

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

### ONE HUNDRED & FIFTH REPORT OF THE DIRECTORS

We present our Annual Report of the Company with the audited statement of accounts for the year ended 31st March,2013.

#### 1. FINANCIAL RESULTS

	THIS YEAR	PREVIOUS YEAR
Gross Profit/(Loss)	58,17,712	43,73,416
<b>ADDITIONS/DEDUCTIONS</b>		
Depreciation	51,08,382	45,83,026
Profit/(Loss) after taxation	7,09,330	(2,09,610)
: Balance brought forward	(1,27,56,550)	(1,25,46,940)
Profit/(Loss) dealt with as under	(1,20,47,220)	(1,27,56,550)
Surplus/(Deficit) carried to Balance Sheet	(1,20,47,220)	(1,27,56,550)

#### 2. DIVIDEND

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

#### 3. RESPONSIBILITY STATEMENT

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

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

#### 4. WORKING

The working during the year was effected due to shortage of Labour for operating the plant to full capacity.

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

#### 5. CORPORATE GOVERNANCE

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

#### 6. CURRENT OUTLOOK.

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

#### 7. DIRECTORS

Under Articles 146 of the Articles of Association of the Company, Shri Kiranbhai J. Shah retires by rotation and is eligible for reappointment.

#### 8. INSURANCE

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

**9. PUBLIC DEPOSITS**

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

**11. AUDITORS' REPORT**

Auditors' Report do not call for any specific response u/s. 217(3) of the Companies Act,1956.

**12. AUDITORS**

You are requested to appoint the Auditors to hold office from conclusion of the meeting till the conclusion of the next Annual General Meeting and fix their remuneration. The retiring Auditors, M/s. Mittal & Associates, Chartered Accountants being eligible offer themselves for reappointment.

**13. COST AUDITORS**

The Company has appointed Shri S.V. Vhatte and Associates, Cost Accountant for conducting the Cost Audit of the Textiles for the financial year ended March, 2014.

**14. PARTICULARS OF EMPLOYEES**

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

**15. ACKNOWLEDGEMENTS**

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

**16. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EARNING AND OUTGO**

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

For and on behalf of the Board

Place : MUMBAI  
Date : 20th May,2013

*CHAIRMAN*

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

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### **ANNEXURE “ A ” TO DIRECTORS REPORT**

#### **PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.**

##### **A. CONSERVATION OF ENERGY**

###### **a. ENERGY CONSERVATION MEASURE TAKEN.**

- i) Energy efficient motor is installed on Ring Frame.
- ii) Process for reuse of hot compressor water installed.
- iii) More energy efficient electronic chinks are installed.
- iv) Power factor is maintained at unit level.

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

- i) To change element on one compressor.
- ii) To install electronics chinks on balance tube lights.
- iii) To reduce transformer size from 750 KVA to 300 KVA.

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

- i) Power consumption is lower in energy efficient motor.
- ii) The waste water can be used for gardening thus saving water & energy.
- iii) Electronic chinks are energy efficient.
- iv) The Power factor improvement has resulted in lower Power Cost.

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

##### **B. TECHNOLOGY ABSORPTION.**

###### **e. EFFORTS MADE IN TECHNOLOGY ABSORPTION: FORM – “B” ENCLOSED.**

##### **C. FOREIGN EXCHANGE EARNING AND OUTGO.**

**(RS. IN LACS)**

- |                            |     |
|----------------------------|-----|
| i) Foreign currency earned | NIL |
| ii) Foreign currency used. | 9   |

**NOTES : FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2013**

**FORM "A"**

<b>A. POWER AND FUEL CONSUMPTION</b>	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>01.04.2012-31.03.2013</b>	<b>01.04.2011-31.03.2012</b>
1 Electricity		
a) Purchased		
Unit(Kwh) in Lacs	84.34	99.59
Total Amount (Rs. In Lacs)	656.76	583.10
Rates/Unit(Rs.)	7.63	5.86
b) Own generation through Diesel Generator		
Unit (Kwh) in Lacs	0.00	0.00
Total Cost (Rs. In Lacs)	0.00	0.00
Cost/Unit(Rs.)	0.00	0.00
2. Coal		
Quantity in M. Tons.	0.00	0.00
Total Cost (Rs. In Lacs)	0.00	0.00
Average Rate (Rs./ M.Tons)	0.00	0.00
3. Other Fuels		
Quantity in M. Tons.	0.00	0.00
Total Cost (Rs. In Lacs)	0.00	0.00
Average Rate (Rs./ M.Tons)	0.00	0.00
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
1) Electricity (Units)		
Per Kg Of Yarn.	3.20	3.36
Per Linear Metre Of Fabric	0.00	0.00
2) Fuels (Rs.)		
Per Kg Of Yarn	0.00	0.00
Per Linear Metre Of Fabric	0.00	0.00

**FORM – B**

**DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)**

1. SPECIFIC AREAS IN WHICH R & D CARRIED OUT BY THE COMPANY.
  - i) Repairing of Electronic cards for Autoconer.
  - ii) Modifying designs of Autoconer lifting attachments.
2. **BENEFIT DRIVED AS A RESULT OF THE ABOVE R & D PRODUCT DEVELOPMENT / IMPROVEMENT.**
  - i) In house repairing has saved cost and time
  - ii) Improvement in yarn quality
3. **IMPORT SUBSTITUTION**  
NIL
4. **FURTHER PLAN OF ACTION.**
  - i) TO STUDY THE CAUSE OF END BREAKAGES AT BOTTOM POSITION ON RING FRAMES AND FIND OUT SOLUTION CONTROL THE SAME.

**EXPENDITURE ON R & D.**

**(RS. IN LACS)**

A) CAPITAL	NIL
B) RECURRING	3.78
C) TOTAL	3.78
D) TOTAL R & D EXPENDITURE AS A PERCENTAGE OF TOTAL TURNOVER	0.08

**TECHNOLOGY ABSORPTION, ADOPTION AND INOVATION**

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

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

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## **AUDITOR'S REPORTS**

To the Members of  
**The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issue by The Institute of Chartered Accountants of India. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performance procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparations and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required and read with note no. 2.4 by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2013;
- (b) In the case of Statement of Profit and Loss of the 'Profits' of the Company for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books of account.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act
  - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For and on Behalf of  
**MITTAL & ASSOCIATES**  
Chartered Accountants  
(Firm Registration No. 106456W)

Place: Mumbai,  
Dated: 20th May, 2013

**M. Mehta**  
Partner  
M. No. 42990

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**ANNEXURE TO AUDITORS' REPORT**

THE MEMBERS OF,

**The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited**

Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited on the financial statement for the Year ended March, 31 2013.

- (i) In respect of its fixed assets:
  - (a) The Company is maintaining proper records to show full particulars, including Quantitative details and situation of all fixed assets.
  - (b) As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
- (ii) In respect of its inventories:
  - (a) As explained to us, inventories were physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.
  - (b) As per the information given to us, the procedures of physical verification of inventories followed by management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (b), (c) and (d) of the order are not applicable.
  - (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the informed internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 of Act have been entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in register maintained under Section 301 of the Companies Act 1956, and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time
- (vi) The Company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under would apply.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1) (d) of the Act. We are of the opinion, that prima facie the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise

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duty and other statutory dues with the appropriate authorities. According to the information and explanations given to us, following are the amounts payable in respect of Income tax as at 31st March 2013 which have not been deposited on account:

Name of the Statute	Nature of the undisputed dues	Amount In Lacs	Assessment year
Maharashtra Value Added Tax Act	Value Added Tax	0.16	2006-07

There are no undisputed amounts outstanding in respect of provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other statutory dues outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, There are no disputed amounts outstanding in respect of Income Tax, Sales Tax/ Wealth Tax/ Service Tax / Custom Duty / Excise Duty as at 31st March 2013.
- (x). The accumulated losses at the end of financial year do not exceed the net worth of the company. The company has earned cash profit during the year and in the immediately preceding year.
- (xi). According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution or bank.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealer or trader in securities. The Company has not invested surplus funds in marketable securities and mutual funds.
- (xv) In our opinion, and according to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures; accordingly, the question of creating a security for such debentures does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For and on Behalf of  
**MITTAL & ASSOCIATES**  
*Chartered Accountants*  
(Firm Registration No. 106456W)

**M. Mehta**  
Partner  
M. No. 42990

Place: Mumbai,  
Dated: 20th May, 2013

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Indian Textile Industry plays an important role in the growth of the Indian economy. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country.

As per the statistics available from the Annual Report 2011-12 of the Ministry of textiles, Govt. of India, the Indian textile industry contributes about 14 percent to the industrial production and 3 percent to the gross domestic product (GDP) of the country. Around 8 percent of the total excise revenue collection is contributed by the textile industry. So much so, the textile industry accounts for as large as 21 percent of the total employment generated in the economy. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million. The sector is the second largest provider of employment after Agriculture. About 27 percent of the foreign exchange earnings are on account of export of textiles and clothing alone.

The report further says the current domestic market of textile in India is expected to increase up to US \$60 billion by 2013 from the current US\$ 34.6 billion. The share of exports is also expected to increase from 4 percent to 7 percent within 2013.

### **OUTLOOK, OPPORTUNITIES AND THREATS**

The future of Indian textile industry is highly dependent on availability of raw material at a competitive price.

In the past, the textile industry did not develop in an organized manner and the policy favoured fragmentation resulting in organized players suffering heavily because of the distorted fiscal structure. Fortunately, in the last few years, the Government has now provided level playing field to all the sectors of textile industry and therefore, large investments are coming in the textile industry.

### **RISKS AND CONCERNS**

The Textile sector is hampered by shortage of trained and specialized human capital. Besides this the high volatile raw material prices, foreign exchange fluctuation, higher interest cost, labour cost and power cost are some of the major challenges the textile industry is facing.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded, protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly.

### **FINANCIAL AND OPERATIONAL PERFORMANCE**

Please refer Director's Report.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT.**

The Company continued to have cordial and harmonious relations with its employees. It considers manpower as its asset and that people had been the driving force for growth and expansion of the Company.

### **CAUTIONARY STATEMENT**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.



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

### Corporate Governance

#### 1. PHILOSOPHY ON CODE OF GOVERNANCE

The philosophy underlying Corporate Governance seeks to create a system of “Checks and balances” based on transparency, ensuring integrity, clarity and consistency in the dealings of the Company with all its stakeholders. Good Governance ensures that the best corporate practices are followed by a Company. Implementation of the good governance indicates not only compliance of the laws and regulations of the land but also indicates the values, practices and culture of the organization.

#### 2. Board of Directors

- i. The Board consists of 6 Directors. 1 is Managing Director, 1 is Joint Managing Director 1 is Executive Director and 3 are Non-Executive Directors. Out of 6 Directors, 3 Directors are independent Directors.

The details of the Board of Directors of the Company are given below:

Name	Date of Appointment	Category	No. of Board Meetings attended	Last AGM	No. of other Directorship in public limited companies	Outside Committee Membership@	Outside Committee Chairmanship@
Shri P.R. Damani	21/07/1966	Promoter/ Managing Director	4	Yes	2	—	—
Shri N.R. Damani	02/05/1978	Promoter/ Joint Managing Director	3	Yes	2	—	—
Shri E.A.K. Faizullabhoj	20/12/1982	Non Executive Independent Director	2	No	—	—	—
Shri S.K. Somany	29/07/1988	Non Executive Independent Director	4	Yes	5	2	4
Shri Kiranbhai J Shah	09/10/1984	Non Executive Independent Director	3	No	—	—	—
Shri J.P. Singhal	31/07/2003	Executive Director	1	Yes	—	—	—

Though Shri E.A.K. Faizullabhoj is a partner of the Company's solicitor firm, and since the Company has no transactions with the firm for the past three years, in the opinion of the management he is an independent director.

@ Only two committees of the Board namely the Audit Committee and the Shareholders / Investor Grievance Committee are considered.

#### RESPONSIBILITIES

The Board of Directors' responsibilities inter alia include review of:

- \* Strategy and business plans
- \* Annual operating and capital expenditure budget
- \* Investment and exposure limits
- \* Business risk analysis and control
- \* Senior executive appointment
- \* Compliance with statutory / regulatory requirements and review of major legal issues
- \* Adoption of quarterly results / annual results
- \* Transaction pertaining to purchase, disposal of property, major provisions and write offs.

**BOARD MEETINGS**

The meetings of the Board of Directors' are scheduled well in advance and the folder containing the agenda for the meeting with detailed review of all aspects of the Company business, including performance of the Company, employee relations, details of investment, capital expenditure, etc. is circulated to all the directors. It also highlights important matters discussed at the shareholders grievance committee. Four Board meetings were held during the period 1st April 2012 to 31st March 2013. They were held on 21st May,2012, 26th July, 2012, 22nd October, 2012, 31st January, 2013.

Details of Director re-appointed during the year:

<b>Name of Director</b>	<b>Shri E.A.K Faizullabho</b>
Age	80
Date of Appointment	20/12/1982
Expertise in specific functional areas	Solicitor
Qualification	L.L.B.
No. of Equity Shares Held	1565
List of Outside Company Directorships held in Public Limited Companies.	None
Chairman/ Member of the Committees of Directors of other Companies in which he/she is a Director. @	None

@ Only two committees of the Board namely the Audit Committee and the Shareholders/ Investor Grievance Committee are considered.

**3. REMUNERATION OF DIRECTORS**

Name of the Director	Salary	Perquisite	Sitting Fees	Total	No. of Shares
Shri P.R. Damani	Rs6,72,000/-	Rs.1,89,200/-	—	Rs.8,61,200/-	1043090
Shri N.R. Damani	Rs6,04,800/-	Rs.1,64,400/-	—	Rs.7,69,200/-	641607
Shri E.A.K. Faizullabho	—	—	Rs.1,500/-	Rs.1,500/-	1565
Shri S.K. Somany	—	—	Rs.3,000/-	Rs.3,000/-	100
Shri Kiranbhai J Shah	—	—	Rs.2,250/-	Rs.2,250/-	Nil
Shri J.P. Singhal	Rs.1,68,000	Rs.26,500/-	—	Rs.1,94,500/-	88

**4. AUDIT COMMITTEE**

i. The Audit Committee of the Board of Directors was formed by the Board on 30th July,2002 and Committee comprises of 3 members. The functions of the Committee are as specified in Clause 49 of the Listing Agreement entered with Stock Exchanges in which the Company's shares are listed. These include overseeing of Company's financial reporting process, recommending the appointment and removal of external auditors, reviewing the quarterly, half yearly and annual financial statement, financial management policies, adequacy of internal control system , internal audit function including discussing significant findings, reviewing reasons for default into payment and related parties transactions.

There were four meetings held during the period under review on 21st May,2012, 24th July,2012, 22nd October,2012 and 31st January,,2013. The attendance of members for the meetings is as follows:

ii & iii.

Name of the Member	Designation	No. of meeting attended
Shri S.K. Somany	Chairman	Four
Shri Kiranbhai J Shah	Member	Four
Shri N.R. Damani	Member	Four

Shri S. K. Somany has financial management expertise because of his considerable experience in the textile industry.

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### 5. REMUNERATION COMMITTEE

i. Brief description of terms of reference

Remuneration Committee was constituted on 25th October,2002 and it reviews and approves the annual salaries, performance commission, service agreements and other employment conditions for Managing/Executive directors.

ii. Composition, name of members and Chairperson

Committee comprises of Shri E.A.K. Faizullabhoy, Chairman and Shri S.K. Somany, Member. During 1st April,2012 to 31st March,2013 and no meeting of Remuneration Committee was held during the period.

iii. Attendance during the year

Name of the Member	Designation	No. of meeting attended
Shri E.A.K. Faizullabhoy	Chairman	N.A.
Shri S.K. Somany	Member	N.A.

iv. Remuneration policy

The Managing / Executive Directors are paid remuneration as per the Agreements entered between them and the Company. These Agreements are placed for approval before the Board and the shareholders and such other authorities as may be necessary. The remuneration structure of the Managing / Executive Directors comprises of salary, commission, perquisites and allowances, contributions to provident fund and gratuity. However no commission is paid due to inadequacy of profits. The non-executive directors do not draw any remuneration from the Company except sitting fees. The details of remuneration to directors is furnished in paragraph 3 above. Presently the Company does not have a scheme for grant of Stock option either to Managing Director/Executive Director or to the employees.

### 6. SHAREHOLDER/INVESTOR GRIEVANCE COMMITTEE

- i. Name of non-executive director heading the committee : Shri Kiranbhai J. Shah
- ii. Name & designation of Compliance officer : Shri A.K. Mohta  
Finance Manager
- iii. Number of shareholders' complaints received so far : Nil
- iv. Number of complaint/s resolved to the satisfaction of the shareholders : —
- v. Number of pending complaints : Nil

The Investor Grievances Committee was constituted on 25th October,2002 to specifically look into the redressal of shareholder and investor complaints like transfer of shares, non-receipt of dividends, non-receipt of Annual Reports, etc. There were four meetings held during the period under review on 21st May,2012, 24th July,2012, 22nd October,2012 and 31st January, 2013. The attendance of members for the meetings is as follows:

Name of the Member	Designation	No. of meeting attended
Shri Kiranbhai J. Shah	Chairman	Four
Shri N.R. Damani	Member	Four

### 7. GENERAL BODY MEETING

i. Location and time of General Meetings held in last 3 years

Year	AGM/EGM	Location	Date	Time
2011-2012	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	26th July,2012	12.30 p.m.
2010-2011	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	06th August,2011	12.30 p.m.
2009-2010	AGM	Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.	15th July,2010	04.30 p.m.

- ii The following Special Resolutions were passed in the previous 3 AGMs

Subject matter of Resolution	Date of AGM
Re-appointment of Managing Director	15.07.2010
Re-appointment of Joint Managing Director	06.08.2011
	26.07.2012

- iii No Special Resolution was passed by Postal Ballot during the year 2012-13

## 8. DISCLOSURES

- i. There were no materially significant related party transaction with the promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The details of the transaction with related parties are given in Clause No. 2.6 of the Notes forming part of the Accounts.
- ii. There were no non-compliance by the Company & no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter relating to the capital markets during the last three years.
- iii. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement .

## 9. CEO / CFO Certification.

The Joint Managing Director (CFO) furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal control as required under Clause 49 of the Listing Agreement.

## 10. Means of Communication

- i. The Company publishes Quarterly & Half Yearly results in the prescribed form within the prescribed time.
- ii. The results were forthwith sent to the Stock Exchanges where shares are listed and also published in the Free Press Journal, Navshakti in Mumbai and Vishwa Samachar at Solapur.
- iii. The Company has a website where results or official news are displayed.
- iv. No presentations were made to Institutional Investors or analyst during the year.
- v. Management discussion and analysis form part of the Annual Report.

## 11. GENERAL SHAREHOLDER INFORMATION

- i. ANNUAL GENERAL MEETING
- Date and Time : To be decided by Board
- Venue : Fatehchand Damani Nagar, Station Road, Solapur-413001.
- ii. Financial Year : 2012-2013
- iii. Book Closure Date : To be decided by Board
- iv. Dividend Payment Date : Not Applicable
- v. Listing of Equity Shares on : The Stock Exchange, Mumbai
- vi. Stock Code : 502901 The Stock Exchange, Mumbai
- Demat ISIN Nos. in NSDL & CDSL for Equity Shares INE462D01018 Mumbai

## vii & viii. Market Price Data & Bse Sensex

Month	Stock Price Data of the Company		BSE INDEX	
	Highest	Lowest	Highest	Lowest
April, 2012	36.60	30.10	17664.10	17010.16
May, 2012	35.75	30.25	17432.33	15809.71
June, 2012	39.70	28.55	17448.48	15748.98
July, 2012	40.50	28.20	17631.19	16598.48
August, 2012	34.35	27.20	17972.54	17026.97
September, 2012	35.00	26.60	18869.94	17250.80
October, 2012	36.00	25.80	19137.29	18393.42
November, 2012	33.00	27.35	19372.70	18255.69
December, 2012	30.00	23.00	19612.18	19149.03
January, 2013	28.20	24.00	20203.66	19508.93
February, 2013	29.70	20.40	19966.69	18793.97
March, 2013	26.40	19.00	19754.66	18568.43

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

ix. Registrar & Transfer Agents : Computech Sharecap Ltd.,  
147, Mahatma Gandhi Road, 3rd Floor,  
Opp. Jehangir Art Gallery, Fort, Mumbai - 400 023.  
Telephone : 22635000-01-02-03

x. Share Transfer System :

Application for transfer of shares held in physical form are received at the office of Registrar & Share transfer agent of the Company. Presently, the share transfer instruments which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Company has as per SEBI guidelines, also offered the facility of transfer of shares under dematerialization cum transfer. Under the system, after the share transfer is effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him in case he wishes to dematerialize the shares, to approach Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a Dematerialization request and sends the same to the Company along with the option letter issued by the Company. On receipt of the same, the Company dematerializes the shares. In case the transferee does not wish to dematerialize the shares, he need not exercise the option and the Company dispatches the shares certificate/s to the shareholder.

xi. Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
Upto 2500	8505	99.37%	1059585	15.13%
2501-5000	31	0.36%	107479	1.54%
5001-10000	6	0.07%	37950	0.54%
10001-20000	5	0.06%	62705	0.90%
20001-30000	5	0.06%	122175	1.75%
30001-40000	1	0.01%	34128	0.48%
40001-50000	0	0.00%	0	0.00%
50001-100000	1	0.01%	64092	0.92%
100001 & above	5	0.06%	5511450	78.74%
Total	8559	100.000	6999564	100.000

xii. Dematerialization of equity shares & Liquidity:

Nearly 90.90% of total equity shares capital is held in dematerialized form with NSDL and CDSL.

xiii. Category of Shareholdings as on 31st March, 2013.

Category	No. of Shares	% of total Shares
Promoters & their relatives	5242109	74.89
Mutual Funds & UTI	200	00.00
Banks/FIs/Insurance Co. (Central/State Govt. Institutions / Non-Government Institutions)	24869	00.36
Foreign Institutional Investors	100	0.00
Private Corporate Bodies	30240	00.43
NRIs/OCBs	179422	02.56
Indian Public	1522624	21.76
Total	6999564	100.00

xiv. Financial Calendars (Provisional)

Quarter	Release Date (Tentative and subject to change)
1st Quarter ending 30th June	26-07-2013
2nd Quarter ending 30th September	29-10-2013
3rd Quarter ending 31st December	30-01-2014
4th Quarter ending 31st March	27-05-2014

For 2012-2013, Company does not have any proposal for postal ballot.

xv. There are no Outstanding GDRs/ADRs/Warrants or Convertible instruments.

xvi. Plant Location : Fatehchand Damani Nagar, Station Road, Solapur – 413 001.

xvii. Address for Communication : The Jamshri Ranjitsinghji Spg. & Wvg. Mills Co.Ltd.  
Fatehchand Damani Nagar, Station Road, SOLAPUR - 413 001.

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**NON MANDATORY REQUIREMENTS**

**The Board**

All the Independent Directors (3) are holding office for more than 9 years.

**Remuneration Committee:**

Details are given under the heading "Remuneration Committee".

**Shareholders' rights**

The financial results, after they are taken on record by the Board of Directors, are forthwith sent to Bombay Stock Exchange Ltd. The results, in the prescribed Proforma, are published in the following newspapers, viz., "Free Press Journal and Navshakti" in Mumbai and "Vishwa Samachar" at Solapur.

Therefore, the results were not separately circulated to all Shareholders.

**Whistle Blower Policy**

The Company has a whistle blower mechanism wherein the employees are free to report violation of laws, rules regulation or unethical conduct to their immediate Supervisor or such other person as may be notified by the Management to the workgroups. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

**Declaration by the Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct**

As required by the amended clause 49 of the Listing Agreement the Board of Directors of the Company have adopted a code of conduct for all Board Members and Senior Management of the Company. The members of the Board of Directors and Senior Management of the Company have affirmed compliance of the said code during the period under review.

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

**P. R. Damani**  
*Managing Director*

Mumbai  
Date: 20/05/2013

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Members,  
The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited

We have examined the compliance of conditions of Corporate Governance by The Jamshri Ranjitsinghji Spinning & Weaving Mills Company Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For and on behalf of  
**MITTAL & ASSOCIATES**  
*Chartered Accountants*  
F.R.NO.: 106456W

**M. MEHTA**  
*Partner*  
M.No: 42990

Place: Mumbai  
Date: 20/05/2013

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

### BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
a) Share capital	1	69,936,500	69,934,810
b) Reserves and surplus	2	(12,036,235)	(12,756,550)
<b>NON-CURRENT LIABILITIES</b>			
a) Long term Borrowing	3	293,967	1,148,235
b) Other long-term liabilities	4	248,000	248,000
c) Long-term provisions	5	7,545,553	6,961,051
<b>CURRENT LIABILITIES</b>			
a) Short term Borrowing	6	13,558,299	15,753,248
b) Trade payables	7	9,403,968	16,107,470
c) Other current liabilities	8	7,422,809	5,702,366
d) Short-term provisions	9	4,645,394	4,637,910
TOTAL		<u>101,018,255</u>	<u>107,736,540</u>
<b>II. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
a) Fixed assets			
Tangible assets	10	28,988,338	31,852,438
b) Non Current Investments	11	400,000	400,000
c) Long-term loans and advances	12	15,209,099	20,424,252
d) Other non-current assets	13	0	136,778
<b>CURRENT ASSETS</b>			
a) Inventories	14	18,654,586	17,899,374
b) Trade receivables	15	23,984,982	17,842,858
c) Cash and cash equivalents	16	4,768,950	2,045,505
d) Short-term loans and advances	17	7,194,478	15,483,841
e) Other Current Assets	18	1,817,822	1,651,494
TOTAL		<u>101,018,255</u>	<u>107,736,540</u>

Significant Accounting Policies & Notes on Accounts 26

The accompanying notes are an integral part of the financial statement

As per our Report attached

**For MITTAL & ASSOCIATES**  
CHARTERED ACCOUNTANTS  
F.R.NO: 106456W

**M MEHTA**  
PARTNER  
MEMBERSHIP NO.: 42990

PLACE : MUMBAI  
DATE :- 20th May, 2013

**P. R. DAMANI**  
CHAIRMAN & MANAGING DIRECTOR

**KIRANBHAI J. SHAH**  
DIRECTOR

**SHWETA R. KALANTRI**  
COMPANY SECRETARY  
M.NO. A26092

**PROFIT & LOSS FOR THE YEAR ENDED 31 ST MARCH, 2013**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>Year ended 31st March 2013</b>	<b>Year ended 31st March 2012</b>
<b>INCOME</b>			
I. Revenue from Operations	19	<b>439,289,401</b>	451,718,810
Less : Excise Duty		<b>0</b>	0
II. Other Income	20	<b>8,727,280</b>	7,231,027
III. Total Revenue ( I + II)		<b>448,016,681</b>	458,949,837
<b>IV. EXPENSES</b>			
(a) Cost of Materials Consumed	21	<b>295,772,792</b>	324,298,500
(b) Changes in inventories of finished goods, Work in progress.	22	<b>(2,199,540)</b>	7,175,230
(c) Employee Benefit expense	23	<b>23,355,089</b>	22,309,004
(d) Finance Costs	24	<b>3,533,961</b>	2,529,235
(e) Depreciation		<b>5,108,382</b>	4,583,026
(f) Other expenses	25	<b>107,960,559</b>	98,264,452
(g) Loss on cancellation of sale of land		<b>13,776,108</b>	0
Total Expenses		<b>447,307,351</b>	459,159,447
<b>V. Profit/(Loss) Before tax</b>		<b>709,330</b>	(209,610)
<b>VI. Tax Expense</b>			
Current Tax		<b>0</b>	0
<b>VII. Profit/(loss) After tax</b>		<b>709,330</b>	(209,610)
<b>VIII. Profit/ (loss) for the period from continuing operations</b>		<b>709,330</b>	(209,610)
<b>Earnings per equity share</b>			
Basic & Diluted Earning per share		<b>0.10</b>	(0.03)

Significant Accounting Policies &amp; Notes on Accounts 26

The accompanying notes are an integral part of the financial statement

As per our Report attached  
**For MITTAL & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 F.R.NO: 106456W

**M MEHTA**  
 PARTNER  
 MEMBERSHIP NO.: 42990

PLACE : MUMBAI  
 DATE :- 20th May, 2013

**P. R. DAMANI**  
 CHAIRMAN & MANAGING DIRECTOR

**KIRANBHAI J. SHAH**  
 DIRECTOR

**SHWETA R. KALANTRI**  
 COMPANY SECRETARY  
 M.NO. A26092



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

### NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013	As at March 31, 2012		
<b>Note 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorized</b>				
Equity shares, Rs.10/- per value 75,00,000 Equity Shares	75,000,000	75,000,000		
Preference Shares, Rs. 100/-per value 2,50,000 Preference Shares	25,000,000	25,000,000		
<b>Issued</b>				
Equity shares, Rs.10/- per value 69,99,564 Equity shares	69,995,640	69,995,640		
<b>Subscribed &amp; Paid Up:-</b>				
Equity shares, Rs.10/- per value 69,99,564 Equity shares	69,995,640	69,995,640		
Due from Directors	0	0		
Due from Employees	0	0		
Due from others				
Less: Allotment Money in arrear	10,340	12,030		
Less: Call Money in arrear	48,800	48,800		
Total	<u>69,936,500</u>	<u>69,934,810</u>		
<b>RECONCILIATION OF NO. OF SHARES</b>				
Shares at the opening of the year	6,999,564	6,999,564		
Add: new issued	0	0		
Shares at the closing of the year	<u>6,999,564</u>	<u>6,999,564</u>		
Details of shareholders holding more than 5% shares in the Company				
	<b>No of Shares</b>	<b>% holding in the class</b>	<b>No of Shares</b>	<b>% holding in the class</b>
Shri P.R. Damani	1,043,090	15	1,043,090	15
Shri N.R. Damani	641,607	9	641,607	9
Smt Bimladevi Damani	1,531,734	22	1,531,734	22
Smt Sarladevi Damani	1,989,770	28	1,989,770	28
<b>Note 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Share premium</b>				
Opening Balance	0		0	
During the Year	10,985		0	
Closing Balance	<u>10,985</u>		<u>0</u>	
<b>Profit &amp; Loss A/c</b>				
Opening Balance	(12,756,550)		(12,546,940)	
During the Year(loss)/Profit	709,330		(209,610)	
Closing Balance	<u>(12,047,220)</u>		<u>(12,756,550)</u>	
Total	<u>(12,036,235)</u>		<u>(12,756,550)</u>	

**NOTES TO FINANCIAL STATEMENTS**

	As at March 31, 2013	As at March 31, 2012
<b>Note 3</b>		
<b>LONG-TERM BORROWINGS</b>		
Secured Loan From Non Banking Financial Company Kotak Mahindra Prime Ltd (Secured by Hypothecation of Vehicles) EMI Rs.25999/- payable upto December,2014 EMI Rs. 71205/- payable upto April, 2014 LESS: Maturity within one year	1,361,026	2,314,683
	1,067,059	1,166,448
Total	<u>293,967</u>	<u>1,148,235</u>
<b>Note 4</b>		
<b>OTHER LONG TERM LIABILITY</b>		
Other Deposits	248,000	248,000
Total	<u>248,000</u>	<u>248,000</u>
<b>Note 5</b>		
<b>PROVISION</b>		
<b>LONG TERM PROVISION</b>		
Provision for Gratuity	6,232,543	5,678,731
Provision for Leave encashment	1,313,010	1,282,320
Total	<u>7,545,553</u>	<u>6,961,051</u>
<b>Note 6</b>		
<b>SHORT-TERM BORROWINGS</b>		
Secured Loan Working capital Loan Loan from Vyapari Sahkari Bank (Secured by Hypothecation of Inventories and Book Debts interest @ 13%)	13,558,299	15,753,248
Total	<u>13,558,299</u>	<u>15,753,248</u>
<b>Note 7</b>		
<b>TRADE PAYABLE</b>		
Raw Materials and Packing Materials	9,403,968	16,107,470
Total	<u>9,403,968</u>	<u>16,107,470</u>
<b>Note 8</b>		
<b>OTHER CURRENT LIABILITY</b>		
Current maturities for long term borrowings	1,067,059	1,166,448
Payable for General Exp.	1,045,208	1,038,665
Statutory Payables	261,156	208,976
Advance received from waste/ sundry sale	409,059	216,917
Outstanding commission (Yarn sale)	19,109	53,900
Other Advances	4,500,000	3,009,322
Payable to workers	121,218	8,138
Total	<u>7,422,809</u>	<u>5,702,366</u>
<b>NOTE 9</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for expenses	4,016,172	3,811,354
Provision for Satutory expenses	629,222	826,556
Total	<u>4,645,394</u>	<u>4,637,910</u>

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

Note 10

**FIXED ASSETS**

**Tangible Assets**

**FIXED ASSETS AS ON 31ST MARCH- 2013**

Assets	GROSS BLOCK				DEPRECIATION				NETBLOCK		
	As on 01-04-2012 (Rs)	Addition & Transfer (Rs)	Sales & Transfer (Rs)	As on 31-03-2013 (Rs)	Up to 01-04-2012 (Rs)	Deduction & Transfer & Adjustment (Rs)	Depreciation adjusted (Rs)	Provided During the Period (Rs)	Up to 31-03-2013 (Rs)	As on 31-03-2013 (Rs)	As on 31-03-2012 (Rs)
Free Hold Land	28,629	27,692		56,321	0		0	0	0	56,321	28,629
Building & Ownership block	52,054,272			52,054,272	42,820,515		873,345	43,693,860	8,360,412	8,360,412	9,233,757
Plant & Machinery	188,154,429		2,289,607	185,864,822	178,240,806	2,289,607	73,290	176,835,339	9,029,483	9,029,483	9,913,623
Electrical Installation	9,078,011			9,078,011	7,286,406		428,828	7,715,234	1,362,777	1,362,777	1,791,605
Laboratory Equipment	3,395,064			3,395,064	2,715,529		160,852	2,876,381	518,683	518,683	679,535
Furniture & Office Equipments	10,468,595	1,091,590	49,300	11,510,885	3,126,710	49,300	1,543,494	4,620,904	6,889,981	6,889,981	7,341,885
Vehicles	4,510,754	1,125,000		5,635,754	1,647,350		1,217,723	2,865,073	2,770,681	2,770,681	2,863,404
	267,689,754	2,244,282	2,338,907	267,595,129	235,837,316	2,338,907	73,290	238,606,791	28,988,338	28,988,338	31,852,438
PREVIOUS YEAR	255,945,233	11,744,521	0	267,689,754	231,254,290		4,583,026	235,837,316	31,852,438		

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**NOTES TO FINANCIAL STATEMENTS**


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	As at March 31, 2013	As at March 31, 2012
<b>Note 11</b>		
<b>NON CURRENT INVESTMENTS</b>		
LONG TERM (AT COST):		
NON TRADE INVESTMENT(FULLY PAID):		
VYAPARI SAHAKARI BANK MARYADIT 16000 (P.Y. 16000) EQUITY SHARES OF RS. 25/- EACH FULLY PAID	400,000	400,000
Total	<u>400,000</u>	<u>400,000</u>
<b>Note 12</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Balance with Govt.	4,805,814	10,069,330
Intercorporate Deposit	1,000,000	0
Other Deposites	9,331,103	9,972,698
Staff Loan	72,182	382,224
Total	<u>15,209,099</u>	<u>20,424,252</u>
<b>Note 13</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Long term Trade receivable (beyond 12 months)	1,441,682	2,245,859
Less: Provision for Doubtful Debts	1,441,682	0
Total	<u>0</u>	<u>136,778</u>
<b>Note 14</b>		
<b>INVENTORIES</b>		
Raw material	5,087,679	6,532,007
Material in process	8,558,050	8,564,350
Finished goods	4,998,086	2,800,747
Waste	10,771	2,270
Total	<u>18,654,586</u>	<u>17,899,374</u>
<b>Note 15</b>		
<b>TRADE RECEIVABLE</b>		
(Unsecured unless otherwise stated)		
More than operating cycle	0	0
Others(within operating cycle)	23,984,982	17,842,858
Total	<u>23,984,982</u>	<u>17,842,858</u>

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

### NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013	As at March 31, 2012
<b>Note 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Fixed Deposit with Vyapari Sahakari Bank Maryadit	2,810,000	500,000
Balances with Banks in current account		
In current account	1,476,265	852,010
With Scheduled Banks	412,038	670,009
Cash on hand	70,647	23,487
	4,768,950	2,045,505
	4,768,950	2,045,505
<b>Note 17</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured considered good unless otherwise stated)		
Trade advance for purchase of Machinery/Stores	743,093	854,193
Less: provision for doubtful advances	152,752	152,752
Balance with Govt.	1,151,071	11,316,818
Balances with other Bodies	1,000,000	1,000,000
Less: provision for doubtful advances	1,000,000	1,000,000
Tax Deducted at Source	873,066	568,582
Advance for repairs	0	350,000
Staff Loan Current maturities	80,000	47,000
Others	4,500,000	2,500,000
	7,194,478	15,483,841
	7,194,478	15,483,841
<b>Note 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest Accrued but not due	587,864	392,082
Interest accrued and due	236,187	236,187
Prepaid expenses	159,480	104,151
Incentive for Raw Material Purchase	262,492	514,459
Advance to suppliers	412,626	73,668
Advance for yarn doubling	0	330,947
Advance for waste sale	34,028	0
Advance for General creditors	16,836	0
Advance to workers & unpaid wages (Provision)	108,309	0
	1,817,822	1,651,494
	1,817,822	1,651,494
<b>Note 19</b>		
<b>Revenue from Operations</b>		
Sale of Products	435,943,666	447,871,758
Other Operating Revenues		
Waste Sale	3,345,735	3,847,052
Less: Excise Duties	0	0
	439,289,401	451,718,810
	439,289,401	451,718,810

**NOTES TO FINANCIAL STATEMENTS**

	As at March 31, 2013	As at March 31, 2012
<b>Note 20</b>		
<b>OTHER INCOME</b>		
Scrap Sale	3,065,802	3,242,591
Dividend	47,426	37,500
Interest Received	690,802	525,939
Licence fees	3,600,000	3,424,997
Profit on sale of Assets	600,000	0
Provision no longer required written back	697,399	0
Others	25,851	0
Total	<u>8,727,280</u>	<u>7,231,027</u>
<b>Note 21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Stock at Commencement	6,532,007	17,979,872
Add :- Purchases	294,328,464	312,850,635
	<u>300,860,471</u>	<u>330,830,507</u>
Less :- Stock at Close	5,087,679	6,532,007
Total	<u>295,772,792</u>	<u>324,298,500</u>
<b>Note 22</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS</b>		
Opening Stock		
Yarn & Waste	2,800,747	5,820,678
Yarn & Waste	2,270	6,026
Material in Process	8,564,350	12,715,893
	<u>11,367,367</u>	<u>18,542,597</u>
Less: Closing Stock		
Yarn	4,998,086	2,800,747
Waste	10,771	2,270
Material in Process	8,558,050	8,564,350
	<u>13,566,907</u>	<u>11,367,367</u>
Net Change In Inventory	<u>(2,199,540)</u>	<u>7,175,230</u>
<b>Note 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	16,740,418	17,490,420
Employee's Contribution to Provident Fund and other fund	1,651,369	1,573,351
Gratuity & Leave Encashment Expenses	1,262,269	888,927
Staff/Workers Welfare Expenses	2,069,033	695,996
Managerial Remuneration	1,632,000	1,660,310
Total	<u>23,355,089</u>	<u>22,309,004</u>

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

### NOTES TO FINANCIAL STATEMENTS

	As at March 31, 2013	As at March 31, 2012
<b>Note 24</b>		
<b>FINANCE COSTS</b>		
Interest Expenses		
Working capital Loan	1,163,442	1,592,525
Others	2,351,563	908,905
Bank Charges & Commission	18,956	27,805
Total	3,533,961	2,529,235
<b>Note 25</b>		
<b>OTHER EXPENSES</b>		
Store Spares & Doubling charges	17,607,507	15,446,160
Power & Fuel	65,575,556	58,310,381
Insurance	307,894	277,967
Repairs to Plant	2,955,560	3,600,031
Repairs to Building	230,219	303,094
Rates & Taxes	1,651,296	1,471,621
(a)	88,328,032	79,409,254
<b>SALES EXPENSES :</b>		
Sales expenses	4,278,889	4,222,145
Brokerage	217,388	655,080
Sales tax (Vat)	149,265	108,507
Bad Debts	804,176	0
(b)	5,449,718	4,985,732
<b>ADMINISTRATIVE EXPENSES :</b>		
Printing , Stationery, Postage, Telephone & Advertisement	928,540	1,097,869
Professional & legal charges	1,254,580	1,183,539
Audit fees	112,360	118,242
Tax Audit fees	6,624	6,624
Cost Audit fees	25,111	15,000
Internal Audit fee (Concurrent Audit fees)	67,416	33,090
Directors fees	9,000	6,750
Conveyance	256,932	145,591
<b>DIRECTORS TRAVELLING</b>		
Foreign	900,397	586,204
Domestic	184,155	118,044
	1,084,552	704,248
<b>OTHERS TRAVELLING</b>		
Foreign	0	0
Domestic	341,360	595,037
Motor Car expenses	1,016,296	866,292
Rent & Utility charges paid	6,879,000	6,220,225
Sundry Debit Balance Written off	11,876	405,424
Less: Sundry Credit Balance Written off	676,973	362,057
Sundry Balances Written Off	(665,097)	43,368
Loss on sale of furniture & fixtures	40	0
Boarding & Lodging	11,310	21,085
Office expenses	272,575	191,025
Business Promotion	549,009	547,856
Maintenance & Security Charges	1,129,291	1,168,937
Subscription & Periodical	52,538	32,132
Miscellaneous expenses	851,372	872,556
(c)	14,182,809	13,869,466
Total	107,960,559	98,264,452

**Note 26**

**Significant accounting policies and notes on accounts**

**1 Significant accounting policies**

**1.1 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Accountings Standards. These financial statements comprises mandatory accounting standards as prescribed by the ICAI, Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**1.2 Use of estimates**

The preparation of the financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post-sales customer support and the useful lives of fixed assets and intangible assets.

**1.3 Revenue Recognition**

Sales (domestic) are recognized on dispatch of products and are stated net of returns, and are inclusive of Excise Duty and Sales Tax / VAT.

**1.4 Provisions and contingent liabilities**

Provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

**1.5 Fixed assets:**

Fixed assets are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

**1.6 Impairment of Assets:**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognized impairment loss is further provided or reversed depending on the changes in circumstances.

**1.7 Depreciation:**

- A) The company provides depreciation on plant & machinery, electrical installations and laboratory equipment on straight line method and on other assets on written down value method as per Schedule XIV of the Companies Act, 1956.
- B) The company provides depreciation as per provisions of Section 205(2)(b) of the Companies Act, 1956 on straight line method on the assets acquired upto 31st March 1987, at the rate adopted till that date in accordance with circular No.1/86 dated 21st may 1986 issued by the department of company affairs and on assets acquired thereafter at the rates as per Schedule XIV of the Companies Act, 1956.



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

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### **1.8 Employee Benefits:**

#### **Defined contribution plan :**

Company's contribution paid/payable during the year towards Provident Fund, Employees Pension Fund, ESIC and Labour Welfare fund being charged to profit and loss account.

#### **Defined benefit plan:**

Company's liability towards gratuity and leave encashment are based on actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and loss account as income or expense.

### **1.9 Research and Development:**

Revenue expenses relating to research and development activity is charged to profit & loss account. Capital expenditure incurred for research and development is capitalized.

### **1.10 Investments:**

Long-term investments are carried at cost. However provision for diminution in value is made to recognize a decline other than temporary in the value of investments. Current investments are stated at cost or fair value whichever is lower.

### **1.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash deposit with banks.

### **1.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

### **1.12 Valuation of Inventories :**

Inventories are valued at lower of costs or net realizable value. Cost is ascertained in respect of:-

- i) Raw materials on first-in-first-out basis.
- ii) Stores and spares on first-in-first-out basis
- iii) Material in progress on the basis of cost of raw materials issued, direct labour and appropriate factory overheads and with reasonable estimates, where necessary, upto the stage of completion.
- iv) Finished goods on the basis of cost of raw material, direct labour and appropriate factory overheads and with reasonable estimates, where necessary.

### **1.13 Taxation:**

Income tax expense comprises of current tax, deferred tax charge or credit and current tax is made with reference to taxable income computed for the accounting year, for which the financial statements are prepared by applying the tax rates as applicable. Deferred tax charge reflects the impact of current year timing differences between taxable income and accounting income. The deferred tax charge or credit is recognized using prevailing enacted or substantively enacted tax rates. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realization / liabilities.

### **2.1 Contingent Liabilities: Nil**

**2.2** The company has made profit of Rs. 7.09 lacs during the year ended 31st March 2013, the accumulated losses amount to Rs. 120.36 lacs resulting in a positive net worth of Rs. 578.87 lacs (previous year positive worth of Rs. 571.78 lacs).

- 2.3** The company had only one business segment i.e. Textiles and the figures pertain to that only.
- 2.4** The Company has opted to avail benefit under Central Excise Notification No.30/2004 for non-payment of excise duty on yarn produced and correspondingly will not claim credit on inputs w.e.f 1st July 2006. No provision has been made for the unutilised Cenvat credit amounting to Rs. 47.96 Lacs. The Company is actively considering available alternatives for utilizing this balance.
- 2.5** In pursuance to Accounting Standard -28 issued by the Institute Chartered Accountants of India, the company has assessed no impairment of assets as on 31st March 2013, hence no provision has been made in the books of accounts.

**2.6 LIST OF RELATED PARTIES:**

**A) ASSOCIATES / JOINT VENTURES:**

**SR. NO. PARTICULARS**

1. MR. P R DAMANI (MANAGING DIRECTOR)
2. MR. J P SINGHAL ( EXECUTIVE DIRECTOR)
3. MR. N R DAMANI ( JOINT MANAGING DIRECTOR)

WE CONFIRM THAT THE FOLLOWING ARE THE KEY MANAGEMENT PERSONNEL OF THE COMPANY:

**B) KEY MANAGEMENT PERSONNEL:**

**SR. NO. PARTICULARS**

1. SHRI J.M.ADHIA
2. SHRI A.K. MOHTA

**2.7** Related party disclosures enterprises in which the promoter directors are interested.

Sr. No.	Name of the related party	Transaction	Amount (Rs. In lacs)	Balance due to related parties (Rs. In lacs)
1	Mr P R Damani (Managing Director)	Remuneration	8.61 (8.55)	8.55 (7.12)
2	Mr J P Singhal (Executive Director)	Remuneration	1.94 (1.78)	1.78 (1.78)
3	Mr N R Damani (Joint Managing Director)	Remuneration	7.69 (6.27)	6.27 (4.44)

**2.8** Key Management Personnel disclosure

Sr. No.	Name of the Key Management	Transaction	Amount (Rs. In lacs)	Balance due to related parties (Rs. In lacs)
1	Mr. J.M. Adhia (General Manager )	Salary	9.79 (8.98)	8.98 (8.46)
2	Mr A . K. Mohta (Finance Manager)	Salary	6.51 (6.30)	6.30 (6.09)

Figures in brackets represent previous year's figures.

**2.9.** Provision for taxation :

- (a) Current tax: In view of the carried forward losses the company has no taxable income.
- (b) Deferred Tax (AS 22): In view of the carried forward losses the company has deferred tax assets. However, as a matter of prudence the same has not been recognized in the financial statements since the management is not certain that sufficient taxable income will be available in the future against which such deferred tax assets could be adjusted.

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

### 2.10 Employee Defined Benefits:-

The Company has made provision for gratuity as per Actuary Certificate and the amount is unfunded.

(As per Actuarial Valuation as on March 31, 2013)

	Gratuity		Leave Encashment	
	Mar-2013 Rs.	Mar-2012 Rs.	Mar-2013 Rs.	Mar-2012 Rs.
(i) Expenses recognized during the year ended March 31, 2013 (included in Schedule of Profit & Loss Account)				
1. Current Service Cost	474413	494437	332550	327600
2. Interest Cost	450721	426253	101916	92407
3. Expected return on plan assets	-	-	-	-
4. Actuarial Loss / (Gain)	125391	(264158)	(294952)	(246187)
5. Total Expense	1050525	656532	139514	173820
(ii) Net Asset / (Liability) recognized in the Balance Sheet as at March31,2013				
1. Present Value Defined Benefit obligation	5678731	5634130	1313010	1282320
2. Fair value of plan assets	-	-	-	-
3. Funded status (Surplus / (Deficit))	(6232543)	(5678731)	(1313010)	(1282320)
4. Net asset / (Liability)	(6232543)	(5678731)	(1313010)	(1282320)
(iii) Change in obligation during the year ended March 31, 2013				
1. Present value of Defined Benefit Obligation at the beginning of the year	5678731	5634130	1282320	1201680
2. Current Service Cost	474413	494437	332550	327600
3. Interest Cost	450721	426253	101916	92407
4. Settlement Cost	-	-	-	-
5. Past Service Cost	-	-	-	-
6. Employee Contributions	-	-	-	-
7. Actuarial (Gains) / Losses	125391	(264158)	(294952)	(246187)
8. Benefit Payments	(496713)	(611931)	(108824)	(93180)
9. Present value of Defined Benefit Obligation at the end of the year	6232543	5678731	1313010	1282320
(iv) Change in Assets during the year ended March 31, 2013	-	-	-	-
Actuarial Assumptions:				
1. Discount Rate	8.05 %	8.30 %	8.05 %	8.00 %
2. Expected rate of return on plan assets	-	-	-	-
3. Expected rate of salary increase	4.00%	4.00%	4.00%	4.00%
4. Mortality Pre-retirement	LIC(1994-96)ULT	LIC(1994-96)ULT	LIC(1994-96)ULT	LIC(1994-96)ULT
5. Withdrawal rates	0.80%	0.80%	0.80%	0.80%

### 2.11 EARNING PER SHARE:

	2012-2013	2011-2012
NUMERATOR- PROFIT / (LOSS)	709330	-209610
DENOMINATOR – WEIGHTED AVERAGE NUMBER OF SHARES	6999564	6999564
BASIC EARNINGS PER SHARE	0.10	(0.03)
DILUTED EARNINGS PER SHARE	0.10	(0.03)

**2.12** Statutory information in the case of manufacturing companies are as certified by the management.

<b>Production Consumables</b>	<b>Value</b>	<b>Percentage</b>
<u>STORES &amp; SPARES PARTS CONSUMED</u>		
Indigenous	17607507	100%
<u>RAW MATERIALS CONSUMED</u>		
Raw materials	295772792	100%
<u>EXPENDITURE IN FOREIGN CURRENCY</u>		
Travelling	900397	

**2.13** No confirmation has been received from the enterprises regarding Micro, Small and Medium enterprises as defined in the Micro, Small, medium enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

**2.14** The previous year figures have been regrouped wherever necessary.

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

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Year Ended 31st March 2013		Year Ended 31st March 2012	
	Amount ( Rs.)	Amount ( Rs.)	Amount ( Rs.)	Amount ( Rs.)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES:</b>				
Net Profit/ (Loss) Before Tax		709,330		(209,610)
Adjustments for:				
Depreciation	5,108,382		4,583,026	
Loss/(Profit )On sale Of Fixed Assets (Net)	(599,960)		-	
Dividend Received	(47,426)		(37,500)	
Interest Charged	3,515,005		2,501,430	
Interest Received	(690,802)		(525,939)	
Provision for Gratuity / Leave encashment	584,502		125,241	
		<b>7,869,701</b>		6,646,258
Operating Profit/(Loss) Before Working Capital Changes.		<b>8,579,031</b>		6,436,648
Adjustments for:				
Trade & Other Receivables	7,658,503		(2,382,311)	
Inventories	(755,212)		18,623,095	
Trade Payables	(4,897,363)		(16,170,897)	
		<b>2,005,928</b>		69,887
Cash Generated / (utilised) From Operations.		<b>10,584,959</b>		6,506,535
Direct Taxes (Paid)/ Received	(304,484)		(300,872)	
		<b>(304,484)</b>		(300,872)
Net Cash Generated / (utilised) From Operating Activity		<b>10,280,475</b>		6,205,663
<b>B. Cash Flow From Investing Activity</b>				
Purchase Of Fixed Assets	(2,244,282)		(11,744,521)	
Sale Of Fixed Assets	599,960		-	
Sale /(Purchase) Of Investments	-		(87,500)	
Interest Received	690,802		525,939	
Dividend Received	47,426		37,500	
Net Cash Used In Investing Activities.		<b>(906,094)</b>		(11,268,582)
<b>C. Cash Flow From Financing Activity</b>				
Proceed from Share Issue	12,675			
Proceeds/(Repayments) From/ Of Borrowings (Net)	(3,148,606)		5,905,720	
Interest Paid	(3,515,005)		(2,501,430)	
Net Cash Used In Financing Activities.		<b>(6,650,936)</b>		3,404,290
Net Increase/(Decrease) In Cash & Cash Equivalents(A+B+C)		<b>2,723,445</b>		(1,658,629)
Cash & cash Equivalents Opening Balance		<b>2,045,505</b>		3,704,134
		<b>2,045,505</b>		3,704,134
Cash & Cash Equivalents Closing Balance		<b>4,768,950</b>		2,045,505
(Deposit of Rs. 28100000/- with Bank)		-		-
		<b>4,768,950</b>		2,045,505

**Note:-**

- 1) The above Cash Flow Statement has been prepared under the " indirect method" as set out in the Accounting Standard 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- 2) Previous year's figures have been regrouped wherever necessary.
- 3) Cash Out Flows are shown in brackets

As per our Report attached  
**For MITTAL & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 F.R.NO: 106456W

**M MEHTA**  
 PARTNER  
 MEMBERSHIP NO.: 42990

**P. R. DAMANI**  
 CHAIRMAN & MANAGING DIRECTOR

**KIRANBHAI J. SHAH**  
 DIRECTOR

**SHWETA R. KALANTRI**  
 COMPANY SECRETARY  
 M.NO. A26092

PLACE : MUMBAI  
 DATE :- 20th May, 2013