's value and protection of the interests of all the stakeholders. It includes the policies and procedures adopted by the Company in achieving its objective in relation to its shareholders, employees, customers, suppliers, regulatory authorities and societies at large.

The Company has ensured that the Directors of the Company are subject to their duties, obligations and responsibilities to the best interest of the Company, to give direction and remain accountable to their shareholders and other beneficiaries for their actions. The responsibilities of the Board includes setting out the Company's strategic aims, providing the leadership to put them into effect, supervision of the management of the business and reporting to the shareholders on their stewardship.

It is a recognized philosophy of the Company that effective and good Corporate Governance is a must, not only in order to gain credibility and trust, but also as a part of strategic management for the survival, consolidation and growth.

### 2. BOARD OF DIRECTORS

2.1) The Board of Directors of the Company comprises of 7 Directors. During the Financial year 2011-2012, the Board met 4 times on the following dates namely 28<sup>th</sup> May 2011, 23<sup>rd</sup> July 2011, 13<sup>th</sup> October 2011 and 12<sup>th</sup> January, 2012. There was no time gap of more than four months between any two Meetings of the Board of Directors.

The name and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the 27<sup>th</sup> Annual General Meeting held on 2<sup>nd</sup> July, 2011, as also the number of Directorships and Committee Memberships held by them in other Public Companies are given below :

Name	Category	Attendance Particulars		Number of other directorships and Total Committee member/Chairmanships as on 31.03.2012		
		Board Meetings	27th AGM	Directorship	Committee Membership	Committee Chairmanship
Shri Mahesh Prasad Mehrotra	ID	4	No	15	9	2
Shri Farindra Bihari Rai	NED	3	NO	8	10	5
Shri Kailash Nath Bhandari	ID	4	No	12	4	1
Shri Rajshekhar Ganiger	ID	2	Yes	5	5	1
Shri Kulwinder Kumar Nayyar*	ID	NIL	No	3	2	2
Shri Rajiv Singh Chauhan**	MD	NIL	No	3	2	-
Shri Deepak Mathur***	NEC	NIL	No	2	-	-
Shri Saurabh Kumar Tayal (Resigned on 22/03/2012)	NEC	4	NO	7	7	2
Ms. Mrinal Tayal (Resigned on 04/11/2011)	NED	2	No	-	-	-
Dr. P. S. Pritam (Resigned on 04/11/2011)	ID	3	No	-	-	-
Shri Mahendra Kumar Aggrawal (Resigned on 14/03/2012)	MD	2	Yes	-	-	-

\* Appointed as an Additional Director w.e.f 4<sup>th</sup> November, 2011.

\*\* Appointed as an Additional Director w.e.f. 14<sup>th</sup> March, 2012 and Managing Director w.e.f. 28<sup>th</sup> April, 2012.

\*\*\* Appointed as an Additional Director w.e.f. 28<sup>th</sup> April, 2012.

"NEC" = Non Executive Chairman, "MD" = Managing Director, "ID" = Independent Director, "N" = Nominee, "NED" = Non-Executive Director.

### 2.2) Appointment / Re-Appointment of Directors :

As required under Clause 49 (VI) of the Listing Agreement the brief details of the Directors seeking re- appointment at the ensuing Annual General Meeting are furnished hereunder :



## JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

Sr. No.	Name of Director	Area of Expertise	Directorships	Committee Membership	Committee Chairmanship
1.	Shri Mahesh Prasad Mehrotra	B.Com, LL.B., F.C.A, Member of PHD Chamber of Commerce and ASSOCHAM.	15	9	2
2.	Shri Rajshekhar Ganiger	B. Sc. Diploma in Textile Technology. He has 18 years of experience in Textile Industry.	5	5	1
3.	Shri Kulwinder Kumar Nayyar	B. A., Diploma in Textile Technology, he has 15 Years of experience and Specialised in Spinning Production / Market for Open End / Ring Spinning.	3	2	2
4.	Shri Rajiv Chauhan	Graduate and he has 20 Years Experience in Textile Industry.	4	2	Nil
5.	Shri Deepak Mathur	MBA and B. Text. He has rich experience of working in textile industry.	3	Nil	Nil

### 2.3) Non-Executive Directors Compensation Disclosures :

Details of Sitting Fees paid to Non-Executive and Independent Directors of the Company during the Financial Year 2011-2012, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows :

Sr. No.	Name of Directors	Category	Sitting Fees (in ₹)	
			Board Meetings	Committee Meetings
1.	Shri Mahesh Prasad Mehrotra	ID	40,000	40,000
2.	Shri Farindra Bihari Rai	ID	30,000	48,000
3.	Shri Kailash Nath Bhandari	ID	40,000	----
4.	Shri Rajshekhar Ganiger	ID	20,000	48,000
5.	Shri Kulwinder Kumar Nayyar	ID	----	----
6.	Ms. Mrinal Tayal	NED	20,000	----
7.	Dr. P. S. Pritam	ID	30,000	----
8.	Shri Saurabh Tayal	NEC	----	8,000
		<b>Total</b>	<b>1,80,000</b>	<b>1,44,000</b>

### 3. BOARD COMMITTEES :

The requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees has been complied with while constituting the Committees of Directors.

#### 3.1) Audit Committee :

The Board of Directors of the Company has duly constituted an Audit Committee. The Audit Committee comprises of Shri Mahesh Prasad Mehrotra, Chairman, Shri Farindra Bihari Rai & Shri Rajshekhar Ganiger as the members of the Committee.

Further During the year the Audit Committee has reconstituted as Shri Farindra Bihari Rai elected as a chairman because of resignation of Shri Mahesh Prasad Mehrotra as a Chairman, but he will be continue as a member of Audit Committee.

The constitution of Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49(II)(A) as introduced by the Companies (Amendment) Act, 2000.

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with the Section 292A of the Companies Act, 1956. The terms of reference of the Audit committee are as follows :

- Overview of the company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on (i) any changes in accounting policies and practices (ii) major accounting entries based on exercise of judgment by management (iii) qualifications in draft audit report (iv) significant adjustments arising out of audit (v) the going concern assumption (vi) compliance with accounting standards (vii) compliance with stock exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- Reviewing with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/

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notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- g. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- h. Reviewing the adequacy of internal audit functions.
- i. Discussion with internal auditors any significant findings and follow up there on.
- j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- k. Discussion with external auditors before the audits commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year 2011-12, the Audit Committee met 4 times on the following dates namely 28<sup>th</sup> May 2011, 23<sup>rd</sup> July 2011, 13<sup>th</sup> October 2011 and 12<sup>th</sup> January, 2012. The composition of the Audit Committee and the details of Audit Committee Meetings attended by the Members are given hereunder :

Name of Member	Designation	Attendance
Shri Mahesh Prasad Mehrotra	Chairman	3
Shri Farindra Bihari Rai*	Chairman	1
Shri Mahesh Prasad Mehrotra	Member	1
Shri Farindra Bihari Rai	Member	3
Shri Rajshekhar Ganiger	Member	4

\* Shri Farindra Bihari Rai appointed as a Chairman for the last Committee Meeting held on 12<sup>th</sup> January, 2012

## 3.2) Remuneration Committee :

The Company does not have a Remuneration Committee. The remuneration payable to the Managing Director and the sitting fees paid to the Non-Executive Directors is approved by the Board of Directors within the overall limits fixed by the Members of the Company at the General Meetings.

Remuneration to Managing Director and Non-Executive Directors for the year 2011-12.

Name	Gross Salary	Commission	Sitting Fees	Total
Shri Mahendra Kumar Aggarwal (MD)	6,00,000	----	---	6,00,000
Non-Executive Directors	---	----	3,24,000	3,24,000
Total	6,00,000	----	3,24,000	9,24,000

## 3.3) Shareholders'/Investors' Grievance Committee :

The Committee comprises of Shri Saurabh Kumar Tayal as the Chairman, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger, as the Members of the Committee. The Committee, inter alia, looks into redressing of shareholders'/investors' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend, etc. The Committee oversees the performance of the Company and recommends measures for overall improvement of the quality of investor services.

During the year 2011-12, the Share Transfer Investor Grievance Committee met 4 times on the following dates namely 27<sup>th</sup> April 2011, 22<sup>nd</sup> July 2011, 12<sup>th</sup> October 2011 and 11<sup>th</sup> January, 2012. The composition of the Share Transfer and Investors' Grievance Committee and the details of the Meetings attended by the Members are given hereunder :

Name of Member	Designation	Attendance
Shri Saurabh Kumar Tayal	Chairman	4
Shri Farindra Bihari Rai	Member	4
Shri Rajshekhar Ganiger	Member	4

No. of Shareholder's complaint received so far : Nil

Number solved to the satisfaction of shareholders : Nil

Number of pending complaints : Nil

## 3.4) Management and Finance Committee :

The Board of Directors of the Company has constituted Management and Finance Committee in thier meeting held on 23<sup>rd</sup> July, 2011. The Committee is formed to take the decisions and to pass the necessary Redolutions on the day-to-day matters of the Company, on behalf of the Board of Directors. The Management and Finance Committee comprises of Shri. Mahendra Kumar Aggarwal as the Chairman, Ms. Mrinal Tayal and Shri. Farindra Bihari Rai as the members of the Committee.

The Management and Finance Committee has been re-constituted twice during the year ended 31<sup>st</sup> March, 2012.