



# JAYATMA INDUSTRIES LIMITED

(Formerly known as Santaram Spinners Limited)

35<sup>th</sup> Annual Report  
2018-19

## CORPORATE INFORMATION

### Board of Directors:

Mr. Nirav K. Shah	Chief Executive Officer & Director
Mr. Janak G. Nanavaty	Chairman & Independent Director
Ms. Toshi B. Mehta	Additional Director
Mr. Rajan P. Parikh	Additional Independent Director
Mr. Fenil R. Shah	Independent Director

### Chief Financial Officer

Mr. Mayank C. Thaker

### Company Secretary

Ms. Angee R. Shah

### Registered Office:

259, 3rd Floor, New Cloth Market,  
Outside Raipur Gate,  
Ahmedabad – 380002

### Corporate Office:

1, Laxmi Nagar Society,  
Naranpura,  
Ahmedabad – 380013

### Works:

Survey No. 1433,  
Near Rajpur Bus Stand,  
Ta.: Kadi, Dist.: Mehsana, Gujarat

### Contact us:

www.jayatmaindustries.com  
cs@jayatma.com  
(079) 22167030/40

### Bankers:

Union Bank of India  
Punjab National Bank

Nutan Nagarik Sahakari Bank Ltd.  
State Bank of India

### Auditors:

M/s. Keyur Bavishi & Co.  
Chartered Accountants,  
C-202, 2nd Floor, Indraprastha Tower,  
Nr. Drive in Cinema, Drive in road,  
Ahmedabad – 380052

### Secretarial Auditor:

M/s. Patel & Associates,  
Practicing Company Secretaries,  
16, Arasuri Society,  
Nr. Vyasvadi, Nava Vadaj,  
Ahmedabad – 380013

### Registrar & Share Transfer Agent:

Purva Sharegistry (India) Private Limited  
(Mumbai Office)  
Unit No. 9, Ground floor, Shiv Shakti Ind. Estt.,  
J. R. Boricha Marg, Lower Parel (East), Mumbai – 400 011  
Tel.: (022) 2301 8261/2517  
support@purvashare.com

### COMPOSITION OF COMMITTEES OF THE COMPANY:

#### 1. Audit Committee:

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Janak G. Nanavaty	Chairman
Mr. Nirav K. Shah	Member
Mr. Fenil R. Shah	Member
Rajan P. Parikh	Member

#### 2. Nomination & Remuneration Committee:

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Fenil R. Shah	Chairman
Janak G. Nanavaty	Member
Rajan P. Parikh	Member

#### 3. Stakeholder Relationship Committee:

(Revised and reconstituted with the effect from 22.04.2019)

Mr. Janak G. Nanavaty	Chairman
Rajan P. Parikh	Member
Mr. Fenil R. Shah	Member

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NOTICE

**NOTICE** is hereby given that the 35<sup>th</sup> Annual General Meeting of the Members of Jayatma Industries Limited (formerly known as “Santaram Spinners Limited”) will be held as scheduled below:

Date : 21st September, 2019

Day : Saturday

Time : 9.00 A.M.

Place : 259, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380002

to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2019 and the Balance Sheet as on that date along with Directors’ and Auditors’ Report thereon.
2. To appoint a Director in place of Mr. Nirav Kalyanbhai Shah (DIN: 00397336), who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. **To re-appoint of Mr. Janak Gautambhai Nanavati (DIN: 00472925) as Independent Non-executive Director.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “**Special Resolution**”:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Janak Nanavati (DIN: 00472925), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and who is eligible for reappointment and whose office shall not be liable to retire by rotation, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.”

“**RESOLVED FURTHER THAT** any Director/Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

4. **To re-appoint of Mr. Fenil Rameshchandra Shah (DIN: 01558417) as Independent Non-executive Director.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “**Special Resolution**”:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Fenil Shah (DIN: 01558417), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and who is eligible for reappointment and whose office shall not be liable to retire by rotation, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2024.”

“**RESOLVED FURTHER THAT** any Director/Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

5. **Appointment of Mr. Rajan Priyakant Parikh (DIN: 00198383) as Non- Executive and Independent Director.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “Special Resolution”:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR / Listing Regulations), Mr. Rajan Priyakant Parikh (DIN: 00198383), who was appointed as an Additional Non-executive & Independent Director of the Company with effect from 22<sup>nd</sup> April, 2019 and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing from him proposing his candidature for the office of an Non-executive & Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from 22<sup>nd</sup> April, 2019 to 21<sup>st</sup> April, 2024.

“RESOLVED FURTHER THAT any Director/Company Secretary, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.

6. **Appointment of Ms. Toshi Bipinchandra Mehta (DIN: 08438628) as Non-executive Director.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “Ordinary Resolution”:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Toshi Bipinchandra Mehta (DIN: 08438628), who was appointed as Additional Non Executive Director at the meeting of the Board of Directors of the Company held on 22<sup>nd</sup> April, 2019 with effect from 30<sup>th</sup> April, 2019 and who holds office up to the date of ensuing Annual General Meeting of the Company on and in respect of whom the Company has received a notice in writing from her proposing her candidature for the office of Non-executive Director, be and is hereby appointed as Non-executive Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT Director/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

7. **To adopt a new set of Memorandum of Association of the Company in accordance with the Provisions of the Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “Special Resolution”:

“RESOLVED THAT pursuant to the provisions of Section 13 of the Companies Act, 2013 and other applicable provisions read with the rules and regulations made thereunder including any amendment, re-enactment or statutory modifications thereof, the new set of Memorandum of Association (as available at the registered office of the Company on the working days during the business hours) be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Memorandum of Association of the Company.”

“RESOLVED FURTHER any Director/Company Secretary, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and to sign all such other documents as may deem necessary, proper or desirable in connection with the adoption of the new set of Memorandum of Association of the Company, as approved by the Board.

8. **To adopt a new set of Articles of Association of the Company in accordance with the Provisions of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as “Special Resolution”:

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions read with the rules and regulations made thereunder including any amendment, re-enactment or statutory modifications thereof, the new set of Articles of Association (as available at the registered office of the Company on the working days during the business hours) be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** any Director/Company Secretary y, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things and to sign all such other documents as may deem necessary, proper or desirable in connection with the adoption of the new set of Articles of Association of the Company, as approved by the Board.

**For and on behalf of the Board,**

**Date: 05<sup>th</sup> August, 2019**  
**Place: Ahmedabad**

**Nirav Shah**  
**CEO & Director**  
**DIN: 00397336**

**Fenil Shah**  
**Director**  
**DIN:01558417**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. **The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting.** A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.

2. **Members/Proxies should bring the Attendance Slip duly attached herewith for attending the Meeting.** Members holding shares in dematerialized form are requested to bring their DP ID and Client ID for identification.
3. In case of joint holders attending the Meeting, only such joint holder whose name is mentioned earlier in the register of member will be entitled to vote.
4. Corporate Members intending to send their Authorized Representatives to attend the Meeting are requested to send a Certified Copy of the Board Resolution authorizing their Representatives to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 14<sup>th</sup> September, 2019 to Saturday, 21<sup>st</sup> September, 2019 (both days inclusive).
6. As a part of its Green initiative in Corporate Governance and Circulars issued by Ministry of Corporate Affairs allowing paperless compliances through electronic mode, soft copy of the Annual Report for 2018-19 will be sent along with the Notice to all the members whose email addresses are registered with the Company/its Registrar/ Depository Participant(s) unless any member requests for a hard copy of the same. For members who have not registered their email addresses, the Annual Report for the Financial Year 2018-19 along with the Notice will be sent in physical. All those members, who have not yet registered, are requested to register their email address with the Registrar/Depository Participants. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. The Notice of 35<sup>th</sup> Annual General Meeting and Annual Report 2018-19 will also be available on the company's website **www.jayatmaindustries.com** for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Ahmedabad for inspection during business hours.
8. **Voting through Electronic means:** Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 in pursuance with the Regulation 44 of Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right at the 35<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

## Jayatma Industries Limited

Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

The facility for voting through ballot will be made available at the AGM, and members attending the AGM who have not cast their vote by remote e-voting will be able to exercise their right at the AGM.

### PROCEDURE FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Wednesday, 18<sup>th</sup> September, 2019 at 9:00 am and ends on Friday, 20<sup>th</sup> September, 2019 at 5:00 pm During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, 14<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form (EVSN - 190826069)</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on address label/stickers affixed on the back page of the Annual Report.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- (xx) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:**

- A.** Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.
- B.** The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Saturday, 14<sup>th</sup> September, 2019, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
9. The Company has appointed M/s. Patel & Associates, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinabove.
10. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
11. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts, will be used by the Company for payment

of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate to their Depository Participants immediately.

12. Members holding shares in physical form are requested to intimate any change of address and/or bank to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company immediately.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Purva Sharegistry (India) Private Limited, Registrar and Share Transfer agent of the Company.
14. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
15. Members desiring any information relating to the accounts are requested to write to the Company at its registered office well in advance so as to enable the management to keep the information ready.
16. **Updating of Members' Details**

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. Members holding shares in physical form are requested to submit these additional details to RTA in the prescribed form. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants. Members are requested to:

- a) Intimate to our RTA M/s. Purva Sharegistry (India) Pvt. Ltd., at their address at Unit no. 9, Ground floor, Shiv Shakti Industrial Estate, Lower Parel, Mumbai (East) -400011, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
- b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialised form;
- c) Quote their folio numbers/Client ID/DP ID in all correspondence; and
- d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.



**PROFILE OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING:**

Name of Director	NIRAV KALYANBHAI SHAH
Director Identification Number	00397336
Date of Birth	15/06/1973
Date of first appointment	31/01/2011
Qualifications	Post Graduate
Expertise in specific	Administration and Management
Number of Equity shares held	1,60,850
List of other Public Ltd. Co. in which Directorship held	<ol style="list-style-type: none"> <li>1. Jayatma Spinners Limited</li> <li>2. Arvind SmartSpace Ltd</li> <li>3. DMCC Oil Terminals (Navlakhi) Limited</li> <li>4. Uttar Gujarat Vij Company Limited</li> </ol>
Chairman/ Member of the Committees of the Board of Directors of the other Co.	<ol style="list-style-type: none"> <li>1. Jayatma Enterprises Limited                             <ul style="list-style-type: none"> <li>• Member in Audit Committee</li> <li>• Member in Nomination &amp; Remuneration Committee</li> <li>• Member in Stakeholder Relationship Committee</li> </ul> </li> <li>2. Arvind SmartSpace Ltd                             <ul style="list-style-type: none"> <li>• Member in Audit Committee</li> </ul> </li> </ol>
Relationship between Directors inter-se	Mr. Nirav Shah is a son of Late. Kalyanbhai Jayantilal Shah, Former Chairman & Managing Director of the company.

17. The explanatory statement and reasons for the proposed resolution pursuant to Section 102 of the Companies Act, 2013 ("Act"), read with, Rule 22 of the Companies (Management and Administration) Rules, 2014 setting out material facts is annexed hereto.

**IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents can also be downloaded by the shareholders from the Company's website i.e. [www.jayatmaindustries.com](http://www.jayatmaindustries.com). To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses by sending e-mail to [support@purvashare.com](mailto:support@purvashare.com) with subject as 'E-mail for Green Initiative' mentioning their Folio No./Client ID. Members holding shares in electronic form may register/update their e-mail addresses with the Depository through their concerned Depository Participant(s).

**For and on behalf of the Board,**

**Date: 05<sup>th</sup> August, 2019**  
**Place: Ahmedabad**

**Nirav Shah**  
**CEO & Director**  
**DIN: 00397336**

**Fenil Shah**  
**Director**  
**DIN:01558417**

## Jayatma Industries Limited

### EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 RELATING TO THE BUSINESS SET OUT IN THE ACCOMPANYING NOTICE:

#### ITEM NO. 3: TO RE-APPOINT OF MR. JANAK GAUTAMBHAI NANA VATI (DIN: 00472925) AS INDEPENDENT NON-EXECUTIVE DIRECTOR.

The Board of Directors of the Company through resolution passed at the meeting held on 22nd April, 2019 has re-appointed Mr. Janak Gautambhai Nanavati (DIN: 00472925) as Independent Non-Executive Director of the Company who shall hold office for Second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.

Brief profile of Mr. Janak Gautambhai Nanavati is given below for reference of the member:

Name of Director	JANAK GAUTAMBHAI NANA VATI
Director Identification Number	00472925
Date of Birth	14/05/1955
Date of first appointment	15/01/1995
Qualifications	Commerce Graduate, MBA – Marketing
Expertise in specific	Experience of almost 2 decades in marketing industry
Number of Equity shares held	-
List of other Public Ltd. Co. in which Directorship held	1. Denis Chem Lab Limited 2. Mihikita Enterprises Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	Denis Chem Lab Limited <ul style="list-style-type: none"><li>Member of Audit Committee</li><li>Member of Nomination &amp; Y Remuneration Committee</li></ul>

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Janak Gautambhai Nanavati is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 3 for the approval of the members.

#### ITEM NO. 4: TO RE-APPOINT OF MR. FENIL RAMESH CHANDRA SHAH (DIN: 01558417) AS INDEPENDENT NON-EXECUTIVE DIRECTOR.

The Board of Directors of the Company through resolution passed at the meeting held on 22nd April, 2019 has re-appointed Mr. Fenil Ramesh Chandra Shah (DIN: 01558417) as Independent Non-Executive Director of the Company who shall hold office for Second term of five consecutive years with effect from 1st April, 2019 to 31st March, 2024.

Brief profile of Mr. Fenil Rajendrabhai Shah is given below for reference of the member:

Name of Director	FENIL RAMESH CHANDRA SHAH
Director Identification Number	01558417
Date of Birth	21/04/1965
Date of first appointment	22/04/2002
Qualifications	Commerce Graduate
Expertise in specific	Management
Number of Equity shares held	-
List of other Public Ltd. Co. in which Directorship held	1. Jayatma Enterprises Limited 2. Rajpath Club Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	1. Jayatma Enterprises Limited <ul style="list-style-type: none"><li>Audit Committee – Chairman</li><li>Nomination &amp; Remuneration Committee – Chairman</li><li>Stakeholder &amp; Relationship Committee - Chairman</li></ul> 2. Rajpath Club Limited <ul style="list-style-type: none"><li>Managing Committee - Treasurer</li></ul>

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Fenil Ramesh Chandra Shah is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

**ITEM NO. 5: APPOINTMENT OF MR. RAJAN PRIYAKANT PARIKH AS NON-EXECUTIVE AND INDEPENDENT DIRECTOR.**

The Board of Directors of the Company through resolution passed at the meeting held on 22<sup>nd</sup> April, 2019 has appointed Mr. Rajan Priyakant Parikh (DIN: 00198383) as Additional Director of the Company who shall hold office of the Director till the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Rajan Priyakant Parikh as Director of the Company.

Brief profile of Mr. Rajan Priyakant Parikh is given below for reference of the member:

Name of Director	RAJAN PRIYAKANT PARIKH
Director Identification Number	00198383
Date of Birth	28/12/1975
Date of first appointment	22/04/2019
Qualifications	Diploma in Business Administration
Expertise in specific	Administration
Number of Equity shares held	-
List of other Public Ltd. Co. in which Directorship held	-
Chairman/ Member of the Committees of the Board of Directors of the other Co.	-

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Rajan Priyakant Parikh is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

**ITEM NO. 6: APPOINTMENT OF MRS. TOSHI BIPINCHANDRA MEHTA AS NON-EXECUTIVE DIRECTOR.**

The Board of Directors of the Company through resolution passed at the meeting held on 22<sup>nd</sup> April, 2019 has appointed Mrs. Toshi Bipinchandra Mehta (DIN: 08438628) (effective from 30.04.2018) as Additional Non-Executive Director of the Company who shall hold office of the Director till the ensuing Annual General Meeting being eligible offers herself for reappointment. Mrs. Toshi Bipinchandra Mehta is not disqualified from being appointed as a Director in terms of section 164 of the act. Section 149 of the Act stipulates the criteria of Independence and pursuant to said section an independent director can hold office for a term upto 5(five) consecutive years on the Board of the company. The Company has received a declaration from Mrs. Toshi Bipinchandra Mehta that she meets the criteria of Independence as prescribed under sub- section(6) of section 149 of the Act and under SEBI (LODR) Regulation. Brief resume of Mrs. Toshi Bipinchandra Mehta together with other details as required under SEBI (LODR) Regulation is provided as an annexure to the notice calling Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for appointment of Mrs. Toshi Bipinchandra Mehta as Non-Executive Director of the Company.

Brief profile of Mrs. Toshi Bipinchandra Mehta is given below for reference of the member:

Name of Director	TOSHI BIPINCHANDRA MEHTA
Director Identification Number	08438628
Date of Birth	20/12/1984
Date of first appointment	22/04/2019
Qualifications	Masters of Arts – Psychology & Sociology MBA – Human resource Management
Expertise in specific	Administration and Management
Number of Equity shares held	-
List of other Public Ltd. Co. in which Directorship held	Jayatma Enterprises Limited
Chairman/ Member of the Committees of the Board of Directors of the other Co.	-

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mrs. Toshi Bipinchandra Mehta is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

### **ITEM NO. 7: TO ADOPT A NEW SET OF MEMORANDUM OF ASSOCIATION OF THE COMPANY.**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Memorandum of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 5<sup>th</sup> August, 2019 decided (subject to the approval of members) to adopt a new set of Memorandum of Association in place of and to the exclusion of existing Memorandum of Association of the Company.

The draft of the new set of Memorandum of Associations proposed for approval is available for inspection during normal business hours at the Registered Office of the Company and also at the place of the Annual General Meeting.

In terms of Section 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Memorandum of Association of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the members.

### **ITEM NO. 8: TO ADOPT A NEW SET OF ARTICLES OF ASSOCIATION OF THE COMPANY.**

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 5<sup>th</sup> August, 2019 decided (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft of the new set of Articles of Associations proposed for approval is available for inspection during normal business hours at the Registered Office of the Company and also at the place of the Annual General Meeting.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No. 8 for the approval of the members.

**For and on behalf of the Board,**

**Date: 05<sup>th</sup> August, 2019**  
**Place: Ahmedabad**

**Nirav Shah**  
**CEO & Director**  
**DIN: 00397336**

**Fenil Shah**  
**Director**  
**DIN:01558417**

## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 35<sup>th</sup> Annual Report of the Company along with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2019. The financial results for the year are shown below.

**1. FINANCIAL RESULTS:**

(₹ in lakhs)

Particulars	2018-19	2017-18
Total Revenue (including other income)	15136.45	14134.95
Total Expenditure (including Finance Cost & Depreciation)	(15074.86)	(14093.19)
Profit/(loss) before exceptional & extraordinary item & Tax.	61.59	41.76
Exceptional Item	0.00	0.00
Profit/(loss) before extraordinary item & Tax	61.59	41.76
Extraordinary Item	0.00	0.00
Profit/(loss) before Tax	61.59	41.76
Tax expense	(11.03)	(19.68)
Net profit/(loss) after tax for the year	50.56	22.08
Add: Balance brought forward from Previous year	62.55	40.48
Less : Adjustment for Transitional Depreciation for the year	0.00	0.00
Less : Investment revaluation Reserve	0.00	0.00
Balance carried to next year	113.11	62.55

**2. FINANCIAL / OPERATIONAL PERFORMANCE:**

**Revenue from operations (gross):**

- The Company has achieved total revenue of ₹ 15136.45 lakhs during the financial year 2018-19 out of which ₹ 15100.60 lakhs is derived from operations and ₹ 35.85 lakhs is derived from other sources.
- Previous year the net operating profit (profit before tax) of the company was ₹ 41.76 lakhs. Against that, during the year under reference the company has achieved net profit (profit before tax) of ₹ 61.59 lakhs which renders to the increase of 47.49% net profit (profit before tax) as compared to previous year.
- Previous year the net operating profit after tax of the company was ₹ 22.08 lakhs. During the year the company has earned net profit (profit after tax) of ₹ 50.55 lakhs against the net profit (profit after tax) which renders to the increase of 128.94% net profit (profit after tax) as compared to previous year.

**3. DIVIDEND:**

Since the Company needs to plough back the profits for the future development and expansion, hence the Board of Directors has not recommended any dividend for the financial year 2018-19.

**4. SHARE CAPITAL:**

During the year under review the Company has not issued any shares. The total paid up capital of the company at the end of financial year 2018-19 stood ₹ 6,15,30,000/- (Rupees Six Crores Fifteen Lakh Thirty Thousand) consisting of fully paid up 61,53,000 (Sixty One Lakh Fifty Three Thousand) equity shares of ₹10/- each.

**5. ANNUAL RETURN**

The extract of Annual Return pursuant to the provision of section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2018-19 in Form MGT - 9 is annexed hereto and form part of this report as **Annexure – II**.

### 6. AUDITORS AND AUDITORS' REPORT:

#### Statutory Auditor:

M/s. Keyur Bavishi & Co., Chartered Accountants, statutory auditors of the Company has carried out the statutory Audit and submitted its report for the financial year ended on March 31, 2019. There is no qualification, disclaimer, reservation or adverse remark made by the Statutory Auditors in Auditors' Report.

#### Secretarial Auditor:

M/s Patel & Associates, Company Secretary in Practice, were reappointed as Secretarial Auditors of the company by the Board to carry out Secretarial Audit for the Financial Year 2018-2019. The Secretarial Auditors of the Company have submitted their Report in form No. MR - 3 as required under section 204, of the Companies Act, 2013 for the financial year ended 31<sup>st</sup> March 2019. This Report is self-explanatory and requires no comments. The Secretarial Audit Report forms part of this report as **Annexure - IV**.

### 7. SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

### 8. REPORT ON THE PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company doesn't have any Subsidiaries, Associates or Joint Venture Companies.

### 9. COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES:

There are no companies which have become or ceased to be Company's Subsidiaries, Joint ventures or Associate companies.

### 10. CORPORATE GOVERNANCE REPORT:

The Company is exempt under Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, read with, Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Hence, Annual Report 2018-19 does not contain the Corporate Governance Report. Further, as and when the company falls under the applicability to provide Corporate Governance Report, the company will comply with the same. Refer **Annex – III** attached herewith.

### 11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal control in all spheres of its activities to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported diligently. The Company ensures adherence to all internal control policies and procedures as well as compliances with all regulatory guidelines. The Audit Committee of the Board of Directors reviews the adequacy of internal controls from time to time.

A report on the Internal Financial Control under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 is annexed to Independent Audit Report on Financial Statement as **Annexure B**.

### 12. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

### 13. BOARD OF DIRECTORS:

Name of Director	Category
Mr. Kalyan J. Shah (Demised on 31.03.2019)	Chairman & Managing Director*
Mr. Nirav K. Shah	CEO & Director
Mr. Fenil R. Shah	Independent Director*
Mr. Pareshbhai R. Shah (Resigned on 22.04.2019)	Independent Director*
Mr. Janak G. Nanavaty	Chairman & Independent Director*

Name of Director	Category
Mrs. Falguni G. Broker (Resigned on 24.10.2018)	Independent Director*
Mr. Rajan P. Parikh (Appointed on 22.04.2019)	Additional Independent Director*
Mrs. Toshi B. Mehta (Appointed on 22.04.2019)	Additional Non-Executive Director*

- \* We regret to inform you of the sudden and sad demise of Mr. Kalyan J. Shah, Chairman & Managing Director of the Company on 31.03.2019. Mr. Kalyan J. Shah played crucial leadership roles through his long career at Jayatma Industries Limited since 1986.
- \* Mr. Fenil R. Shah, on completion of his first tenure of 5 consecutive years, has been reappointed as Independent Director for second tenure of 5 consecutive years on 22.04.2019. Appointment is subject to approval of Shareholders at Annual General Meeting.
- \* Mr. Pareshbhai R. Shah served as an Independent Director since 2002 tendered his resignation from the post of Independent Director due to personal reasons and same was accepted with the effect from 22.04.2019.
- \* Mr. Janak G. Nanvaty, on completion of his first tenure of 5 consecutive years, has been reappointed as Independent Director for second tenure of 5 consecutive years on 22.04.2019. Appointment is subject to approval of Shareholders at Annual General Meeting. Looking forward to his seniority and experience in business conducts, The Board has appointed him as Chairman along with his current designation of Independent Director.
- \* Mrs. Falguni G. Broker, Independent Director, tendered her resignation due to personal reasons and same was accepted by Board and made effective from 24.10.2018.
- \* Mr. Rajan P. Parikh has been appointed as Additional Independent Director on 22.04.2019 being effective from 22.04.2019. Appointment is subject to approval of Shareholders at Annual General Meeting.
- \* Mrs. Toshi B. Mehta has been appointed as Additional Non Executive Director on 22.04.2019 being effective from 30.04.2019. Appointment is subject to approval of Shareholders at Annual General Meeting.

#### 14. NUMBER OF MEETINGS AND ATTENDANCE:

The Company sends notice of meetings of the Board well in advance so as to allow the Directors to block their calendars. There were four meetings of the board viz. 14.05.2018, 10.08.2018, 24.10.2018, 09.02.2019, held during the year, details which is required pursuant to section 134(3)(b) of the Companies Act, 2013 are given as under:

Name of director	No. of Board meetings attended	Whether attended AGM held on 15.09.2018
Shri Kalyan J Shah	4	Y
Shri Nirav K Shah	4	Y
Shri Fenil R Shah	4	Y
Shri Pareshbhai R Shah	4	N
Shri Janak G Nanavaty	4	Y
Smt Falguni G Broker	3	N

#### 15. COMPOSITION OF COMMITTEES AND ATTENDANCE:

##### A. AUDIT COMMITTEE:

Pursuant to provisions of Section 177 of the Companies act 2013, during the year under review, 4 meetings were held on 14.05.2018, 10.08.2018, 24.10.2018 & 09.02.2019. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Shri Janak G Nanavaty	Chairman	4
Shri Nirav K Shah	Member	4
Shri Fenil R Shah	Member	4
Shri Paresh R Shah	Member	4

**B. NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to provision of section 178 (1) of the Companies act 2013, during the year under review, 3 meetings were held on 10.08.2018, 24.10.2018 and 09.02.2019. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Shri Janak G Nanavaty	Chairman	3
Shri Nirav K Shah	Member	3
Shri Fenil R Shah	Member	3

**C. STAKEHOLDER RELATIONSHIP COMMITTEE :**

Pursuant to provision of section 178 (5) of the Companies act 2013, during the year under review, 4 meetings were held on 14.05.2018, 10.08.2018, 24.10.2018 & 09.02.2019. The attendance record of the members at the meeting was as follows:

Name of Member	Designation	Attendance
Shri Janak G Nanavaty	Chairman	4
Shri Nirav K Shah	Member	4
Shri Fenil R Shah	Member	4

**A. MEETING OF INDEPENDENT DIRECTORS:**

The meeting of Independent Directors' of the Company was held on 22.03.2019 wherein Mr. Fenil R. Shah and Mr. Paresh R. Shah and Janak G. Nanavaty participated.

**16. DIRECTORS' RESPONSIBILITY STATEMENT;**

In terms of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, in relation to financial statements for the year 2018-19, the Board of Directors state that:

- In the preparation of Annual Accounts for the period ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- The Directors had selected such accounting policies and applied them consistently and made judgments 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/Loss of the Company for the year ended 31<sup>st</sup> March, 2019.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March, 2019 on a going concern basis.
- The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**17. DECLARATION AS TO INDEPENDENT DIRECTORS PURSUANT TO PROVISIONS OF SECTION 134(3)(d) READ WITH SECTION 149(6) OF THE COMPANIES ACT 2013;**

All the Independent Directors of the Company are neither Managing Director, nor a Whole Time Director nor a Manager or a Nominee Director.

- All the Independent Directors in the opinion of the Board are persons of integrity and possesses relevant expertise and experience.



- (b) (i) Independent Directors are or were not a Promoter of the Company or its Holding or subsidiary or associate company.
- (ii) Independent Directors are or were not related to promoters or directors in the company, its holding, subsidiary or associate company.
- (c) Independent Directors have or had no pecuniary relationship with the company, its holding, subsidiary or associate company or their promoters or directors, during the two immediately preceding financial years or during the current financial year.
- (d) None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary, or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or ₹ 50 Lakhs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- (e) That Independent Directors, neither himself, nor any of his relatives,
- i. holds or has held the position of a Key Managerial Personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of three financial years immediately preceding the financial year in which he is proposed to be appointed.
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial years in which he is proposed to be appointed, of –
    - (A) A firm of auditors or Company Secretaries in Practice or Cost Auditors of the company or its holding, subsidiary or associate company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or Associate company amounting to 10% or more of the gross turnover of such firm;
  - iii. holds together with his relatives less than 2% or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, or any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- (f) Independent Directors possesses such other qualifications as may be prescribed.

**18. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF THE EMPLOYEES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017;**

The particulars of ratio of remuneration of each director to median remuneration of the employees of the Company for the financial year under report, percentage increase in remuneration to each Director and Key Managerial Personnel, etc. more particularly described under Section 197(12) of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given as under;

Name of Director and KMP	Designation	Performance of the Company
Mr. Kalyan J Shah	Managing Director	Profit before tax of the company increased from ₹ 41.76 lakh as on March 31, 2018 to ₹ 61.59 lakh as on March 31, 2019. The Profit after tax increased from ₹ 22.08 lakh to ₹ 50.55 lakh.
Mr. Nirav K Shah	CEO and Director *	
Mr. Fenil R Shah	Independent Director	
Mr. Pareshbhai R Shah	Independent Director	
Mr. Janak G Nanavaty	Independent Director	
Mr. Falguni G Broker	Independent Director	

- I. The ratio of the remuneration of each director to the median remuneration of the employees of the company:
- Total Remuneration: ₹26,12,929.00
- Remuneration, Allowances and Reimbursement to KMP:
- (a) Remuneration to Company Secretary : ₹ 3,00,000.00

(b) Reimbursement of Medical Expenses to Kalyan J. Shah(Chairman) : ₹ 6,70,562.00

Remuneration to other Employee: ₹23,12,929.00

Sitting Fees paid to Independent Directors: ₹ 42,750.00

- II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: NIL
- III. The Percentage (%) increase in the median remuneration of employees: 5%
- IV. Number of permanent Employees on the rolls of Company: 6
- V. Relationship between average increase in remuneration and company performance: The increase in the remuneration is determined based on the performance by the employee of the company.
- VI. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company: The Company has reimbursed ₹ 6,70,562.00 to the Mr. Kalyan J. Shah (Managing director) for his medical expenses and Rs. 300,000.00 to Ms. Angee R. Shah (Company Secretary) of the company during the year. The company has achieved net profit of ₹ 50.55 lakhs compared to the previous year's profit of ₹ 22.08 Lakhs.
- VII. The Market Capitalisation of the Company as at 31<sup>st</sup> March 2019 is 1102.13 lakhs against ₹ 350.71 lakhs as at 31<sup>st</sup> March 2018. There was a variation of ₹ 751.42 lakhs.

Price Earnings Ratio:

As on	Market Value per Shares (P)	Earnings Per Share (E)	P/E Ratio
31 <sup>st</sup> of March, 2018	₹ 5.68	0.36	15.78
31 <sup>st</sup> of March, 2019	₹ 17.85	0.82	21.77

- VIII. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: NOT APPLICABLE as there was no increase in the managerial remuneration.
- IX. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: The Remuneration of KMP is given in point (I).
- X. The key parameters for any variable component of remuneration availed by the directors: Directors are paid sitting fees only. Components for the Sitting fees are variable. Sitting fee depends upon ones attendance of the meeting. The Key parameters therefore are as envisaged under the Companies Act.
- XI. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and No employee is receiving remuneration in excess or higher than the remuneration of Director or Key Managerial Personnel.
- XII. Affirmation that the remuneration is as per the remuneration policy of the company. All remuneration of the Employees and directors are decided by Nomination & Remuneration Committee and by the Board of Directors within the organization

**19. FORMAL ANNUAL EVALUATION PROCESS BY BOARD PURSUANT TO SECTION 134(3)(p);**

The Company has in place a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated) and that of the Chairman and the Non-Independent Directors was carried out by the Independent Directors in their separate meeting held.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**20. RISK MANAGEMENT:**

The Company was already having risk management system to identify, evaluate and minimize the Business risks. The Company during the year had formalized the same by formulating and adopting Risk Management Policy. This policy intends to identify, evaluate, monitor and minimize the identifiable risks in the organization.

**21. COMMISSION:**

None of the Directors are receiving Commission from the company.

**22. RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. However, details of transactions with related parties are given in 30(k) of Accounting Policies by Auditors as per Accounting Standard 18.

**23. CORPORATE SOCIAL RESPONSIBILITY:**

As Company does not come under the ambit of 135 of the Companies Act, 2013 and Rules of Companies (Corporate Social Responsibility policy), 2014, Company has not formed Corporate Social Responsibility Committee and hence Rule 9 of Companies (Accounts) Rule, 2014 regarding disclosure of contents of Corporate Social Responsibility Policy is not applicable to the Company.

**24. PARTICULARS OF EMPLOYEES:**

Pursuant to the provisions of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with The Companies Act, 2013, it is hereby informed that none of the employees of the Company was in receipt of remuneration of ₹5 lakhs per month or ₹ 60 lakhs per annum during the year under review.

**25. DEPOSITS:**

During the year under review, the Company had not accepted any deposit from public during the year.

**26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of investments made and loans advanced by the company have been given in note to the Financial Statement. The Company has not given any Guarantee pursuant to the provision of Section 186 of the Companies Act, 2013.

**27. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

Pursuant to Section 177 of the Companies Act, 2013 the rules made thereunder and the Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. This mechanism provides safeguards against victimization of directors/employees who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. The policy/vigil mechanism has been appropriately communicated to the employees within the organization and has been put on the Company's website [www.jayatmaindustries.com](http://www.jayatmaindustries.com).

**28. SAFETY, HEALTH AND ENVIROMENT:**

- (a) Safety: The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analyzed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.
- (b) Health: Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Health related issues if any are discussed with visiting Medical Officer.
- (c) Environment: Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company.

### 29. PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All Board Directors and the designated employees have confirmed compliance with the Code.

### 30. INDEPENDENT DIRECTORS' MEETING:

In compliance with Section 149(8) of the Act read along with Schedule IV of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors met on March 22, 2019, inter alia, to discuss:

- a) The performance of Non-Independent Directors and the Board of Directors;
- b) The performance of the Chairperson of the Company,
- c) Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the Independent Directors were present at the meeting.

### 31. LISTING:

The Equity shares of the company are listed on BSE Limited and Company has paid Annual Listing Fees up to the Year 2018-19.

### 32. DISCLOSURE OF SEXUAL HARASSMENT:

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, entire staff in the Company is working in a most congenial manner and there are no occurrences of any incidents of sexual harassment during the year.

### 33. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

As require by the Section 134 (3)(m) of The Companies Act, 2013 read with rule 3 of the Companies (Account) Rule 2014, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo pursuant are given in **Annexure-I** to this Report.

### 34. CAUTIONARY STATEMENT:

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

### 35. ACKNOWLEDGMENTS

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff and workers at all levels for their continuous cooperation and assistance.

For and on behalf of the Board,

Date: 05<sup>th</sup> August, 2019  
Place: Ahmedabad

Nirav Shah  
CEO & Director  
DIN: 00397336

Fenil Shah  
Director  
DIN:01558417

Information as per Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended on 31<sup>st</sup> March, 2019.

**(A) CONSERVATION OF ENERGY:**

- Necessary precautions have been taken while designing process and equipment to ensure conservation of energy through the use of fuel efficient devices and advanced instrumentation systems.
- No additional investment was made during the year for reduction in consumption of energy.
- The measures taken have helped to conserve the energy and in turn, cost.
- Total energy consumption and energy consumption per unit of production.
- The Company is strongly motivated by adaption of concept of green energy. The production process of the company is majorly driven by the in house production of electricity and same is being generated by use of renewable resources of energy. The company hugely contributing towards the green initiative.

**FORM 'A'**

Form for Disclosure of particulars with respect to Conservation of energy.

**Power and fuel consumption:**

Sr. No.	Particulars	2018-19	2017-18
<b>1 (a)</b>	<b>Electricity Purchased:</b>		
	Units	3275.00	2805
	Total Amount (₹)	46238.95	42991.95
<b>1 (b)</b>	<b>Electricity Own Generation:</b>		
(i)	Through Wind Turbine Generator units (MWH)	1451289	1362089
	Diesel Consumption (liter)	N.A.	N.A.
	Units per Ur. Of Diesel Oil	N.A.	N.A.
	Cost/Unit (Diesel Cost)	N.A.	N.A.
(ii)	Through Steam turbine Generator	N.A.	N.A.
<b>2</b>	Coal	N.A.	N.A.
<b>3</b>	Furnace Oil	N.A.	N.A.

**(B) TECHNOLOGY ABSORPTION:**

Research and Development: During the year under review company has not spent any amount for Research and Development; hence details under Form 'B' are not applicable.

Technology absorption adoption and innovation: The Company has taken necessary steps to improve technology for manufacturing coarse count yarn. The company has achieved progress in manufacturing the yarn at plant level.

Green Company: Adhering to green initiate the company has been generating its own electricity through wind turbine which is being used by the company to carry out manufacturing process. The company has been giantly contributing to green environment initiative.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO:**

Particulars with regards to Foreign Exchange Earning and Outgo are set out in note 30(B) to the accounts.

For and on behalf of the Board,

Date: 05<sup>th</sup> August, 2019  
Place: Ahmedabad

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336

**FORM MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on Financial Year ended on 31.03.2019**  
Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)  
of the Company (Management & Administration) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L17110GJ1983PLC006462
2	Registration Date	17th September, 1983
3	Name of the Company	JAYATMA INDUSTRIES LIMITED (formerly known as SANTARAM SPINNERS LIMITED)
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company
5	Address of the Registered office & contact details	259, 3rd Floor, New Clothe Market, Outside Raipur gate, Ahmedabad – 380002 Tel No: (079) 22167040 Email ID: cs@jayatma.com
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Purva Sharegistry (India) Private Limited Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt., J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra – 400 011 Tel : 022-23018261 / 2301671 E-mail id : support@purvashare.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton Ginning and related agro by product	01632	80.30%
2	Wholesale of textiles, fabrics, yarn, household linen, articles of clothing, floor coverings and tapestry, sports clothes	46411	18.29%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>THE COMPANY DOES NOT HAVE ANY HOLDING, SUBSIDIARY OR ASSOCIATE COMPANIES.</b>				

**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year (-/+)
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	2773823	0	2773823	44.925	2774304	0	2774304	44.932	0.007
b) Central Govt	0	0	0	0	0	0	0	0.000	0.000
c) State Govt(s)	0	0	0	0	0	0	0	0.000	0.000
d) Bodies Corp.	0	0	0	0	0	0	0	0.000	0.000
e) Banks / FI	0	0	0	0	0	0	0	0.000	0.000
f) Any other	0	0	0	0	0	0	0	0.000	0.000
<b>Sub Total (A) (1)</b>	<b>2773823</b>	<b>0</b>	<b>2773823</b>	<b>44.925</b>	<b>2774304</b>	<b>0</b>	<b>2774304</b>	<b>44.932</b>	<b>0.007</b>
(2) Foreign									
a) NRI Individuals	0	0	0	0.000	0	0	0	0.000	0.000
b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
d) Any other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>TOTAL (A)</b>	<b>2773823</b>	<b>0</b>	<b>2773823</b>	<b>44.925</b>	<b>2774304</b>	<b>0</b>	<b>2774304</b>	<b>44.932</b>	<b>0.007</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
b) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
c) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
d) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
g) FIs	0	0	0	0.000	0	0	0	0.000	0.000
h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	17492	12200	29692	0.481	712081	8800	720881	11.675	11.194
ii) overseas	0	0	0	0.000	0	0	0	0.000	0.000
b) Individuals	0	0	0	0.000	0	0	0	0.000	0.000
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	480038	782909	1262947	20.455	647326	585602	1232928	19.969	0.486
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1139184	755050	1894234	30.679	496542	737450	1233992	19.986	10.693

## Jayatma Industries Limited

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year (-/+)
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>c) Others (specify)</b>									
Non Resident Indians	170330	23000	193330	3.131	170879	23000	193879	3.140	0.009
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	0	0	0	0.000	0	0	0	0.000	0.000
Clearing Members	6194	0	6194	0.100	1317	0	1317	0.021	0.079
Trusts	0	0	0	0.000	0	0	0	0.000	0.000
HUF	13780	400	14180	0.230	16699	400	17099	0.277	0.047
Foreign Bodies	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (B)(2):-</b>	<b>1827018</b>	<b>1573559</b>	<b>3400577</b>	<b>55.075</b>	<b>1865137</b>	<b>1534959</b>	<b>3400096</b>	<b>55.068</b>	<b>0.007</b>
<b>Total Public (B)</b>	<b>1827018</b>	<b>1573559</b>	<b>3400577</b>	<b>55.075</b>	<b>1865137</b>	<b>1534959</b>	<b>3400096</b>	<b>55.068</b>	<b>0.007</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>4600841</b>	<b>1573559</b>	<b>6174400</b>	<b>100.000</b>	<b>4639441</b>	<b>1534959</b>	<b>6174400</b>	<b>100.000</b>	<b>0.00</b>

### (ii) Shareholding Of Promoter & Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kalyan Jayantilal Shah	1647350	26.680	0.000	1647350	26.680	0.000	0.000
2	Shah Kalyan Jayantilal(HUF)	255250	4.134	0.000	255250	4.134	0.000	0.000
3	Dharini Kalyan Shah	180150	2.918	0.000	180150	2.918	0.000	0.000
4	Apurva Kalyanbhai Shah	420523	6.811	0.000	421004	6.819	0.000	0.008
5	Nirav Kalyanbhai Shah	160850	2.605	0.000	160850	2.605	0.000	0.000
6	Pradipbhai Rasiklal Shah	90700	1.469	0.000	90700	1.469	0.000	0.000
7	Pankaj R Shah	10000	0.162	0.000	10000	0.162	0.000	0.000
8	Sujay P Shah	9000	0.146	0.000	9000	0.146	0.000	0.000
	<b>Total</b>	<b>2773823</b>	<b>44.925</b>	<b>0.000</b>	<b>2774304</b>	<b>44.933</b>	<b>0.000</b>	<b>0.008</b>

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Apurva Kalyanbhai Shah	11/4/2018	Purchase	420523	6.811	421004	6.819



(iv) Change in Promoters' Shareholding (please specify, if there is no change)

For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Shailesh M Thakkar	686000	11.11	0	0
KIFS Financial Services Ltd.	0	0	686000	11.11
Amin Kanubhai C	167288	2.71	167288	2.71
Anuja A Shah	155750	2.52	155750	2.52
Jayendra R Shah	135500	2.19	135500	2.19
Niyati A Shah	119200	1.93	119200	1.93
Raghuvir A Makhija	100695	1.66	104695	1.69
Jagat S Shah	96400	1.56	96400	1.56
Dinesh R Gupta	45400	0.74	45400	0.74
Nandlal J Agarwal	45400	0.74	45400	0.74
Rakesh Prajapati	45400	0.74	45400	0.74

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Kalyan J Shah	1647350	26.680	1647350	26.680
2	Nirav K Shah	160850	2.605	160850	2.605
3	Fenil R Shah	0	0.000	0	0.000
4	Janak G Nanavaty	0	0.000	0	0.000
5	Paresh R Shah	0	0.000	0	0.000
6	Falguni G Broker	0	0.000	0	0.000

V. INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment.)  
(Amt. in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	176856396.00	-	-	176856396.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>176856396.00</b>	-	-	<b>176856396.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	19024424.00	-	-	19024424.00
* Reduction	0	-	-	0
<b>Net Change</b>	<b>19024424.00</b>	-	-	<b>19024424.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	195880820.00	-	-	195880820.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>195880820.00</b>	-	-	<b>195880820.00</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD – ₹ 300,000.00 to Ms. Angee Rajendrakumar Shah (Company Secretary)

B. REMUNERATION TO OTHER DIRECTORS

Sr. No	Particulars of Remuneration	PARESH R SHAH	JANAK G NANA VATY	FENIL R SHAH	FALGUNI G BROKER	Total Amt (₹)
1	Independent Directors					
	Fee for attending board meetings	13250.00	13250.00	13250.00	3000.00	42750.00
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	<b>Total (1)</b>	<b>13250.00</b>	<b>13250.00</b>	<b>13250.00</b>	<b>3000.00</b>	<b>42750.00</b>
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	<b>Total (B)=(1+2)</b>	<b>13250.00</b>	<b>13250.00</b>	<b>13250.00</b>	<b>3000.00</b>	<b>42750.00</b>
	<b>Total Remuneration</b>					<b>42750.00</b>
	Overall Ceiling as per the Act					<b>4800000.00</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY/ DIRECTORS/ OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board,

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336

Date: 05<sup>th</sup> August, 2019  
Place: Ahmedabad

**NON APPLICABILITY OF REGULATION 27(2) OF  
SEBI (LODR) REGULATIONS, 2015 REGARDING CORPORATE GOVERNANCE REPORT**

This is to certify that in order to comply with Regulation 27(2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Regulation 15 of Chapter IV SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Paid-up capital of the Company Jayatma Industries Limited is ₹ 6,15,30,000 viz. not exceeding ₹ 10 crore and the Net worth is ₹ 11,45,65,984.00 viz. less than ₹ 25 Crore as on the last day of the previous financial year i.e. 31<sup>st</sup> March, 2019. Therefore it is not required to submit Corporate Governance Report.

**For and on behalf of the Board,**

**Date: 05<sup>th</sup> August, 2019**  
**Place: Ahmedabad**

**Nirav Kalyanbhai Shah**  
**CEO & Director**  
**DIN: 00397336**

**FORM NO. MR - 3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Jayatma Industries Limited.**  
**(Formerly Known as "Santaram Spinners Limited")**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Jayatma Industries Limited** (hereinafter called the Company) (CIN: L17110GJ1983PLC006462) having its registered office at **259, 3<sup>rd</sup> Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad - 380002**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Jayatma Industries Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (upto 8<sup>th</sup> November, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. 9<sup>th</sup> November, 2018); **[Not Applicable to the Company during the Audit Period]**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not Applicable to the Company during the Audit Period]**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **[Not Applicable to the Company during the Audit Period]**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (upto 10<sup>th</sup> September, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (w.e.f. 11<sup>th</sup> September, 2018); **[Not Applicable to the Company during the Audit Period]**
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.:

- A) The Company has maintained a Register of Directors' Attendance as prescribed in the Secretarial Standards.
- B) The Directors have signed against their respective names after the meeting has been held.
- C) The Company had not received any proxy forms for the Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2018.
- D) The Company has complied with requirements of at least one-third of the total number of directors as independent directors as stated in Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- E) The Company has complied with the of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- F) The Company has obtained all necessary approvals under the various provisions of the Act;
- G) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

**The Company had not complied with the provisions of the section 203 of the Companies Act, 2013 for appointment of Chief Financial Officer.**

**As explained by the Management the Company to comply with the provisions of the section 203 of the Companies Act, 2013, the Company had already appointed Managing Director and Company Secretary as Key Managerial Personnel. The Company was looking for the suitable candidate to be appointed as CFO, and the Management had appointed CFO with effect from 22/04/2019 to comply with the provisions of the section 203 of the Companies Act, 2013.**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The following mentioned observations are made:

- A) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;
- B) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct and ethics for Directors and Management Personnel;

## Jayatma Industries Limited

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I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has no other major / specific events, actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- i. Public/Right/Preferential issue of shares / debentures/sweat equity etc.
- ii. Redemption / buy-back of securities
- iii. Merger / amalgamation / reconstruction etc.
- iv. Foreign technical collaborations.

Place: Ahmedabad  
Date: 5<sup>th</sup> August, 2019

**Chintan K. Patel**  
Practicing Company Secretary  
Mem. No.: A31987  
COP No.: 11959

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### ANNEXURE - A to the Secretarial Audit Report

To,  
The Members,  
Jayatma Industries Limited  
(Formerly Known as "Santaram Spinners Limited")

**Our report of even date is to be read along with this letter.**

1. The Management of the company is responsible for maintenance of secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the company with respect to Secretarial Compliances.
3. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Ahmedabad  
Date: 5<sup>th</sup> August, 2019

**Chintan K. Patel**  
Practicing Company Secretary  
Mem. No.: A31987  
COP No.: 11959

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors are pleased to present the Management Discussion and Analysis Report for the year ended on 31<sup>st</sup> March, 2019.

**GLOBAL ECONOMY**

In 2018, the global economy began its journey on a firm footing with estimated global economic growth of 3.6%. During second half of 2018, this rate of development gradually declined, owing to some slow down across developed markets.

Emerging and developing markets of Asia maintained their steady progress at 6.4% during 2018. However its important note that India's economy expanded at 7.1% in 2018 against 6.7% in 2017, whereas China's growth deteriorated from 6.9% in 2017 to 6.6% in 2018. Sub-Saharan Africa's economy also sustained a steady rise of 3% during the year.

(Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)

**INDIAN ECONOMY**

India continues to be one of the fastest growing major economies in the world and is expected to be among the world's top three economic powers in the next 10-15years. The Indian economy is expected to improve and close the year 2019 with a GDP growth of 7.3%.

India witnessed a 23-notch jump to reach the 77th position in the World Bank's Ease of Doing Business rankings. The commencement of the US-China trade war opened a new opportunity for India. The growth of India's manufacturing sector to 8.3% from 5.7% in 2017-18 reflected a rebound from transitory shocks (the currency exchange initiative and implementation of the GST), with strengthening investments and robust private consumption. India is expected to grow at 7.3% in FY2019-20, benefiting from ongoing structural reforms.

(Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, IMF)

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The economy has proved a consistent growth even after being affected by various factors. Overall the F.Y. 2018-19 has succeeded to nullify the effect over GDP up to certain extend.

**ORGANISATION'S SEGMENTAL REVIEW AND ANALYSIS**

During the financial year under review the company continues to derive its main revenue from ginning and related agro by product, wholesale of textiles, fabrics, yarn etc. The company is planning to adopt new set of Memorandum & Articles of Association of the Company in order to timely and better compliance and view the rights, powers and benefits of the stakeholders of the Company in accordance with the provisions of the Companies Act, 2013. Your company's performance continues to be sustained at satisfactory levels. It is expected that the economy will grow in the coming years and enable to regain steady or better performance.

**OUTLOOK**

India's growing population is a key driver of consumption growth of textiles in the country. It has been complemented by a growing young earning population which is exposed to changing tastes and fashion. Complementing this factor is rising female workforce with higher purchasing power. Rising incomes in rural as well as urban economy has also given way to increase in demand for garments and home textiles. Gujarat's contribution towards the cotton textile and yarn has been at peak in the entire country. The maximum cultivation of cotton is being carried out in Gujarat. Despite of overall slump in India's textile sector, Gujarat maintains 18% growth rate. Currently in Gujarat, there are 144 composite mills including those for spinning, 897 cotton ginning and processing units. There is an export of 60 to 80 lakhs cotton bales every year. The Company has succeeded in having an inflow of Foreign Currency of ₹ 30,60,52,272.00 Evaluation shows that cotton and yarn manufacturing sector turns to a favorable sector for Gujarat.

**OPPORTUNITIES AND THREATS**

Cotton is an irreplaceable fiber owing to which the domestic consumption of cotton has always been consistent. Government efforts and policies have acted to conducive towards the business of cotton value chain from yarn to garments. India has a good production and cultivation of cotton. Chinese export has been slowing gradually owing to

## Jayatma Industries Limited

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rising labour costs. Also, recently strong yuan against dollar has made exports from China less lucrative. In its effort to curtail unsustainable investments, China is in the process shifting its production capabilities from commodity base to specialty base. All these factors impact the growth of textile industry in China, which opens up space for other players in the market. India can take advantage by boosting its exports by about 15-20% to US and European Union. India is competitively positioned in terms of low labour and power cost against most of the competing countries. However, lack of duty free access to major markets is the major disadvantage India has vis-à-vis many competing countries. Complex labour laws, difficulty in starting up a business, highly fragmented structure of the industry, few trade agreements and poor infrastructure are the main hindrances in this matter. Lack of investment in research and development, lowering margins due to fierce competition and e-commerce, and volatile raw material prices may pose a threat to progress of textile industry. Cotton Textile and yarn industry being a primary crop based industry largely depends upon the weather conditions which are very fluctuating in India.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial performance of the Company for the year 2018-19 is described in the Directors' Report under the head Financial Result.

### RISKS AND CONCERNS

Rising incomes in rural as well as urban economy has also given way to increase in demand for fitness apparel, short fashion cycles, requirement of low cost and high performance material for automotive and industrial use have increased the demand for synthetic and man-made fibre (MMF) products which has majorly impacted the sale of cotton textile and cotton yarn. Stress in the Banking industry and the over cautious approach of banks has impacted the liquidity of market.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company's internal control systems and procedures commensurate with the size and nature of its operations. These systems are designed to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized, recorded and reported. In addition to internal checks, Audit is conducted by independent Chartered Accountants, on a quarterly basis to examine, in addition to the financial controls, the adequacy and compliance with policies, plans and statutory requirements. The Audit Committee is headed by an Independent Director and this ensures independence of functions and transparency of the process of supervision. The Committee meets on a regular basis to review the process. The management duly considers and takes appropriate action on the recommendations made by the auditors and the independent Audit Committee of the Board of Directors.

### HUMAN RESOURCES

Management recognizes that employees represent our greatest capital assets and it is only through motivated, creative and committed employees that we can achieve our aims. The Company provides to its employees favorable work environment that motivates performance and innovation while adhering to high degree of quality and integrity. The Company continuously nurtures this environment to keep its employees highly motivated and result oriented. Industrial relations during the year continued to be cordial and the Company is committed to maintain good industrial relations through effective communication. Customized training programs are conducted on a continuing basis.

### CAUTIONARY STATEMENT

Statements in this Management Discussions and Analysis Report describing the Company objectives, projections, estimates, expectations or predictions may be 'forwarded looking statements' within the meaning of applicable security laws or regulations. These statements are based on reasonable assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Factors that could make a difference to the Company's operations include market price both domestic and overseas availability and cost of raw materials, change in Government regulations and tax structure, economic conditions affecting demand/supplies and other factors over which the Company does not have any control. The Company takes no responsibility for any consequences of decisions made based on such statements and holds no obligation to update these in future.

For and on behalf of the Board,

Date: 05<sup>th</sup> August, 2019  
Place: Ahmedabad

Nirav Kalyanbhai Shah  
CEO & Director  
DIN: 00397336



## INDEPENDENT AUDITORS' REPORT

TO,  
THE MEMBERS OF JAYATMA INDUSTRIES LIMITED  
(FORMERLY KNOWN: SANTARAM SPINNERS LTD )

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Jayatma Industries Limited (Formerly Known as Santaram Spinners Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the statement of Profit and Loss (including other comprehensive income), Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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 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, of the state of affairs of the Company as at **31/03/2019**, and its **Profit** and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

The Key Audit Matter	How our audit addressed the key audit matter
<p><b>A. Valuation of Inventories.</b> Refer to note 7 to the financial statements. As described in the accounting policies in note 2.6 to the financial statements, inventories are carried at the lower of cost and net realizable value. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realizable value below cost based upon future plans for sale of inventory.</p>	<p>We obtained assurance over the appropriateness of the management's assumptions applied in calculating the value of the inventories and related provisions by:-</p> <ol style="list-style-type: none"> <li>1. Completing a walkthrough of the inventory valuation process and assessed the design and implementation of the key controls addressing the risk.</li> <li>2. Verifying the effectiveness of key inventory controls operating over inventories; including sample based physical verification.</li> <li>3. Verifying for a sample of individual products that costs have been correctly recorded.</li> <li>4. Comparing the net realizable value to the cost price of inventories to check for completeness of the associated provision.</li> </ol>

## Jayatma Industries Limited

The Key Audit Matter	How our audit addressed the key audit matter
<p><b>B. Valuation and existence of Current Investments</b> Valuation and existence of Current Investments designated at fair value through profit or loss are valued at 21.05 lakh and classified as level 1 financial instruments in the fair value hierarchy. Further disclosures on the Investments are included in note 8 to the financial statements. This was an area of focus for our audit and the area where significant audit effort was directed. As at March 31, 2019, the Investments are in mutual funds and are majorly actively traded with readily available, quoted market prices/net assets value.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, their investment portfolio. We obtained accounts confirmation from the mutual funds and verified that the company was the recorded owner of all investments. Our audit procedures over the valuation of the Investments included agreeing the fair valuation of all Investments held at March 31, 2019 to the Net Assets Value provided by the respective Mutual funds. Our Observation: Based on the audit procedures performed, we are satisfied with valuation and existence of current investment.</p>

### Other Information (or another title if appropriate, such as “Information Other than the Standalone Financial Statements and Auditors’ Report Thereon”)

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management for Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

### Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. This report doesn't include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India, in terms of sub section 11 of section 143 of the companies Act, 2013 since in Our opinion and according to the information and explanation given to us, the details of the said Order are given in **Annexure A** to this Report.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

## Jayatma Industries Limited

- (e) On the basis of the written representations received from the directors as on **31/03/2019** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2019** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give report of the same in **Annexure B** to this Report.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended : In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR KEYUR BAVISHI & CO.**  
(Chartered Accountants)  
Reg No. :131191W

**Keyur Bavishi**  
**Proprietor**  
**M.No. : 136571**

Date : 4<sup>th</sup> May, 2019  
Place : Ahmedabad

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 8 of the Auditors' Report of even date to the members of Jayatma Industries Limited (formerly known as Santaram Spinners Limited) on the financial statements for the year ended 31<sup>st</sup> March, 2019.)**

1. (a) The Company has maintained records showing full particulars including quantitative details and situation of its property plant and equipment.
- (b) As explained to us, a substantial portion of the property plant and equipment have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) Based on audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management the title deeds of immovable properties included in property plant and equipment are held the name of the Company.
2. (a) As per information and explanation given to us, inventory of raw materials/finished goods/traded goods/spares and consumables has been physically verified by the management at regular intervals. In our opinion the frequency of verification is reasonable.
- (b) On the basis of our examination of the inventory records produced before us and in our opinion the Company is maintaining proper records of inventory. The discrepancies, if any, on physical verification of inventory as compared to book records have been properly dealt with in books of accounts.
3. (a) The company has not granted loans secured or unsecured to firms, Companies or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence, paragraph 3(b) and 3(c) of the Order is not applicable.
4. As explained to us, there is no transaction of loans, investments, guarantees and security prescribed in the provision of Section 185 and 186 of the Companies Act,2013 during the year under audit. Consequently, requirement of clause (iv) of paragraph of the Order is not applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted Deposits during the year and consequently directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act and rules framed there under are not applicable to the Company.
6. We have broadly reviewed the accounts and records maintained by the company pursuant to order made by the Central Government of India for maintenance of cost records under subsection (1) of Section 148 of the Companies Act,2013. We are of opinion, that prime-facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
7. (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 generally 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 duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India.
- (b.) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax as on 31<sup>st</sup> March,2019 which have not been deposited on account of dispute are as under:

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (₹ )</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
Central Sales Tax Act and Local Sales Tax Act	Sales Tax Including Interest and Penalty, as applicable	956900/- 914477/-	F.Y. 2006-07 F.Y. 2006-07	Sales Tax Tribunal (VAT) Sales Tax Tribunal (VAT)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution/bank/debenture holders during the year under audit. Hence, the provisions of Clause (viii) of paragraph 3 of the Order are not applicable to the Company.
9. According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year under audit. Hence, the provisions of Clause (ix) of paragraph 3 of the Order are not applicable to the Company.
10. According to information and explanation given to us and the records of the Company examined by us, neither fraud on or by the Company has been noticed or reported during the year.

## Jayatma Industries Limited

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11. According to information and explanation given to us and the records of the Company examined by us, the Company has not paid or provided managerial remuneration in the books of account. Hence, the provisions of Clause (xi) of paragraph 3 of the Order are not applicable to the Company.
12. According to the information and explanation given to us, the Company is not a Nidhi Company. Hence, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. According to information and explanation given to us, transaction with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and details have been disclosed in the Financial Statements. As required by the applicable accounting standards.
14. According to information and explanation given to us and the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. According to information and explanation given to us and the records of the Company examined by us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Consequently requirement of clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. According to information and explanation given to us and the records of the Company examined by us, the Company is not undertaking any activity which requires registration under Section 45-IA of the Reserve Bank of India Act, 1934. Consequently requirement of clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

**FOR KEYUR BAVISHI & CO.**  
(Chartered Accountants)  
Reg No. :131191W

**Keyur Bavishi**  
**Proprietor**  
**M.No. : 136571**

Date : 4<sup>th</sup> May, 2019  
Place : Ahmedabad

**ANNEXURE - 'B' TO THE INDEPENDENT AUDITORS' REPORT**

( Referred to clause (f) of Paragraph 9 to the Independent Auditor's Report of even date to the members of Jayatma Industries Limited ( formerly known as Santaram Spinners Limited ) on the Ind AS financial statements for the year ended 31<sup>st</sup> March,2019)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Jayatma Industries Limited** ("the Company") as at 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act,2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013 ,to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment ,including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR KEYUR BAVISHI & CO.**  
(Chartered Accountants)  
Reg No. :131191W

Date : 4<sup>th</sup> May, 2019  
Place : Ahmedabad

**Keyur Bavishi**  
**Proprietor**  
**M.No. : 136571**



## AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH, 2019

Sr. No.	Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I	<b>ASSETS</b>			
1	<b>Non current assets</b>			
	(a) Property, Plant & Equipments	3	49869803	53091774
	(b) Capital Work in progress		-	-
	(c) Other intangible assets		-	-
	(d) Financial Assets		-	-
	(i) Investment	4	558925	558515
	(ii) Other financial assets	5	5023814	3339016
	(e) Deferred tax assets (net)		-	-
	(f) Other non-current assets	6	12554948	3659189
	<b>Total Non-current assets</b>		<b>68007490</b>	<b>60648494</b>
2	<b>Current assets</b>			
	(a) Inventories	7	97263892	75559599
	(b) Financial Assets			
	(i) Investment	8	2105397	550379
	(ii) Trade receivables	9	187835702	176041993
	(iii) Cash and cash equivalents	10	16246360	13670985
	(iv) Other Financial assets	11	358756	8747334
	(c) Current tax assets (net)		-	-
	(d) Other current assets	12	17327471	6860885
	<b>Total Current assets</b>		<b>321137578</b>	<b>281431175</b>
	<b>TOTAL ASSETS</b>		<b>389145068</b>	<b>342079669</b>
II	<b>EQUITY AND LIABILITIES</b>			
1	<b>EQUITY</b>			
	(a) Equity Share Capital	13	61530000	61530000
	(b) Other Equity	14	53035984	47980314
	<b>Total Equity</b>		<b>114565984</b>	<b>109510314</b>
2	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowing		-	-
	(ii) Financial liabilities other than (a.i) above			
	(ii.a) Other financial liabilities	15	881654	232090
	(b) Deferred tax liabilities (net)	16	8230886	8327292
	(c) Provisions		-	-
	(d) Other Non-current liabilities		-	-
	<b>Total Non-current Liabilities</b>		<b>9112540</b>	<b>8559382</b>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	195880820	176856396
	(ii) Financial liabilities other than (a.i) above			
	(ii.a) Trade Payables	18	60357365	39997592
	(ii.b) Other Financial liabilities	18	7067154	6060073
	(b) Deferred tax liabilities (net)	18	67424519	46057665
	(c) Provisions	19	-	-
	(d) Other Current liabilities	19	1798512	1008760
		20	362693	87152
	<b>Total Current Liabilities</b>		<b>265466544</b>	<b>224009973</b>
	<b>Significant Accounting Policies</b>	<b>2</b>		
	<b>Notes to Financial Statements</b>	<b>29</b>		
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>389145068</b>	<b>342079669</b>

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

**For Keyur Bavishi & Co**

Chartered Accountants  
Firm Reg.: 131191W

**Keyur D. Bavishi**

Proprietor  
M. No.: 136571  
Place : Ahmedabad  
Date : 04/05/2019

**For and on behalf of the Board**

**Nirav Shah**

(Director & CEO)  
DIN:00397336

**Mayank Thaker**

(CFO)  
Place : Ahmedabad  
Date : 04/05/2019

**Fenil Shah**

(Director)  
DIN:01558417

**Angee Shah**

(CS)  
(M. NO. : 43464)

**AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2019**

Particulars	Note No	Year Ended on 31st March, 2019	Year Ended on 31st March, 2018
Revenue from operations	21	1510059685	1388543895
Other Income	22	3585376	24950640
<b>Total Revenue</b>		<b>1513645061</b>	<b>1413494535</b>
<b>Expenses:</b>			
Cost of Materials Purchased	23	19906821	136568927
Purchases of Stock-in-Trade	24	1410636375	1201260383
Changes in Inventories of Finished Goods, Stock-in-Trade and work-in-progress	25	-26046454	25917431
Employee benefits expense	26	2612929	1952524
Other Operating & Administrative expenses	27	78421509	23385143
Finance costs	28	18656323	16886069
Depreciation and amortization expense	3	3298704	3348523
<b>Total Expenses</b>		<b>1507486207</b>	<b>1409319000</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>6158854</b>	<b>4175535</b>
<b>Exceptional Items</b>		-	-
<b>Profit before extraordinary items and tax</b>		<b>6158854</b>	<b>4175535</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>6158854</b>	<b>4175535</b>
Tax expense:( Refer Note 29.7 )			
- Current tax		1200000	788000
- Earlier Years tax		0	-
- Deferred tax Assets/Liabilities		-96513	1179873
<b>Profit/(Loss) for the period</b>		<b>5055367</b>	<b>2207662</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassifiable to Profit or Loss			
Impact of Investment Measured at Fair Value Through OCI		410	5740
Deffered Tax on Above Adjustments		-107	-1774
Other Comrehensive Income Net of tax		303	3966
<b>Total Comprehensive Income for the year</b>		<b>5055670</b>	<b>2211628</b>
Earning per equity share:			
(1) Basic		0.82	0.36
(2) Diluted		0.82	0.36
Significant Accounting Policies	2		
Notes to Financial Statements	29		

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

**For Keyur Bavishi & Co**

Chartered Accountants  
Firm Reg.: 131191W

**Keyur D. Bavishi**

Proprietor  
M. No.: 136571  
Place : Ahmedabad  
Date : 04/05/2019

**For and on behalf of the Board**

**Nirav Shah**  
(Director & CEO)  
DIN:00397336

**Fenil Shah**  
(Director)  
DIN:01558417

**Mayank Thaker**  
(CFO)

**Angee Shah**  
(CS)  
(M. NO. : 43464)

Place : Ahmedabad  
Date : 04/05/2019

## AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.19

PARTICULARS	2018-19		2017-18	
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Net Profit before tax as per Profit & Loss Account		6158854		4175535
<b>Adjustment for :</b>				
Dividend Income	-6045		-6045	
Interest Income	-39177		-69411	
Depreciation	3298704		3348523	
Amount Written back(net off)/Write off	1567245		-23655798	
Loss on Sale of Assets	13364		0	
Profit on Sale of Investments	0		0	
Interest paid	16560768	21394859	16255226	-4127505
<b>Operating Profit before Working Capital Changes</b>		<b>27553713</b>		<b>48030</b>
<b>Change in Working Capital</b>				
<b>Adjustment for</b>				
(Increase)/Decrease in operating assets				
Inventories	-21704293		64145396	
Trade Receivables	-13478507		-22306366	
Loans & Advances & Others	-10850882		18873256	
Increase/(Decrease) in operating liabilities				
Trade Payables	649564		-55416590	
Other Liabilites	872374	-44511744	-10470648	-5174952
<b>CASH FLOW FROM OPERATION</b>		<b>-16958031</b>		<b>-5126922</b>
Income Tax paid (Net off Refund)	-1745149		1062695	
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<b>-18703180</b>		<b>-4064227</b>
<b>CASH FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	-107102		-18280	
Sale of Fixed Assets	17006		0	
Purchase of Investment	-1500000		0	
Sale of Investments	0		1223252	
Dividend Income	6045		6045	
<b>Interest Income</b>	<b>39177</b>	<b>-1544874</b>	<b>69411</b>	<b>1280428</b>

## Jayatma Industries Limited

PARTICULARS	2018-19		2017-18	
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Interest paid	-16560768		-16255226	
Proceeds from Secured Loans	0		0	
Proceeds from Unsecured Loans	0	-16560768	0	-16255226
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>-36808822</b>		<b>-19039025</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGIN. OF THE YEAR</b>		<b>-163185410</b>		<b>-184143976</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE CLOSE OF THE YEAR</b>		<b>-199994232</b>		<b>-203183002</b>

### Notes:

1. Direct Taxes paid are arising from operating activities and are not bifurcated between investing and financing activities
2. The above cash flow statement has been prepared under the indirect method set out
3. for the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash on hand	2027892	2230026	603250
Balance with Banks	14218468	11440959	9683305
Less : Working Capital Credit Facilities	195880820	176856396	194430532
	<b>-179634459</b>	<b>-163185410</b>	<b>-184143976</b>

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

### For Keyur Bavishi & Co

Chartered Accountants  
Firm Reg.: 131191W

### Keyur D. Bavishi

Proprietor  
M. No.: 136571  
Place : Ahmedabad  
Date : 04/05/2019

### For and on behalf of the Board

**Nirav Shah**  
(Director & CEO)  
DIN:00397336

**Mayank Thaker**  
(CFO)

Place : Ahmedabad  
Date : 04/05/2019

**Fenil Shah**  
(Director)  
DIN:01558417

**Angee Shah**  
(CS)  
(M. NO. : 43464)

**AUDITED STATEMENT OF CHANGES AS AT 31ST MARCH, 2019**

**A. Equity Share Capital**

	Note	Balance
As at 1 April 2018		61530000.00
Changes in equity share capital during the year		0
<b>As at 31 March 2019</b>		<b>61530000.00</b>

**B. OTHER EQUITY**

PARTICULARS	As At 31st March, 2019	As At 31st March, 2018
Capital Reserve		
Opening Balance	3299308.00	3299308.00
Add : During the year	-	-
<b>Closing Balance</b>	<b>3299308.00</b>	<b>3299308.00</b>
Securities Premium		
Opening Balance	38376200.00	38376200.00
Add : During the year	-	-
<b>Closing Balance</b>	<b>38376200.00</b>	<b>38376200.00</b>
Profit & Loss Account		
Opening Balance	6255480.00	4047818.00
Add : Profit/(loss) for the year	5055367.00	2207662.00
Less : Investment Revaluation Reserve ( net )	0.00	0.00
<b>Closing Balance</b>	<b>11310847.00</b>	<b>6255480.00</b>
Other Comprehensive Income		
(Items that will be reclassifiable to Profit or Loss)		
Opening Balance	49324.00	45358.00
Add : Movement during the year	410.0000	5740.00
Less : Adjustment for Deffered Tax	107.0000	1774.00
for the year	0.00	0.00
<b>Closing Balance</b>	<b>49627.00</b>	<b>49324.00</b>
<b>Total</b>	<b>53035982.00</b>	<b>47980314.00</b>

Notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached

**For Keyur Bavishi & Co**  
Chartered Accountants  
Firm Reg.: 131191W

**Keyur D. Bavishi**  
Proprietor  
M. No.: 136571  
Place : Ahmedabad  
Date : 04/05/2019

**For and on behalf of the Board**

**Nirav Shah**  
(Director & CEO)  
DIN:00397336

**Fenil Shah**  
(Director)  
DIN:01558417

**Mayank Thaker**  
(CFO)

**Angee Shah**  
(CS)  
(M. NO. : 43464)

Place : Ahmedabad  
Date : 04/05/2019

**1. CORPORATE AND GENERAL INFORMATION**

JAYATMA INDUSTRIES LIMITED ( formerly known as SANTARAM SPINNERS LIMITED ) (“the company”), is a public limited Company incorporated as private limited company in 1983 and subsequently converted to public limited company in 1994. The company’s shares are listed on Bombay Stock Exchange. The registered office of the Company is located at 259, 3rd Floor, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002. The company is engaged in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

**2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES****(A) BASIS OF ACCOUNTING****2.1 Statement of Compliance**

These financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (“the Act”), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

**2.2 Basis of Measurement**

The financial statements have been prepared on historical cost convention, except for following:

- Financial assets and liabilities (including derivative instruments ) that are measured at fair value/ amortised cost;
- Non-current assets held for sale, if any, are measured at the lower of the carrying amount sand fair value less cost to sell;

**2.3 Functional and Presentation Currency**

The financial statements have been presented in Indian Rupees (₹), which is also the Company’s functional currency. All financial information presented in (₹) has been rounded off to the nearest Rupee as per the requirements of Schedule III, unless otherwise stated.

**2.4 Use of Estimates and Judgments**

The preparation of financial statements require judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period prospectively in which the results are known/materialised.

**2.5 Current Vs. Non-Current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period ; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months as per the reporting period ; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

**(B) SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

**2.6 Inventories**

Inventories are valued at the lower of cost and net realizable value.

- Raw materials, stores and spares and loose tools are valued at lower of cost and net realizable value. Cost includes cost of purchase, non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition. Cost is computed on weighted average basis.
- Finished Goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost. Cost is determined on weighted average cost basis.
- Traded Goods: cost includes cost or purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

**2.7 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**2.8 Income Tax**

Income tax comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**a) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted, by the end of the reporting period.

**b) Deferred Tax**

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e. taxbase). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no

longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

- Deferred tax relating to items recognised outside the statement of profit and loss is recognised either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly inequity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to setoff current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### 2.9 Property, Plant and Equipment

#### a) Recognition and Measurement

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation/ amortisation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price, including non-refundable import duties and taxes, as per deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met and any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located. However cost excludes excise duty, value added tax and service tax and GST, to the extent credit of the duty or tax is availed of.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the statement of profit and loss. Gain or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other Gain/Losses.

#### b) Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.
- Major inspection /repairs /overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any unamortised part of the previously recognised expenses of similar nature is derecognised.

#### c) Depreciation and Amortisation-Tangible Assets

- Depreciation on property, plant and equipment is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Act.
- Each part of items of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- The residual value for all the assets are retained at 5% of the cost
- Useful life of the Tangible assets as per Part C of Schedule II of the Act read with notification dated 29.08.2014 of Ministry of corporate affairs is as follows :



Category of assets	Useful life of Asset as per Schedule II
Building	30 Years
Plant & Machinery	15 Years
Electric installation	10 Years
Computer	6 Years
Vehicles	6 Years
Office Equipment	5 Years
Furniture & Fixtures	10 Years

**d) Reclassification to Investment Property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property only when it has substantial value on the date of reclassification and if so it is reclassified at its carrying amount.

**2.10 Amortization of Intangible Assets**

Intangible assets acquired are accounted at their acquisition cost and are amortised over its useful life.

**2.11 Impairment of Non Financial Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which these are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.12 Leases**

**a) Determining whether an arrangement contains a lease**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, (or contains), a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered prior to the date of transition, the Company has determined whether the arrangement contains a lease on the basis of facts and circumstances existing on the date of transition.

**b) Company as lessor**

**a. Finance Lease**

Leases which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item are classified and accounted for as finance lease. Lease rental receipts are apportioned between the finance income and capital repayment based on the implicit rate of return. Contingent rents are recognised as revenue in the period in which they are earned.

**b. Operating Lease**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease except where scheduled increase in rent compensates the Company with expected inflationary costs.

**c) Company as Lessee**

**Finance Lease**

Finance leases, which effectively transfer to the lessee substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and

present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease Payments under such leases are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly to the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

### **Operating Lease**

Assets acquired on leases where a significant portion of risk and reward is retained by the lessor are classified as operating leases. Lease rental are charged to statement of profit and loss on a straight-line basis over the lease term, except where scheduled increase in rent compensates the lessor with expected inflationary costs.

### **2.13 Revenue Recognition**

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.
- The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

#### **a) Sale of Goods**

Revenue from the sale of goods is recognized when significant risks and rewards of ownership are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

#### **b) Sale of Services**

Revenue from services is recognized in the accounting period in which the services are rendered and when invoices are raised.

#### **c) Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### **d) Dividend Income**

Dividend income from investments is recognised when the Company's right to receive payment has been established.

#### **e) Other Operating Revenue**

Export incentives and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the incentive will be received. Other Operating Revenue includes trade discounts, cash discounts, sample allowance and other charges related to Business operation.

## 2.14 Employee Benefits

### a) Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months as at the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period.

### b) Other Long Term Employee Benefits

The known liabilities for earned leaves that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

### c) Post Employment Benefits

#### • Defined Benefit Plans

The known liability, if any, recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method. In other cases, such expenditure are charged to Statement of Profit and Loss Account considering it as Short Term Benefits.

#### • Defined Contribution Plan

Defined contributions, if any, to Statutory Schemes are charged to the statement of profit and loss of the year.

### d) Termination Benefit

Expenditure incurred on Voluntary Retirement Scheme is charged to the statement of profit and loss immediately.

## 2.15 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions.
- Foreign Currency Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are recognised in profit or loss in the year in which they arise.
- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

## 2.16 Borrowing Cost

- Borrowing Costs consist of interest and other costs that an entity incurs in connection with the borrowings of funds.
- Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use. The Company considers a period of twelve months or more as a substantial period of time.
- All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

## 2.17 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial Assets

- **Recognition and Initial Measurement:**

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Measured at amortised cost;
- Measured at fair value through other comprehensive income (FVTOCI);
- Measured at fair value through profit or loss (FVTPL); and
- Equity Instruments measured at fair value through other comprehensive income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- Measured at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

As per initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

- Measured at FVTOCI

A financial asset is measured at the FVTOCI if both the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
- The asset's contractual cash flows represent SPPI.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognised in the statement of profit and loss in interest income. Where the asset is disposed of, the cumulative gain or loss previously accumulated in other comprehensive income reserve is transferred in the statement of profit and loss.

- Measured at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. Interest / dividend income on financial instruments measured at FVTPL are presented separately under other income.

- Equity Instruments measured at FVTOCI

All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value

in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no reclassification of the amounts from OCI to the statement of profit and loss, even on sale of investment.

- **Derecognition**

The Company derecognises a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

- **Impairment of Financial Assets**

In accordance with Ind As 109, the company uses Expected Credit Loss (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses measured through a loss allowance at an amount equal to:

- 1.) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2.) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For all financial assets, the company uses 12 month ECL, if any, to provide for impairment loss where there is no significant increase in credit risk. If there significant increase in credit risk full lifetime ECL is used.

**b) Financial Liabilities**

- **Recognition and Initial Measurement**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

- **Subsequent Measurement**

Financial liabilities are measured subsequently at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

- **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

- **Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### 2.18 Provisions, Contingent Liabilities and Contingent Assets

#### a) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions, if any, are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### Onerous Contracts:

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

#### b) Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognised because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in other notes to financial statements.

#### c) Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

### 2.19 Investment properties

- Investment property, if any, is property (comprising land or building or both) held to earn rental income or for capital appreciation or both, but not for sale in ordinary course of business, used in the production or supply of goods or services or for administrative purposes.
- Upon initial recognition, an investment property is measured at cost. Subsequently they are stated in the balance sheet at cost, less accumulated depreciation/amortisation and accumulated impairment losses, if any.
- Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the statement of profit and loss.
- The depreciable investment property i.e., buildings, are depreciated on a straight line method at a rate determined based on the useful life as provided under Schedule II of the Act.
- Leasehold land if any, is amortised on a straight line basis over the period of lease.
- Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from the use and no future economic benefit is expected from their disposal. The net difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### 2.20 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss, if any, is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases

in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

- Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Non-current assets (or disposal group), if any, classified as held for sale are presented separately in the balance sheet. Any profit or loss, if any, arising from the sale or Remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

### 2.21 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the period are adjusted for the effects of all dilutive potential ordinary shares.

### 2.22 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 2.23 Measurement of Fair Values

A number of the accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets and liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

**2.24 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's financial statements are disclosed below.**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Rules, has notified the following new and amendments to Ind Ass which the company has not applied as they are effective from 01<sup>st</sup> April, 2019. The Company will adopt new standard and amendment to existing standards with effect from 1<sup>st</sup> April, 2019.

**Ind AS 116: Leases** – Ind AS 116 will supersede the existing Ind AS 17. The new standard provides a comprehensive model to identify lease-arrangements and the treatment thereof in the financial statements of both the lessee and lessor. The new standard requires entities to make more judgments and estimates (e.g., determining when a customer has the right to direct the use of an identified asset, estimating the incremental rate of borrowing) and make more disclosures (e.g., discount rate, weighted average lease term, other qualitative and quantitative information).

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Ind AS 17 required classifying leases as finance lease and operating lease, the same is not required under Ind AS 116. Under Ind AS 116, a lessee measures right-of-use assets similar to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities.

On initial application the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 without adjusting the Comparatives.

The Company is currently evaluating the impact this standard will have on its financial statement.

a) **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.



**Amendment to Ind AS 19 – plan amendment, curtailment or settlement-** Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, On 30th March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

**Ind AS 23 – Borrowing Costs-**The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

**Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. This amendment is currently not applicable to the Company.

**Ind AS 109 – Prepayment Features with Negative Compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

**2.25 Rounding of Amounts**

All amounts disclosed in financial statements and notes have been rounded off to nearest rupees as per the requirements of Schedule III, unless otherwise stated.

**2.26 Significant Judgments and Key sources of Estimation in applying Accounting Policies**

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

**a) Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company’s future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

**b) Useful lives of depreciable/ amortizable assets (property, plant and equipment)**

Management reviews its estimate of the useful lives of depreciable/ amortizable assets at each reporting date, based on the expected utility of the assets.

**c) Provisions and Contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, ‘Provisions, Contingent Liabilities and Contingent Assets’. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**d) Impairment of Financial Assets**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**e) Fair value measurement of financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The input to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

NOTES FORMING PART OF PROVISIONAL FINANCIAL STATEMENTS

NOTE 3 : PROPERTY PLANT AND EQUIPMENT\*

Description	Land	Building	Plant & Machinery	Electric Installation	Computer	Vehicles	Office Equipments	Furniture & Fixtures	Total
Property Plant and Equipment									
Gross Carrying Amount	1871954	18318434	47697988	413036	246410	6032609	953757	2990153	78524341
Deemed cost as at 1 April 2017	-	-	-	-	-	-	18,280.00	-	18280
Additions/adjustment	-	-	-	-	-	-	-	-	0
deductions/adjustments	-	-	-	-	-	-	-	-	0
<b>Gross carrying amount as at 31 st March 2018</b>	<b>1871954.00</b>	<b>18318434.00</b>	<b>47697988.00</b>	<b>413036.00</b>	<b>246410.00</b>	<b>6032609.00</b>	<b>972037.00</b>	<b>2990153.00</b>	<b>78542621.00</b>
Accumulated depreciation as at 1 April 2017	-	8390542	7122887	180831	234087	3104172	821748	2248055	22102322
Depreciation charge for the year	-	484524	2176012	43236	0	416729	41425	186598	3348524
deductions/adjustments	-	-	-	-	-	-	-	-	0
<b>Accumulated depreciation as at 31 March 2018</b>	<b>-</b>	<b>8875066</b>	<b>9298899</b>	<b>224067</b>	<b>234087</b>	<b>3520901</b>	<b>863173</b>	<b>2434653</b>	<b>25450846</b>
<b>Net carrying amount as at 31 March 2018</b>	<b>1871954.00</b>	<b>9443368.00</b>	<b>38399089.00</b>	<b>188969.00</b>	<b>12323.00</b>	<b>2511708.00</b>	<b>108864.00</b>	<b>555500.00</b>	<b>53091775.00</b>

Description	Land	Building	Plant & Machinery	Electric Installation	Computer	Vehicles	Office Equipments	Furniture & Fixtures	Total
Gross Carrying Amount as at 1 April 2018	1871954.00	18318434.00	47697988.00	413036.00	246410.00	6032609.00	972037.00	2990153.00	78542621.00
Additions/adjustment	-	-	-	-	25,000.00	53,402.00	28,700.00	-	107102.00
deductions/adjustments	-	-	-	-	-	60,266.00	-	-	60266.00
<b>Gross carrying amount as at 31 st March 2019</b>	<b>1871954.00</b>	<b>18318434.00</b>	<b>47697988.00</b>	<b>413036.00</b>	<b>271410.00</b>	<b>6025745.00</b>	<b>1000737.00</b>	<b>2990153.00</b>	<b>78589457.00</b>
Accumulated depreciation as at 1 April 2018	-	8875066	9298899	224067	234087	3520901	863173	2434653	25450846.00
Depreciation charge for the year	-	484523	2130285	43233	2841	416131	35093	186598	3298704.00
deductions/adjustments	-	-	-	-	-	29,896.00	-	-	29896.00
Accumulated depreciation as at 31 March 2019	-	9359589.00	11429184.00	267300.00	236928.00	3907136.00	898266.00	2621251.00	28719654.00
<b>Net carrying amount as at 31 st March 2019</b>	<b>1871954.00</b>	<b>8958845.00</b>	<b>36268804.00</b>	<b>145736.00</b>	<b>34482.00</b>	<b>2118609.00</b>	<b>102471.00</b>	<b>368902.00</b>	<b>49869803.00</b>
<b>Net carrying amount as at 31 st March 2018</b>	<b>1871954.00</b>	<b>9443368.00</b>	<b>38399089.00</b>	<b>188969.00</b>	<b>12323.00</b>	<b>2511708.00</b>	<b>108864.00</b>	<b>555500.00</b>	<b>53091775.00</b>

## Note 4 : NON CURRENT INVESTMENTS (₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>a</b>	<b>Quoted Investments</b>		
	Investments in Equity Instruments (at fair value through other comprehensive income)		
	- Jayatma Spinners Ltd 20000 Shares of ₹10/- each (20000 Shares of ₹10/- each)	400000	400000
<b>b</b>	<b>Unquoted Investments</b>		
	Investments in Equity Instruments (at fair value through other comprehensive income)		
	- Jayatma Comtex Pvt Ltd 4100 Shares of ₹10/- each (4100 Shares of ₹10/- each)	108650	108240
	- Nutan Nagrik Sahakari Bank Ltd 2000 Shares of ₹10/- each (2000 Shares of ₹10/- each)	50275	50275
	<b>Total Non Current Investement</b>	<b>558925</b>	<b>558515</b>
	M V of Quoted Investments	400000	400000
	Book Value of Unquoted Investments	158925	158515

## Note 5 : OTHER NON CURRENT FINANCIAL ASSETS

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Trade Receivables outstanding for a period exceeding one year (Unsecured Considered Good) (Refer Note 29)	5023814	3339016
	<b>Total</b>	<b>5023814</b>	<b>3339016</b>

## Note 6 : OTHER NON CURRENT ASSETS

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Security Deposits (Unsecured, Considered good)	4132872	3632872
b	Advances to Suppliers	8422076	26317
	<b>Total</b>	<b>12554948</b>	<b>3659189</b>

## Note 7 : INVENTORIES

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Raw Material	3308408	6825998
b	Finished Goods / Stock in Trade	93955484	67909030
c	Stores and Spares (Refer Note 2 )	0	824571
	<b>Total</b>	<b>97263892</b>	<b>75559599</b>

## Jayatma Industries Limited

### Note 8 : CURRENT INVESTMENTS

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Unquoted Investments		
	Investments in Mutual Fund (fair value through Profit and loss)		
	- Union Equity Saving Fund	519896	0
	- Union Arbitrage Fund	1005900	0
	- Union KBC Dynamic Band Fund	579601	550379
	<b>Total</b>	<b>2105397</b>	<b>550379</b>
	Aggregate Value of Unquoted Investments (Mutual Fund)	2105397	550379

### Note 9 : TRADE RECEIVABLES

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Trade Receivables unless stated otherwise outstanding for a period exceeding six months* (Unsecured Considered Good)	23470309	21675779
b	Trade Receivables unless stated otherwise outstanding for a period not exceeding six months* (Unsecured Considered Good)	164365393	154366214
c	Trade Receivable with impaired credit risk Less : Written Off (*Refer Note 29) (The Debts due by directors or other officers of the company is NIL (P.Y : NIL))	1567245 (15,67,245)	21766734 (2,17,66,734)
	<b>Total</b>	<b>187835702</b>	<b>176041993</b>

### Note 10 : CASH AND CASH EQUIVALENTS - Cash

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Cash in Hand	2027892	2230026
b	Balances with Banks		
	Balances with Banks in Current A/c	13400320	10865784
	Other Bank Balances in Fixed Deposit	818148	575175
	<b>Total</b>	<b>14218468</b>	<b>11440959</b>
	<b>Total</b>	<b>16246360</b>	<b>13670985</b>

### Note 11 : OTHER FINANCIAL ASSTES

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Advances related to Trade & Others	358756	8747334
	<b>Total</b>	<b>358756</b>	<b>8747334</b>

## Note 12 : OTHER CURRENT ASSETS (₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>a</b>	<b>Balance with Govt Authorities</b>		
	- TDS For Prior Years(Net of Provision)	284449	188937
	- TDS For Current Years/ Advance Income Tax	1158037	409695
	- TCS Receivable	113295	0
	- VAT Receivables	250331	250331
	- IGST RECEIVABLE	9657645	2060372
	- CGST/SGST RECEIVABLE	4495789	2660959
	- CST 2% ON SALE	198679	198679
	- IGST 2% ON SALE	0	290511
<b>b</b>	Prepaid Exps.	619403	356727
<b>c</b>	Other Receivables	549843	444674
	<b>Total</b>	<b>17327471</b>	<b>6860885</b>

## Note : 13 Equity Share Capital

(₹)

PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>Equity share capital with voting rights</b>		
<b>Authorised share capital</b>		
7500000 Equity Shares of ₹10/- each (7500000 Equity Shares of ₹10/- each)	75000000	75000000
<b>Issued,subscribed &amp; fully paid up share cap.</b>		
6174400 Equity Shares of ₹10/- each (6174400 Equity Shares of ₹10/- each)	61744000	61744000
Less:		
Calls in Arrear	214000	214000
<b>Total</b>	<b>61530000</b>	<b>61530000</b>

## a Reconciliation of the shares outstanding at the beginning &amp; at the end of the reporting period :

Particulars	Opening Bal.	Closing Bal.
<b>Equity share capital with voting rights</b>		
<b>Year ended 31st March, 2019</b>		
- Number of shares	6174400	6174400
- Amount ( ₹ )	61530000	61530000
<b>Year ended 31st March, 2018</b>		
- Number of shares	6174400	6174400
- Amount ( ₹ )	61530000	61530000

## b Terms/right attached to the equity/preference shares

- 1) The Company has only one class of equity shares having a par value of `10 per share, each shareholder is eligible for one vote per share. The Company declares and pays dividend in Indian Rupees. Dividend

## Jayatma Industries Limited

Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

- 2) In the event of liquidation, the Equity Shareholders are eligible to receive the remaining Assets of the company after Distribution of all Preferential amount, in proportion to Shareholding.
- 3) Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceding the Balance sheet date.

### c Details of shareholders holding more than 5% shares in the Company :

Equity Shares of ₹10/- each fully paid Name	31stMarch 2019		31stMarch 2018	
	Nos.	%Held	Nos.	%Held
Apurva Kalyanbhai Shah	421004	6.81	420304	6.81
Kalyan Jayantilal Shah	1647350	26.68	1647350	26.68
Shailesh Manilal Thakkar	0	0	686000	11.11
Kifs Financial Services Ltd	686000	11.11	0	0

### Note 14 : OTHER EQUITY

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>a</b>	<b>Capital Reserve</b>		
	Opening Balance	3299308	3299308
	Add : During the year	-	-
	<b>Closing Balance</b>	<b>3299308</b>	<b>3299308</b>
<b>b</b>	<b>Securities Premium</b>		
	Opening Balance	38376200	38376200
	Add : During the year	-	-
	<b>Closing Balance</b>	<b>38376200</b>	<b>38376200</b>
<b>c</b>	<b>Profit &amp; Loss Account</b>		
	Opening Balance	6255480	4047818
	Add : Profit/(loss) for the year	<b>5055367</b>	<b>2207662</b>
	Less : Investment Revaluation Reserve ( net )	-	-
	<b>Closing Balance</b>	<b>11310847</b>	<b>6255480</b>
<b>d</b>	<b>Other Comprehensive Income</b>		
	(Items that will be reclassifiable to Profit or Loss)		
	Opening Balance	49324	45358
	Add : Movement during the year	410	5740
	Less : Adjustment for Deffered Tax for the year	107	1774
		-	-
	<b>Closing Balance</b>	<b>49627</b>	<b>49324</b>
	<b>Total</b>	<b>53035984</b>	<b>47980314</b>

### Note 15 : OTHER FINANCIAL LIABILITIES - Non Current

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Trade Payables for period exceeding 12 months (Refer Note 29)	881654	232090
	<b>Total</b>	<b>881654</b>	<b>232090</b>

**Note 16 : DEFERRED TAX LIABILITIES**

(₹)

PARTICULARS	As At 31st March,2019	As At 31st March,2018
Opening Balance	8327292	7145645
Add : During the year due to depreciation & others	-96406	1181647
<b>Closing Balance ( Refer note 29 )</b>	<b>8230886</b>	<b>8327292</b>

**Note 17 : BORROWINGS**

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
	<b>Secured Loan</b>		
a	- Working Capital Credit Facilities		
	From Bank	191791351	176856396
	UBI FDBP A/c	4089469	0
	<b>Total</b>	<b>195880820</b>	<b>176856396</b>

**Loan from Union Bank of India secured by :**

**1 Tem loan/Cash Credit is secured by Hypothecation/pledge/charge over following prime security :**

Packing Credit : Hypo. Of RM/WIP/FG & consumables meant for export

FDBP : Export Bills covering export of goods under confirmed contract/LC

CC Hypo. : Hypo of entire paid stocks & Book Debts. However, stock/book debts older than 90 days shall not rank for DP

**2 Collateral Security :**

EM over the following assets:

Factory Land & Building situated at Rajpur. Tal: Kadi, Dist. Mehsana in the name of Company

Further, all the credit facilities are personally guaranteed by Kalyan J Shah, Managing Director of the Company.

**Note 18 : OTHER FINANCIAL LIABILITIES - Current**

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Trade Payables (Refer Note 29)		
	(i) Total Outstanding dues of MSME	0	0
	(ii) Outstanding other than (i)	60357365	39997592
b	Other Financial Liabilities	7067154	6060073
	<b>Total</b>	<b>67424519</b>	<b>46057665</b>

**Note 19 : PROVISIONS**

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Provision for Current Tax	1200000	788000
b	Provision for Expenses	598512	220760
	<b>Total</b>	<b>1798512</b>	<b>1008760</b>

**Note 20 : OTHER CURRENT LIABILITIES**

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Statutory Dues	362693	87152
	<b>Total</b>	<b>362693</b>	<b>87152</b>

## Jayatma Industries Limited

### Note 21 : REVENUE FROM OPERATIONS

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Sale of Products	1491758710	1364214837
b	Other Operating Revenue	18300975	24329058
	<b>Total</b>	<b>1510059685</b>	<b>1388543895</b>

### Note 22 : OTHER INCOME

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Dividend Income	6045	6045
b	Interest Income (TDS of ₹ 4945)	39177	69411
c	Insurance Income	136162	324674
d	Fair Value Measurement through Profit & Loss	55018	42609
e	Rate Fluctuation	3176768	70612
f	Commission & Brokerage Income	158268	614836
g	Amount Written back ( net of written off )	0	23655798
h	Annual Fees	13938	0
i	Vat Refund	0	166655
	<b>Total</b>	<b>3585376</b>	<b>24950640</b>

### Note 23 : COST OF MATERIALS CONSUMED

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>a</b>	<b>Raw Material</b>		
	Opening	6825998	45181108
	Purchase	15098352	98118822
	Closing	3308408	6825998
		<b>18615942</b>	<b>136473932</b>
<b>b</b>	<b>Stores &amp; Spares</b>		
	Opening	824571	697426
	Purchase	466308	222140
	Closing	0	824571
		<b>1290879</b>	<b>94995</b>
	<b>Total</b>	<b>19906821</b>	<b>136568927</b>

### Note 24 : PURCHASES

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Trading Purchase	1410636375	1201260383
	<b>Total</b>	<b>1410636375</b>	<b>1201260383</b>



**Note 25 : CHANGE IN INVENTORIES OF FINISHED GOODS,AND STOCK IN TRADE** (₹)

PARTICULARS	As At 31st March,2019	As At 31st March,2018
Inventories at the end of the year :	93955484	67909030
Inventories at the beginning of the year :	67909030	93826461
Change in Finished Goods/Stock in Trade	-26046454	25917431
<b>Total</b>	<b>-26046454</b>	<b>25917431</b>

**Note 26 : EMPLOYEE BENEFITS EXPENSE** (₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Salary & Allowances	2307226	1952524
b	Staff Welfare Expense	164868	0
c	Bouns Expenses	140835	0
	<b>Total</b>	<b>2612929</b>	<b>1952524</b>

**Note 27 : OTHER OPERATING AND ADMINISTRATIVE EXPENSES** (₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
<b>a</b>	<b>Manufacturing Service Cost</b>		
	Power and Fuel	0	0
	Repairs Maintenance Charges of Factory Building	0	0
	Repairs Maintenance Charges of Plant & Machinery	17500	30469
	Other Manufacturing/Operating Costs	50208762	8275139
	Power Generation Exps.	1243915	1125733
<b>b</b>	<b>Administrative &amp; General Exps.</b>	0	0
	Telephone Postage	165683	186650
	Printing Stationery	67802	74746
	<b>Rent Rates and Taxes</b>	<b>45170</b>	<b>48921</b>
	Consultancy Charges	68710	0
	Auditors Remuneration	60000	60000
	Electricity Exps	284873	209728
	Travelling Conveyance	1193932	1664784
	Legal Professional Charges	882140	1097618
	Donations	5001	0
	Subscriptions - Membership Fees	180498	427494
	Amount Written Off	1567245	0
	Website Desgining & Develp. Exps	467500	0
	Other Administrative General Exps	6592048	5670580
	Insurance	422706	663467
<b>c</b>	<b>Selling Distribution Exps</b>		
	Advertising Promotional Exps	74294	34890
	Commission & Brokerage Exps.	4597424	1300883
	Other selling Distribution Exps.	10262942	2514041
	Loss on Sale of Assets	13364	0
	<b>Total</b>	<b>78421509</b>	<b>23385143</b>

**Note 28 : FINANCE COST**

(₹)

Sr. No.	PARTICULARS	As At 31st March,2019	As At 31st March,2018
a	Interest expenses	16560768	16255226
b	Bank Charges	264928	36612
c	Bank Charges- Export	199085	0
d	Bank Charges- Import	1730	0
e	Bank Interest - FDBP	572349	0
f	Interest on Income Tax	61827	0
g	Interest on TDS	2685	0
h	Interest on GST	50	0
i	Interest on Municipal Tax	1042	0
j	Processing Charges	991859	594231
	<b>Total</b>	<b>18656323</b>	<b>16886069</b>

**Notes 29 Other Notes Forming Part of the Financial Statements:**
**1. Contingent liabilities to the extent not provided for:**
**Guarantees:**

Claims against Company, disputed by the Company, not acknowledged as debt:

Particulars	As at 31 March 2019	As at 31 March 2018
Sales Tax Demand Pending Before sales Tax Tribunal (VAT) for FY 2006-07	9,56,900/-	9,56,900/-
Pending Before Sales Tax (CST) for the F.Y. 2006-07	9,14,477/-	9,14,477/-

**2. Foreign Expenditure and Earnings :**
**a. Expenditure/Outgo in Foreign Currency**

Particulars	31st March 2019	31st March 2018
For Purchases of Cotton Bales	47,05,612/-	NIL
For Expenses	23,79,017/-	642305/-
<b>Total Foreign Currency outgo</b>	<b>70,84,629/-</b>	<b>642305/-</b>

**b. Earning/Receipt in Foreign Currency**

Particulars	31st March 2019	31st March 2018
Export of Goods	30,60,52,272/-	4,12,07,407/-

**3. Contractual obligations**

There are no contractual obligation to purchase, construct or develop investment property or for its repair, maintenance or enhancement.

**4. Contingent Liability related to Micro, Small and Medium Enterprises**

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures relating to amount unpaid to as at year end together with interest paid/payable under this Act have not been given.

## 5. Segment Reporting

## a. Segment Information

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. Description of Segment

For the management purpose, the company is engaged in single business segment i.e. in manufacturing and trading of cotton – Kapas, ginning cotton bales, raw oil and its agro by- products and yarn.

## Details Products contributing 10% or more of Revenue from Operation

Products	Year Ended 31 March 2019	Year Ended 31 March 2018
Cotton	119,79,29,818/-	95,77,03,767/-
Yarn	27,28,30,914/-	37,28,36,267/-
Others	2,09,97,978/-	5,80,03,861/-
<b>Total</b>	<b>149,17,58,710/-</b>	<b>138,85,43,895/-</b>

## b. The geographical segments considered for disclosure are as under :

Particulars	Year 2018-19	Year 2017-18
Turnover within India	118,57,06,438/-	132,30,07,430/-
Turnover outside India	30,60,52,272/-	4,12,07,407/-

## c. Customer Contributed 10% or more to the company's revenue

Products	Year Ended 31 March 2019	Year Ended 31 March 2018
Domestic Customer - Turnover	131,96, 66,978/-	73,21, 15,868/-
Number of Customer	5	2

## 6. Year wise details of deferred tax :

Particulars	2018-19	2017-18
Deferred Tax Liability		
Opening Balance	83,27,292/-	71, 45,645/-
Add/(Less) : On Account of Depreciation ,Other Expenses	(80,559/-)	12, 71,686/-
Add/Less : On Account of FVTOCI and FVTPL	(15,847)	(90,039/-)
<b>Closing Balance</b>	<b>82,30,886/-</b>	<b>83,27,292/-</b>

## 7. Reconciliation of tax expense ( Current Tax and Deferred Tax ) and the accounting profit multiplied by India's domestic tax rate

Particulars	31st March 2018	31st March 2017
Accounting Profit before Tax	61.58	41.76
At India's statutory income tax rate	16.01	10.86
Tax Effect of Non-deductible/deductible/exempt expenses/income for tax purposes	(4.98)	8.81
Income Tax Expenses	11.03	19.67
Income Tax Expense Recognised	11.03	19.67

**8. Related Party Disclosure pursuant to Ind AS – 24:**

<b>Key Managerial Personnel</b>	Shri. Kalyanbhai J. Shah-Chairman & Managing Director Shri. Nirav Shah- CEO & Director Shri. Paresh R. Shah-Director Shri. Janak G. Nanavaty-Director Shri. Fenil R. Shah-Director Smt. Falguni Broker-Director
<b>Relative Key Managerial Personnel</b>	No Transaction during the year.

Particulars	KMP	RKMP
Director Sitting Fees (Previous Year)	42,750/- (38000)	NIL NIL
Perquisites (Previous Year)	6,70,562/- NIL	NIL NIL

**9. Disclosure of Employee Benefit Expense**

During the year under audit the company has charged ₹26.12 lakhs (P.Y.: ₹ 19.52 lakhs ) in profit and loss account considering as short term employee benefit expense. Further according to the management of the company, the company had not entered into formal plans or formal agreement between company and individual employee, group of employees or their representative other than those provided in short term employee benefit expense. Further in the opinion of the company is not under legislative requirement or through industry arrangements whereby the company is required to contribute to statutory plans. Further in the view of the company, there are no informal practices that give rise to constructive obligations other than those provided in short term employee benefit expenses.

**10. Disclosure in Accordance with IND AS-17 on Leases**

The Company has recognized the following amounts in the Statement of Profits and Loss for the year as Obligations on non-cancellable operating leases:

The Lease rental charged during the year is as under

Particulars	31st March 2019	31st March 2018
Lease Rentals	17,10,000/-	5,40,000

The obligations on non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:-

Particulars	31st March 2019	31st March 2018
Not later than one year	4,50,000/-	14,40,000/-

The operating lease arrangements, are renewable on a periodic basis and extend upto a maximum of eleven months from their respective dates of inception and relates to rented premises.

**11. Earnings per Share :**

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Sr. No.	PARTICULARS	As At 31st March, 2019	As At 31st March, 2018
a)	Profit after Tax as per P & L for Eq. Share Holder	5055670	2211628
b)	Weighted Average No. of Eq. Share outstanding*	6153000	6153000
c)	Nominal Value of Share	10.00	10.00
d)	Basic Earnings Per Share (₹)	0.82	0.36
e)	Diluted Earnings Per Share (₹)	0.82	0.36

\*The calls-in-arrears is not taken into consideration

**12. DISCLOSURE ON FINANCIAL INSTRUMENT**

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.17 to the financial statements.

	Level of Hierarchy	31st March 2018				31st March 2017			
		Carrying Amount	FVTPL	FVOCI	Amortised Cost	Carrying Amount	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>									
Non Current investments	1,3	5.58	1.58	4	-	5.58	1.58	4.00	-
Current Investments	1	21.05	21.05	-	-	5.50	5.50	-	-
Trade Receivables		1878.35	-	-	1878.35	1727.47	-	-	1727.47
Cash and Cash Equivalents		162.46	-	-	162.46	136.71	-	-	136.71
Other Financial Assets		3.58	-	-	3.58	87.47	-	-	87.47
<b>Total Financial Assets</b>		<b>2071.02</b>	<b>22.63</b>	<b>4.00</b>	<b>2044.39</b>	<b>1962.74</b>	<b>7.09</b>	<b>4.00</b>	<b>1951.65</b>
<b>Financial Liabilities</b>									
Borrowings		1958.80	-	-	1958.80	1768.56	-	-	1768.56
Trade payables		603.57	-	-	603.57	399.98	-	-	399.98
Other Financial liabilities		70.67	-	-	70.67	60.60	-	-	60.60
<b>Total Financial liabilities</b>		<b>2633.04</b>	<b>-</b>	<b>-</b>	<b>2229.14</b>	<b>2229.14</b>	<b>-</b>	<b>-</b>	<b>2229.14</b>

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii. Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- iii. Level 3 – Inputs which are unobservable inputs for the assets or liability.

**13. Financial Risk Management**

The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

**a. Financial instrument and cash deposit**

Credit risk is limited as the Company generally invest in deposits with banks and in mutual funds having high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investments in mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**b. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they become due. The Company monitors its risk by determining its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs. The Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain mutual funds which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be used as and when required; such credit facilities are reviewed at regular basis.

### c. Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due, causing financial loss to the company. Credit risk arises from company's activities in investments, dealing in derivatives and outstanding receivables from customers.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally made considering their past track record with the Company.

### d. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of following risk: interest rate risk, foreign currency risk, other price risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

### e. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on its non-current and current borrowings with floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary.

### f. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure.

### g. Other price risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance Sheet either at fair value through OCI or at fair value through profit and loss. Having regard to the nature of securities, intrinsic worth, intent and long term nature of securities held by the Company, fluctuation in their prices are considered acceptable and do not warrant any management.

SIGNATURE TO NOTES '1' TO '29'

As per our report of even date attached

**For Keyur Bavishi & Co**  
Chartered Accountants  
Firm Reg.: 131191W

**Keyur D. Bavishi**  
Proprietor  
M. No.: 136571  
Place : Ahmedabad  
Date : 04/05/2019

**For and on behalf of the Board**

**Nirav Shah**  
(Director & CEO)  
DIN:00397336

**Mayank Thaker**  
(CFO)  
Place : Ahmedabad  
Date : 04/05/2019

**Fenil Shah**  
(Director)  
DIN:01558417

**Angee Shah**  
(CS)  
(M. NO. : 43464)

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**JAYATMA INDUSTRIES LIMITED**

(Formerly known as Santaram Spinners Limited)

CIN : L17110GJ1983PLC006462

259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380 002, Gujarat

www.jayatmaindustries.com / cs@jayatma.com

**ATTENDANCE SLIP**

**35TH ANNUAL GENERAL MEETING ON SATURDAY, 21st SEPTEMBER, 2019 AT 9:00 A.M.**

Regd. Folio No : \_\_\_\_\_

DP ID : \_\_\_\_\_

Client ID : \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 35th Annual General Meeting of the Company on Saturday, 21st September, 2019 at 9:00 a.m. at 259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380 002, Gujarat.

Full Name of Members/Proxy : \_\_\_\_\_  
(In block Letters)

\_\_\_\_\_  
Members/Proxy Signature

Application to the members holding shares in electronic form.

**NOTES:**

- (1) Members/Proxy holders are requested to bring their copy of Notice with them at the Meeting.
- (2) Please carry with you this Attendance slip and hand over the same duly completed, stamped, and signed at the entrance of the Meeting hall.
- (3) Shareholders/proxy holders should bring their copy of Annual Report for the Meeting.

**JAYATMA INDUSTRIES LIMITED**

(Formerly known as Santaram Spinners Limited)

CIN : L17110GJ1983PLC006462

259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380 002, Gujarat

www.jayatmaindustries.com / cs@jayatma.com

**Form No. MGT-11**

**Proxy form**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and  
Rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No/ Clint Id : \_\_\_\_\_

DP ID : \_\_\_\_\_

I/ We being the member of \_\_\_\_\_, holding \_\_\_\_\_ shares, hereby appoint

I/We, being the member(s) of the Company holding \_\_\_\_\_ shares, hereby appoint:

1. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_

Address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Signature : \_\_\_\_\_ or failing him



as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 35th Annual General Meeting of members of the Company, to be held on Saturday, 21st September, 2019 at the registered office of the Company at 9:00 A.M., and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resoluiton(s)
<b>ORDINARY BUSINESS</b>	
<b>1</b>	To receive, consider and adopt the Audited profit and Loss Account for the year ended 31st March, 2019 and the Balance Sheet as on that date along with Directors' and Auditors' Report thereon.
<b>2</b>	To appoint a Director in place of Nirav Kalyanbhai Shah (DIN 00397336), who retires by rotation and, being eligible, offers himself for re-appointment
<b>SPECIAL BUSINESS</b>	
<b>3</b>	Re-appointment of Mr. Janak Gautambhai Nanavati (Din: 00472925) as Independent Non-Executive Director.
<b>4</b>	Re-appointment of Mr. Fenil Ramesh Chandra Shah (Din: 01558417) as Independent Non-Executive Director.
<b>5</b>	Appointment of Mr. Rajan Priyakant Parikh (DIN: 00198383) as Non- Executive and Independent Director.
<b>6</b>	Appointment of Ms. Toshi Bipinchandra Mehta (DIN: 08438628) as Non-executive Director.
<b>7</b>	To adopt a new set of Memorandum of Association of the Company in accordance with the Provisions of the Companies Act, 2013
<b>8</b>	To adopt a new set of Articles of Association of the Company in accordance with the Provisions of the Companies Act, 2013

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy holder : \_\_\_\_\_

Affix Revenue stamp
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**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before 48 hours of the commencement of the Meeting.**

**JAYATMA INDUSTRIES LIMITED**

(Formerly known as Santaram Spinners Limited)

CIN : L17110GJ1983PLC006462

259, 3rd floor, New Cloth Market, Outside Raipur Gate, Ahmedabad – 380 002, Gujarat

www.jayatmaindustries.com / cs@jayatma.com

**Dear Shareholder(s),**

This is to inform you that the Company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your Permanent Account Number (PAN), Telephone / Mobile No., E-mail ID and Bank Account details in our records. We would also like to update your current signature records in our system.

To achieve this we solicit your co-operation in providing the following details to us:

1. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
2. If you are holding shares in physical form, you may provide the following:

Folio No. :

PAN :

E-mail ID :

Telephone/Mobile No. :

Name of Bank :

Bank Account Number :

IFS Code of Bank :

Name and Signature :

1. \_\_\_\_\_, \_\_\_\_\_

2. \_\_\_\_\_, \_\_\_\_\_

3. \_\_\_\_\_, \_\_\_\_\_

Thanking you.

**For and on behalf of,  
Jayatma Industries Limited,**

**Nirav Kalyanbhai Shah,  
CEO & Director**