

28<sup>th</sup>  
Annual Report  
**2012-2013**



A Tayal Enterprise

**JAYBHARAT**  
TEXTILES AND REAL ESTATE LIMITED



# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## ANNUAL REPORT 2012-13

### BOARD OF DIRECTORS

#### CHAIRMAN

Shri Deepak Mathur

#### MANAGING DIRECTOR

Shri Rajiv Chauhan

#### DIRECTORS

Shri Saurabh Kumar Tayal  
Shri Kailash Nath Bhandari  
Shri Rajshekhar S. Ganiger  
Shri Farindra Bihari Rai  
Shri Kulwinder Kumar Nayyar

#### COMPANY SECRETARY

Shri Hanuman P Kharwal

#### AUDITORS

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

#### BANKERS

Various Banks with Lead Bank  
Bank of India & Indian Overseas Bank

#### 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 – 400 013

#### 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.  
Bhilad (Dist. Valsad, Gujarat)

### CONTENTS

|  |    |
|--|----|
| Notice .....                                       | 2  |
| Directors' Report .....                            | 3  |
| Corporate Governance Disclosure .....              | 6  |
| Management Discussion and<br>Analysis Report ..... | 13 |
| Auditors' Report .....                             | 15 |
| Balance Sheet .....                                | 17 |
| Profit & Loss Account .....                        | 18 |
| Notes .....  | 19 |
| Notes to the Accounts .....                        | 22 |
| Cash Flow Statement .....                          | 26 |
| Consolidated Accounts .....                        | 28 |

**28<sup>th</sup> ANNUAL GENERAL MEETING on Saturday, 17<sup>th</sup> August, 2013 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 28<sup>th</sup> Annual General Meeting of the Members of **JAYBHARAT TEXTILES AND REAL ESTATE LIMITED** will be held on Saturday the 17<sup>th</sup> August, 2013 to transact the following business at the Registered Office of the Company at Village Salvav, Taluka Pardi, Near Vapi, Dist Valsad – 396191 at 3.00 P. M.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Company's Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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 Farindra Bihari Rai, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kailash Nath Bhandari, 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 Saurabh Kumar Tayal, who was appointed on 4<sup>th</sup> September, 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.”

### NOTES:

1. **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.**
2. 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.
3. The Register of Members and Share Transfer Register of the Company will remain closed from 14<sup>th</sup> August, 2013 to 17<sup>th</sup> August, 2013 (both days inclusive) to comply with Annual Book Closure requirements.
4. 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.
5. In case of joint holders attending the meeting, only such joint holders who are higher in order of names will be entitled to vote.
6. Members desiring any information with regard to accounts or operations are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. 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.
8. 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.
9. **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

Sd/-

Deepak Mathur  
Chairman

Place: Mumbai

Date: 29<sup>th</sup> May, 2013

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

#### Item No. 5

Shri Saurabh Kumar Tayal was appointed as an Additional Director on 4<sup>th</sup> September, 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 Saurabh Kumar Tayal for the office of the Director of the Company.

Shri Saurabh Kumar Tayal is Commerce Graduate. He has more than 10 Years of experience in Textile Industries & Marketing.

For and Behalf of the Board of Directors

Sd/-

Deepak Mathur  
Chairman

Place: Mumbai

Date: 29<sup>th</sup> May, 2013

# ANNUAL REPORT 2012-2013

## DIRECTORS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting the 28th Annual Report and the Audited Statements of Accounts of your Company for the financial year ended 31st March, 2013.

### FINANCIAL RESULTS:

|  | 2012-2013<br>(₹ in Lacs) | 2011-2012<br>(₹ in Lacs) |
|--|--------------------------|--------------------------|
| Revenue from operations  | 52,749.72                | 71,857.73                |
| Finance Cost   | 4288.77                  | 3716.43                  |
| Depreciation and Amortization Expense                            | 3930.06                  | 3930.06                  |
| Profit/(Loss) before Exceptional and Extraordinary Items and tax | (7208.79)                | (3818.45)                |
| Exceptional and Extraordinary Items                              | —                        | —                        |
| Profit/(Loss) before tax   | (7208.79)                | (3818.45)                |
| Deferred tax Liabilities   | (138.45)                 | 46.48                    |
| Provision for Tax  | —                        | —                        |
| Profit/(Loss) after Tax  | (7070.52)                | (3864.93)                |

**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 ₹ 52,749.72 Lacs in Financial Year 2012-13 as against ₹ 71,857.73 Lacs in previous Financial Year 2011-12. During the year 2012-13 Interest outgo of the Company has registered at ₹ 4288.77 Lacs as against ₹ 3716.43 Lacs in the previous year 2011-12. The Depreciation has registered during the Current Year at ₹ 3930.06 Lacs as against ₹ 3930.06 Lacs for the previous year 2011-12. In the financial year 2012-13 the Company has incurred Net Loss of ₹ 7070.52 Lacs as against Net Loss of ₹ 3864.93 Lacs in Financial Year 2011-12.

Old machines including Ring Frames, requiring huge capital expenditure towards repairs and maintenance consuming high power with low output have been identified and shifted to workshop/godowns for appropriate action under the Technology upgradation and Modernisation Programme of plants and machineries, especially Spinning Machines. This was done to improve the efficiency of the units as per the recommendations of inhouse Expert Group.

### SUBSIDIARY COMPANY:

Jaybharat Textiles and Real Estate Limited ("the Company") has only one subsidiary Company namely M/s. Pulgaon Cotton Mills Limited.

The Report and Accounts of the Subsidiary Companies are annexed to this Report along with the Statement pursuant to Section 212 of the Companies Act, 1956. However, in the context of the mandatory requirement to present consolidated accounts, which provides Members with a consolidated position of the Company including its Subsidiary, at the first instance, Members are being provided with the Report and Accounts of the Company and the Consolidated Accounts treating these as abridged accounts as contemplated by Section 219 of the Companies Act, 1956. Members who wish to receive the full Report and Accounts including the Report and Accounts of the Subsidiary Companies will be provided with it upon receipt of a written request. This will help save considerable cost in connection with printing and mailing of the Report and Accounts.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Company Shri Farindra Bihari Rai, and Shri Kailash Nath Bhandari, Directors, retire by rotation and, being eligible, offered them for re-appointment.

Shri Mahesh Prasad Mehrotra resigned on 23<sup>rd</sup> July, 2012, as Director of the Company. The Board of Directors place on record the valuable services rendered by them during their tenure as Director of the Company on 4<sup>th</sup> September, 2012. Shri Saurabh Kumar Tayal was appointed as an Additional Director of the Company.

### 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.

### 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:

### 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, 2013, the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures.
- 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;
- 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;

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

- d. that the Directors had prepared the accounts for the Financial Year ended 31<sup>st</sup> March 2013, 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 persevere 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 Rs.60,00,000/- or more per annum employed throughout the year or Rs.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 Behalf of the Board of Directors**

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

**Sd/-**  
**Deepak Mathur**  
Chairman

## 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 2012 – 2013:

## 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) &amp; (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<br>31.03.2013 | Year ended<br>31.03.2012 |
|---|--------------------------|--------------------------|
| <b>A. Power and Fuel Consumption :</b>                                    |                          |                          |
| 1. Electricity  |                          |                          |
| (a) Purchased   | <b>364.88</b>            | 332.57                   |
| 1. Units (KWH in Lacs)  | <b>2207.51</b>           | 1942.23                  |
| 2. Total Amount (Rs. in lacs)   | <b>6.05</b>              | 5.84                     |
| 3. Rate/Unit (Rs.)  |                          |                          |
| (b) Own Generation (through Diesel Generator/ Furnace Oil / Gas)          |                          |                          |
| 1. Units (KWH in Lacs)  | <b>184.29</b>            | 287.02                   |
| 2. Total Amount (In Lacs)   | <b>2698.06</b>           | 3452.85                  |
| 3. Cost per unit (Rs.)  | <b>14.64</b>             | 12.03                    |
| 2. Coal   | —                        | —                        |
| 3. Furnace Oil  | —                        | —                        |
| 4. Others/Internal Generation/Steam                                       | —                        | —                        |
| <b>B. Consumption per unit of production</b><br>(Product : Yarn & Fabric) |                          |                          |
| 1. Electricity (KWH per tonne)  | <b>1634.92</b>           | 4809.53                  |
| 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':

## Research and Development (R &amp; D)

- a) Specified areas in which R & D activities are carried out by the Company
- b) Benefits derived as a result of the above
- c) Future Plan of Action
- d) Expenditure on R & D

R & D activities are being carried out by the Company continuously to produce better quality of yarn and fabrics.

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 products and development of new process will continue.

Expenditure on R & D is being booked under the respective heads in the Profit & Loss Account as no separate account is maintained.

The Company has not utilized any imported technology.

## Technology Absorption, Adaption and Innovation

## III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- a) Activities relating to export Markets for products and services and export plan
- b) Foreign Exchange Outgo (Rs. in Lacs)
- c) Foreign Exchange earned (Rs. in Lacs)

The Company is exploring avenues to export its premium quality yarns.

| (2012-13) | (2011-12) |
|-----------|-----------|
| —         | —         |
| —         | —         |

For and on Behalf of the Board of Directors

Sd/-

Deepak Mathur  
Chairman

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

## 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 6 Directors. During the Financial year 2012-2013, the Board met 4 times on the following dates namely 28th April, 2012, 6th August, 2012, 8th November, 2012 and 9th February, 2013. 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 27th Annual General Meeting held on 21st July, 2012, 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 membership/chairmanships as on 31.03.2013 |                       |                         |
|-------------------------------|----------|------------------------|----------|---|-----------------------|-------------------------|
|                               |          | Board Meetings         | 27th AGM | Directorships   | Committee Memberships | Committee Chairmanships |
| Shri Saurabh Kumar Tayal*     | NED      | 2                      | No       | 6   | 5                     | 2                       |
| Shri Farindra Bihari Rai      | NED      | 4                      | Yes      | 9   | 10                    | 5                       |
| Shri Kailash Nath Bhandari    | ID       | 4                      | No       | 12  | 4                     | 1                       |
| Shri Rajshekhar Ganiger       | ID       | 3                      | Yes      | 4   | 6                     | 1                       |
| Shri Kulwinder Kumar Nayyar   | ID       | 4                      | No       | 3   | 2                     | 2                       |
| Shri Rajiv Chauhan            | MD       | 2                      | Yes      | 4   | 1                     | 1                       |
| Shri Deepak Mathur            | NEC      | 4                      | Yes      | 1   | 1                     | 1                       |
| Shri Mahesh Prasad Mehrotra** | NED      | 1                      | No       | 12  | 9                     | 2                       |

\* Appointed as Additional Director w.e.f 4th September, 2012.

\*\* Resigned from the Directorship w.e.f 23rd July, 2012

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

### 2.2 Re-appointment of Directors

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

| Sr. No | Name of Director           | Brief Resume   | Area of Expertise   | Other Directorships | Other Committee Memberships | Other Committee Chairmanship |
|--------|----------------------------|--|---------------------|---------------------|-----------------------------|------------------------------|
| 1.     | Shri Farindra Bihari Rai   | Diploma in Textile Technology. He has 20 years of experience in Textile Industry.  | Textiles            | 9                   | 8                           | 3                            |
| 2.     | Shri Kailash Nath Bhandari | B.A and LL. B Degree holder and rich experience in Insurance Sector and he had served as Director/member in various Organizations. | Insurance & Finance | 12                  | 4                           | 1                            |



## ANNUAL REPORT 2012-2013

### 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 2012-2013, for attending the Board Meetings, Audit Committee Meetings and Share Transfer and Investors' Grievances Committee Meetings, is as follows:

| Name of Director               | Category | Sitting Fees (in Rs.) |                   |
|--------------------------------|----------|-----------------------|-------------------|
|                                |          | Board Meetings        | Committee Meeting |
| 1. Shri Mahesh Prasad Mehrotra | ID       | 10,000                | 10,000            |
| 2. Shri Farindra Bihari Rai    | ID       | 30,000                | 30,000            |
| 3. Shri Kailash Nath Bhandari  | ID       | 40,000                | 30000             |
| 4. Shri Rajshekhar Ganiger     | ID       | 20,000                | 20,000            |
| 5. Shri Kulwinder Kumar Nayyar | ID       | 400000                | ----              |
| 6. Shri Deepak mathur          | NED      | 40,000                | 40000             |
| 7. Shri Rajiv Chauhan          | ED       | ----                  | ----              |
| 8. Shri Saurabh Tayal          | NEC      | ----                  | ----              |
|                                | Total    | 1,80,000              | 1,30,000          |

### 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 Kailash Nath Bhandari, Shri Farindra Bihari Rai, Chairman & 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 and Shri Kailash Nath Bhandari appointed as Member of Committee 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/ 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.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussion with internal auditors any significant findings and follow up there on.
- 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.

# JAYBHARAT TEXTILES AND REAL ESTATE LIMITED

- 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 2012-13, the Audit Committee met 4 times on the following dates namely 28<sup>th</sup> April, 2012, 6<sup>th</sup> August, 2012, 8<sup>th</sup> November 2012 and 9<sup>th</sup> February, 2013. 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    | 1          |
| Shri Farindra Bihari Rai     | Chairman    | 3          |
| Shri Mahesh Prasad Mehrotra* | Member      | 1          |
| Shri Farindra Bihari Rai     | Member      | 3          |
| Shri Rajshekhar Ganiger      | Member      | 4          |
| Shri Kailash Nath Bhandari   | Member      | 3          |

\* 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 Rajiv Chauhan (MD) | 6,00,000     | ----       | ----         | 6,00,000 |
| Non-Executive Directors | ----         | ----       | 3,10,000     | 3,10,000 |
| Total                   | 6,00,000     | ----       | 3,10,000     | 9,10,000 |

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

The Committee comprises of Shri Deepak Mathur as the Chairman, Shri Farindra Bihari Rai and Shri Rajshekhar Ganiger, as the Members of the Committee.

|                         |              |
|-------------------------|--------------|
| Shri Deepak mathur      | ... Chairman |
| Shri Frindra Bihari Rai | ... Member   |
| Shri Rajshekar Ganiger  | ... Member   |

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 2012-13, the Share Transfer Investor Grievance Committee met 4 times on the following dates namely 27<sup>th</sup> April 2012, 4<sup>th</sup> August, 2012, 7<sup>th</sup> November, 2012 and 8<sup>th</sup> February, 2013. 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 Deepak Mathur       | Chairman    | 4          |
| Shri Farindra Bihari Rai | Member      | 4          |
| Shri Rajshekhar Ganiger  | Member      | 4          |

|   |   |     |
|---|---|-----|
| No. of Shareholder's Complaint received so far    | : | 10  |
| Number solved to the satisfaction of shareholders | : | 10  |
| 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 their meeting held on 23<sup>rd</sup> July, 2011. The Committee is formed to take the decisions and to pass the necessary Resolutions on the day-to-day matters of the Company, on behalf of the Board of Directors. The Management and Finance Committee comprises of Shri rajiv Chauhan as the Chairman, Shri Rajshekhar Ganiger and Shri Farindra Bihari Rai as the members of the Committee.