

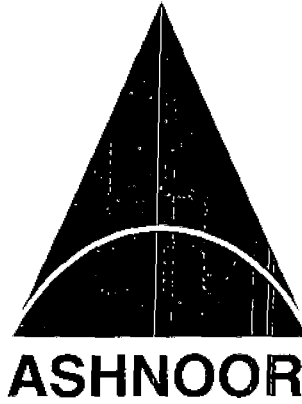
Annual Report

2007-08

Ashnoor Textile Mills Limited

Certified True Copy
For Ashnoor Textile Mills Limited

[Handwritten Signature]
Authorised Signatory



Board of Directors

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Suneel Kumar Gupta | Chairman-cum-Managing Director |
| 2. Dr. (Mrs.) Sangeeta Gupta | Whole-time Director |
| 3. Mr. Inder Mohan Agarwala | Director |
| 4. Ms. Pallavi Agarwal | Director |
| 5. Mr. Piyush Gupta | Director |

Registered Office and Factory

Behrampur Road
Village Khandsa
District Gurgaon
Haryana - 122 001

Auditors

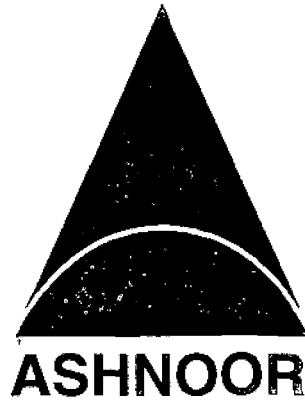
Messrs KSA & Co., Chartered Accountants
New Delhi

Bankers

Bank of Baroda
International Business Branch
Bank of Baroda Building, 1, Sansad Marg
New Delhi - 110 001

Registrar

Messrs Intime Spectrum Registry Limited
A-40, 2nd Floor
Naraina Industrial Area, Phase-II
New Delhi - 110 028



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ASHNOOR TEXTILE MILLS LIMITED

NOTICE

NOTICE is hereby given that Twenty Fifth Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Tuesday, September 30, 2008, at 9.30 a.m. at the Registered Office of the Company at Behrampur Road, Village Khandsa, District Gurgaon, Haryana-122 001, to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date together with the Report of the Director's and the Auditor's thereon.
2. To appoint a Director in place of Ms. Pallavi Agarwal who retires by rotation and, being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Dr. (Mrs.) Sangeeta Gupta who retires by rotation and, being eligible, offers herself for re-appointment.
4. To appoint Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Audit Committee to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED that Mr. Inder Mohan Aggarwala, who pursuant to Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company was appointed as an Additional Director on the Board w.e.f from April 30, 2008 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED that Mr. Piyush Gupta, who pursuant to Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company was appointed as an Additional Director on the Board w.e.f April 30, 2008 and who holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force Mr. Suneel Kumar Gupta, be and is hereby re-appointed as Managing Director for a period of five years w.e.f January 10, 2008 at the remuneration, allowances/perquisites and other terms and conditions as detailed below:

Basic Salary Rs. 1,50,000/- per month

Allowances/ Perquisites

In addition to the above salary the Managing Director shall be entitled to the following allowances/perquisites-

Category 'A'

- a) **Rent Free Accommodation/HRA** - The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director shall not exceed fifty percent of the basic salary. The amount paid in excess thereof shall be recovered from the Managing Director.

In case no accommodation is availed by the Managing Director, he shall be entitled to house rent allowance at a rate of fifty percent of the basic salary.

- b) **Reimbursement of Gas, Electricity & Water** - The Managing Director shall be entitled to reimbursement of expenditure on gas, electricity and water charges on actual basis.

- c) **Medical Reimbursement** - The Managing Director shall be entitled to reimbursement of medical expenses incurred on self and family subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.

- d) **Leave Travel Concession** - As per Company's Rules.

ASHNOOR TEXTILE MILLS LIMITED

- e) **Club Fees** - Reimbursement of Club Fees subject to maximum of two clubs. This, however, shall not include admission and life membership fee.
- f) **Personal Accident Insurance** - Premium not exceeding Rs.4,000/- per annum.
- g) **Newspaper, books and periodical** - Amount not exceeding Rs. 1,000/- per month.
- h) **Children Education Allowance and Hostel Expenditure** - Education Allowance and Hostel expenditure of the children to the extent exempted under the Income Tax Act, 1961, for not exceeding two children
For the purposes of allowances/perquisite the term family shall mean the spouse, the dependent children and the dependent parents.

Category 'B'

- a) **Leave Encashment** - As per Company's Rules.
- b) **Contribution to Provident Fund etc.** - As per Company's Rules/ provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952
- c) **Gratuity** - As per the provisions of Payment of Gratuity Act, 1972.

Category 'C'

In addition to above the Managing Director shall also be entitled to use of Company's car with driver, use of Company's telephone at his residence and also the use of Company's mobile. However, personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to the Managing Director.

No sitting fee shall be payable to the Managing Director for attending any meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT the above remuneration, allowances/ perquisites shall be payable to the Managing Director even in cases where during the currency of his tenure, if in any financial year the Company has no profits or its profits are inadequate. However, the value of all perquisites shall be restricted to an amount of Rs.3,00,000/- per annum.

RESOLVED FURTHER THAT the above remuneration, allowances/perquisites are approved for a period of three years from the date of re-appointment and are subject to review thereafter.

RESOLVED FURTHER THAT the Board of Directors or any other Committee thereof be and is hereby authorized, in its absolute discretion, to decide/determine, fix and/or vary within the range stated above, the Remuneration (including minimum remuneration in the event of absence of inadequacy of profits in any financial year) payable to the Managing Director from time to time.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds, matters and things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

- 8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force Dr. (Mrs.) Sangeeta Gupta be and is hereby appointed as a Whole-time Director of the Company w.e.f. May 1, 2008 at the remuneration, allowances/perquisites and other terms & conditions as detailed below:

Basic Salary - Rs. 1,20,000/- per month

Allowances/ Perquisites

In addition to the above salary the Whole-time Director shall be entitled to the following allowances/perquisites -

Category 'A'

- a) **Rent Free Accommodation/HRA** - The expenditure incurred by the Company on hiring furnished accommodation for the Whole-time Director shall not exceed fifty percent of the basic salary. The amount paid in excess thereof shall be recovered from the Whole-time Director.

In case no accommodation is availed by the Whole-time Director, she shall be entitled to house rent allowance at a rate of fifty percent of the basic salary.

- b) **Reimbursement of Gas, Electricity & Water** - The Whole-time Director shall be entitled to reimbursement of expenditure on gas, electricity and water charges on actual basis.

ASHNOOR TEXTILE MILLS LIMITED

- c) **Medical Reimbursement** - The Whole-time Director shall be entitled to reimbursement of medical expenses incurred on self and family subject to ceiling of one month's basic salary in a year or three months' basic salary over a period of three years.
- d) **Leave Travel Concession** - As per Company's Rules.
- e) **Club Fees** - Reimbursement of Club Fees subject to maximum of two clubs. This, however, shall not include admission and life membership fee.
- f) **Personal Accident Insurance** - Premium not exceeding Rs.4,000/- per annum.
- g) **Newspaper, books and periodical** - Amount not exceeding Rs, 1,000/- per month.
- h) **Children Education Allowance and Hostel Expenditure** - Education Allowance and Hostel expenditure of the children to the extent allowable under the Income Tax Act, 1961, for not exceeding two children.
- For the purposes of allowances/perquisite the term family shall mean the spouse, the dependent children and dependent parents.

Category 'B'

- a) **Leave Encashment** - As per Company's Rules.
- b) **Contribution to Provident Fund etc.** - As per Company's Rules/ provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 :
- c) **Gratuity** - As per the provisions of Payment of Gratuity Act, 1972.

Category 'C'

In addition to above the Whole-time Director shall also be entitled to use of Company's car with driver, use of Company's telephone at her residence and also the use of Company's mobile. However, personal long distance calls on telephone/mobile and use of car for private purpose shall be billed by the Company to the Whole-time Director.

No sitting fee shall be payable to the Whole-time Director for attending any meeting of the Board of Directors or any Committee thereof.

RESOLVED FURTHER THAT the above remuneration, allowance/ perquisite shall be payable to the Whole-time Director even in cases where during the currency of her tenure, if in any financial year the Company has no profits or its profits are inadequate. However, the value of all perquisites shall be restricted to an amount of Rs.3,00,000/- per annum.

RESOLVED FURTHER THAT the above remuneration, allowances/perquisites are approved for a period of three years from the date of appointment and are subject to review thereafter.

RESOLVED FURTHER THAT the Board of Directors or any other Committee thereof be and is hereby authorized, in its absolute discretion, to decide/determine, fix and/or vary within the range stated above, the Remuneration (including minimum remuneration in the event of absence of inadequacy of profits in any financial year) payable to the Whole-time Director from time to time.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds, matters and things as may be considered necessary and to settle all questions or difficulties whatsoever that may arise to give effect to the above resolution."

By the order of the Board
For Ashnoor Textile Mills Limited

Place : Gurgaon
Date : July 25, 2008

Certified True Copy
For Ashnoor Textile Mills Limited

Dharmendra Kumar Bhasin
Company Secretary

Regd Office -
Village Khandsa
Behrampur Road
Gurgaon, Haryana - 122001


Authorized Signatory

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURN, DULY COMPLETED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.

ASHNOOR TEXTILE MILLS LIMITED

2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business is annexed hereto and forms part of this notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 22, 2008 to Tuesday, September 30, 2008 (both days inclusive).
4. Members holding shares in physical form are requested to notify change in address, if any, to the Company at its registered office or to the Registrar and Share Transfer Agent – M/s Intime Spectrum Registry Limited, A-40, 2nd Floor, Nariana Industrial Area – II, Near Batra Banquet Hall, New Delhi – 110 028.
5. Members holding shares in electronic/demat form are requested to notify change in their address, if any, to their respective Depository Participant.
6. Members are requested to kindly bring their copies of Annual Report alongwith duly filled admission slips for attending the meeting.
7. Members are requested to kindly quote share folio number/Client ID No. in all their correspondence.
8. In case of joint holds attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
9. 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 on their behalf at the meeting.

EXPLANATORY STATEMENTS

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. - 5

Mr. Inder Mohan Aggarwala was appointed as an Additional Director on the Board on April 30, 2008. Pursuant to Section 260 of the Companies Act, 1956 read with Article 127(a) of the Articles of Association of the Company, Mr. Aggarwala holds the office only upto the date of the ensuing Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956 a notice in writing has been received from one of the shareholder of the Company, signifying his intention to propose Mr. Aggarwala as a candidate for the office of Director liable to retire by rotation. As required by Section 257 of the Act, the said shareholder has also deposited a sum of Rs. 500/- with the Company which shall be refunded to him if Mr. Aggarwala is elected as a Director.

Mr. Aggarwala, aged 61, is a B.Sc (Textile) and has more than 41 years of experience in spinning, weaving and textile units. He is an expert in the procurement and marketing of raw materials. The services of Mr. Aggarwala have been and will be very useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company liable to retire by rotation. Presently, Mr. Aggarwala, does not hold any equity share of the Company.

Mr. Aggarwala himself and Mr. Piyush Gupta, being his relative are interested in this resolution. None of the other Directors of the Company is in anyway concerned or interested in the Resolution.

Item No. - 6

Mr. Piyush Gupta was appointed as an Additional Director on the Board on April 30, 2008. Pursuant to Section 260 of the Companies Act, 1956 read with Article 127(a) of the Articles of Association of the Company, Mr. Gupta holds the office only upto the date of the ensuing Annual General Meeting.

Pursuant to Section 257 of the Companies Act, 1956 a notice in writing has been received from one of the shareholder of the Company, signifying his intention to propose Mr. Gupta as a candidate for the office of Director liable to retire by rotation. As required by Section 257 of the Act, the said shareholder has also deposited a sum of Rs. 500/- with the Company which shall be refunded to him if Mr. Gupta is elected as a Director.

Mr. Gupta, aged 42, is a Practicing Chartered Accountant and has more than 19 years of experience in accounting, project financing, company law, auditing, taxation and related fields. Prior to this he has worked in different corporate houses at senior level. The services of Mr. Gupta have been and will be very useful to the Company. The Directors, therefore, recommend that he be appointed as a Director of the Company liable to retire by rotation. Presently, Mr. Gupta, does not hold any equity share of the Company.

Mr. Gupta himself and Mr. Inder Mohan Aggarwala, being his relative are interested in this resolution. None of the other Directors of the Company is in anyway concerned or interested in the Resolution.

Item No. - 7

The shareholders of the Company had re-appointed Mr. Suneel Kumar Gupta as Managing Director for a period of three years who held the office upto January 9, 2008. During his tenure as Managing Director he has performed exceedingly well and the Board of Directors at their meeting held on January 25, 2008 have re-appointed him as Managing Director for a term of five years w.e.f from January 10, 2008 and fixed the remuneration payable to him for a period of three years which is to be reviewed thereafter. The disclosure as required under Section II of Part II of Schedule XIII to the Companies Act, 1956 has been enclosed separately to this report and forms part of this explanatory statement.

The appointment of Mr. Gupta as a Managing Director and the remuneration and perquisites proposed to be paid or granted to him as set out the said resolution are in conformity with the provisions and requirements of Schedule XIII

ASHNOOR TEXTILE MILLS LIMITED

to the Companies Act, 1956. Accordingly, no approval of the Central Government is required for his re-appointment as Managing Director or the payment of proposed remuneration to him. However, his appointment is subject to an approval from the shareholders in general meeting pursuant to Sections 198, 269 and 309 of and Schedule XIII to the Companies Act, 1956.

Mr. Gupta, aged 47, is a MBA and has been associated with the Company since its inception. As required as Clause 49 of the Listing Agreement the brief resume of Mr. Suneel Kumar Gupta has been provided in the report of Corporate Governance forming part of this Annual Report. Presently Mr. Gupta holds 930118 equity shares of the Company.

This Explanatory Statement concerning the appointment of Mr. Gupta as Managing Director may be treated as an abstract of the terms of his appointment and the memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out above to be passed by the shareholders as a special resolution.

Mr. Suneel Kumar Gupta himself and Dr. (Mrs.) Sangeeta Gupta, being his relative are interested in this resolution. None of the other Directors of the Company is in anyway concerned or interested in the Resolution.

Item No. - 8

Recently, the Company has expanded by nearly doubling its capacity. The day-to-day activities have increased and to have better control on the working the Board of Directors of the Company at their meeting held on April 30, 2008 have appointed Dr. (Mrs.) Sangeeta Gupta w.e.f May 1, 2008 as a Whole-time Director of the Company to look after the day-to-day working of the Company and fixed the remuneration payable to her for a period of three years which is to be reviewed thereafter.

The appointment of Dr. (Mrs.) Gupta as Whole-time Director and the remuneration and perquisites proposed to be paid or granted to her as set out the said resolution are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956. Accordingly, no approval of the Central Government is required for the appointment as Whole-time Director or the payment of remuneration to her. However, her appointment is subject to an approval from the shareholders in general meeting pursuant to Sections 198, 269 and 309 of and Schedule XIII to the Companies Act, 1956. The disclosure as required under Section II of Part II of Schedule XIII to the Companies Act, 1956 has been given separately in this report and forms part of this explanatory statement.

Mrs. Gupta, aged 47, is a MBBS Doctor and has been associated with the Company since 1994. As required as Clause 49 of the Listing Agreement the brief resume of Mrs. Sangeeta Gupta has been provided in the report of Corporate Governance forming part of this Annual Report. Presently Mrs. Gupta holds 468933 equity shares of the Company.

This Explanatory Statement concerning the appointment of Mrs. Gupta as Whole-time Director may be treated as an abstract of the terms of her appointment and the memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The Board recommends the resolution as set out above to be passed by the shareholders as a special resolution.

Mrs. Sangeeta Gupta herself and Mr. Suneel Kumar Gupta, being her relative are interested in this resolution. None of the other Directors of the Company is in anyway concerned or interested in the Resolution.

By the order of the Board
For Ashnoor Textile Mills Limited

Place: Gurgaon
Date : July 25, 2008
Regd Office -
Village Khandsa
Behrampur Road
Gurgaon, Haryana - 122001

Certified True Copy
For Ashnoor Textile Mills Limited


Authorised Signatory

Dharmendra Kumar Bhasin
Company Secretary

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors are pleased to present their Twenty Fifth Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2008.

FINANCIAL PERFORMANCE

(Rupees in lakhs)

PARTICULARS	2007-2008	2006-2007
Turnover	5035.29	3381.60
Gross Profit prior to financial expenses, depreciation & taxation	395.04	327.95
Financial Overheads	117.26	54.77
Depreciation	51.12	42.25
Profit before Tax and Extra-ordinary Items	216.66	220.93
Extra-ordinary Items	2.32	(28.09)
Income/Fringe Benefit Tax	(1.72)	(21.74)
Deferred Tax Assets/(Liabilities)	(72.47)	25.04
Profit after Tax	141.79	193.14
Basic Earning Per Share (Rs.)	2.95	3.93

During the year under review, the turnover of the Company increased by 48.96% from Rs.3,381.60 lakhs in previous year to Rs.5,035.29 lakhs. However, due to higher cost of raw material, higher manufacturing overhead and provision for deferred tax liability, profit after tax declined from Rs.193.14 lakhs in previous year to Rs.141.79 lakhs in the current year. The balance in the Profit & Loss A/c has been carried to the Balance Sheets without transferring any amount to any reserves.

The detailed discussion on the state of Company's affairs and the performance of operations of the Company is given elsewhere in this annual report under "Management Discussion and Analysis Report".

DIVIDEND

In view of requirement of funds for future growth of the Company, your Directors want to retain the profits and therefore, do not recommend any dividend for the year under review.

FIXED DEPOSITS

During the year under review, your Company has not invited or accepted any fixed deposit.

FUTURE PROSPECTS

During the year under review the Company initiated an expansion program by installation of 16 jet looms for doubling its production capacity which is to be part financed from a sanctioned terms loan of Rs. 525 lakhs sanctioned Bank of Baroda. The benefits from this expansion will accrue in the coming years.

DIRECTORS

During the year subject to approval of shareholders in their general meeting Mr. Suneel Kumar Gupta, Chairman-cum-Managing Director, was re-appointed as Managing Director w.e.f January 10, 2008 for a term of five years. Further, subject to approval of shareholders in a general meeting recently Dr. (Mrs.) Sangeeta Gupta has been appointed as a Whole-time Director w.e.f May 1, 2008.

Ms. Pallavi Agarwal and Mrs. Sangeeta Gupta are Directors retiring by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

Further, Mr. Inder Mohan Aggarwala and Mr. Piyush Gupta were appointed as an Additional Directors of the Company and pursuant to Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company they hold the directorship upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500/- from a member proposing their candidature for appointment as Directors liable to retire by rotation.

Further, w.e.f April 30, 2008 Mr. Rakesh Kumar and Mr. Bodh Raj Malhotra resigned as Directors of the Company. Your Directors place on record their appreciation for the valuable services rendered by the outgoing Directors during their tenure.

CORPORATE GOVERNANCE

A detailed note on Corporate Governance as required under the Listing Agreement with the Bombay Stock Exchange Limited (BSE), Mumbai is annexed to this report. Further, a certificate issued by the Statutory Auditors of the Company, in pursuance of Clause 49 of the Listing Agreement in compliance of Corporate Governance, is also annexed with this report.

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to Section 217(AA) of the Companies Act, 1956, your Directors confirm that:

- a) in preparation of the annual accounts for the financial year 2007-08, the applicable accounting standards have been followed alongwith the explanations relating to material departures;
- b) the Directors had selected such appropriate 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 as at March 31, 2008 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguard of the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the Directors had prepared the annual accounts for the financial year ended March 31, 2008 on a going concern basis.

AUDITORS

M/s KSA & Co., Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956 and willingness to accept the office as Statutory Auditors, if re-appointed.

AUDITORS' OBSERVATIONS

The observations of the Auditors are self-explanatory and are suitably explained in various notes to the accounts. They need no further comments.

STATUTORY DISCLOSURES

The information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, (as amended) may be taken as nil as no employee received remuneration in excess of the limits prescribed therein.

Additional information on conservation of energy, technology adsorption, foreign exchange earnings and outgo as required Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed.

ACKNOWLEDGEMENTS

Your Directors express their grateful thanks and appreciation for the continued cooperation and support extended to the Company by various Government Authorities, Bank of Baroda, Customers and Business Constituents. Your Directors also wish to place on record their appreciation for the employees of the Company at all levels for their commitment and continued support for the Company and also to the shareholders of the Company for their continuing support and for the confidence reposed in the Management.

Certified True Copy
For Ashnoor Textile Mills Limited

By the order of the Board

Place: Gurgaon
Date : July 25, 2008

Suneel Kumar Gupta
Chairman-cum-Managing Director

Authorized Signatory

ANNEXURE TO THE DIRECTOR'S REPORT

Additional information as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

I. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken

- Installation of pipes and traps on condensate lines for recovery of condensate.
- Identification and control the present and potential areas of energy loss.
- Installation of fuel efficient diesel generating set in place of scrapped one.
- Conversion of one of the boiler from furnace oil to petcoke.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

- Installation of capacitors to improve power factor from bought out power.
- Installation of CFL lights.

c) Impact of the measures at (a) and (b) for reduction of energy consumption and conservation impact on the cost of production of goods.

- Savings in power and fuel cost.

d) Total energy consumption and energy consumption per unit of production as per Form "A"

ASHNOOR TEXTILE MILLS LIMITED

Form "A"

Form of disclosure of particulars with respect to conservation of energy.

Particulars	Unit	2007-2008	2006-2007
A) Power and Fuel Consumption			
1. Electricity			
a) Purchased : Units	(KWH in Lakhs)	25.07	34.63
Total Amount	(Rs. in Lakhs)	115.15	147.69
Rate per unit	(Rs.)	4.59	4.27
b) Own Generation			
Through Diesel Generator : Units	(KWH in Lakhs)	29.30	7.92
Unit/Ltr of Oil	KWH	3.00	3.00
Cost per unit	(Rs.)	8.46	8.35
2. Used in Boiler			
a) Furnace Oil			
Quantity	KL	-	275.00
Total cost	(Rs. in Lakh)	-	44.97
Average cost	(Rs. per KL)	-	16,353.89
b) Petcoke			
Quantity	MT	2,976.22	2,694.00
Total cost	(Rs. in Lakh)	124.26	89.06
Average cost	(Rs. per MT)	4,175.09	3,305.96
B. Consumption per unit of production			
i) Electricity	(KWH per KG)	2.24	2.64
ii) Furnace oil	(Ltr per KC)	-	0.17
iii) Petcoke	(Ltr per KG)	1.23	1.67

Form "B"

II. Technology Absorption

A. Research and Development

a) Specific areas in which R&D is carried out by the Company

- Replacement of conventional chemicals with effective and efficient chemicals.

b) Benefits derived as a result of R&D

- Reduction in the cost.

c) Future Plan of Action

- Recovery of heat from diesel generator exhaust.

d) Expenditure on R&D

- R&D being an integral part of production is carried out in a continuous manner as an applied R&D Programme. No separate record on the expenditure incurred on R&D is therefore maintained.

B. Technology absorption, adaptation and innovation

- Efforts are being made on continuous basis to improve the quality of finished towels.

III. Foreign Exchange Earnings and Outgo

a) Activities relating to export, initiative taken to increase exports, development of new export market for products and export plans

- The Company being a 100% Export Oriented Unit is continuously exploring the additional export market for its products.

b) Total foreign exchange earned and used

(Rs./lakhs)

	2007-2008	2006-2007
i) Foreign exchange earned (including from deemed exports)	3416.76	2629.16
ii) Foreign exchange used	392.27	85.12
Net foreign exchange earned	3024.49	2544.04

By the order of the Board

Place: Gurgaon

Date : July 25, 2008

Suneel Kumar Gupta
Chairman-cum-Managing Director

ASHNOOR TEXTILE MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Development

Terry towels forms on integral part of the home-textile segment. The demand for terry towels varies across the countries depending upon various factors like population, demographics, living style, economic status and its climatic conditions.

The textile industry in India has recently experienced an unprecedented growth after a long period in hibernation. The primary factors for success are removal of trade barriers, making funds at cheaper costs, technology up gradation funds introduced in 1998 and booming domestic demand.

Opportunities and threats

Company sees an exciting opportunity in textile industries since differential between demand and supply always determine the potential of any industry. The projections for textile trade in India in 2012 stands at USD 110 billion. The market size is expected to grow by at least @ 13% per year. The world trade is expected to grow from USD 479 billion in 2005 to USD 700 billion in 2012. In that India's share is expected to be 7% from earlier share of 4%. Due to factors supported by skill, structured corporate practices, legal frame work coupled with a tradition in textile business and support by the Government policy, India is surely posed for an unprecedented growth in textile industries.

Segment-wise or product-wise performance

The Company has only one segment of activity namely – Terry Towels, in accordance with the definition of "Segment" as per the Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance for the same has been discussed details in this report.

Outlook

The outlook of the Company remains positive. Recently, the Company has made significant investments to double its production capacities.

Risks and concerns

The textile industry is apprehensive about its future because of various reasons, the principal factor being rising rupee, although may be for temporary period. Union budget for 2008-09 has also confirmed the industry's this worst fear. The exporters' profit margins are greatly slashed, but domestic market is booming. Secondly, power is one of the largest cost attributes in India. Power generation is inadequate, forcing industries to put up their own generation plant. But, with oil prices hike, it is becoming difficult to control power cost.

Internal control systems and their Adequacy

The Company maintains adequate systems of internal controls to ensure that all assets are safeguarded against loss from unauthorized use or disposition, Company's policies, procedures and guidelines are in place to ensure that all the transactions are authorized, recorded and reported correctly and that the Company has an internal audit system commensurate to its size and the nature of its business.

Discussion on financial performance with respect of operational performance

During the year under review, turnover of the Company increased by 48.90% from Rs.3,381.60 lakhs in previous year to Rs.5,035.29 lakhs during the current year. Profit before depreciation, interest, taxation and extra-ordinary items increased from Rs. 327.95 lakhs to Rs. 395.04 lakhs. The depreciation of the Company was higher from Rs. 42.25 lakhs to Rs. 61.12 lakhs. The financial expenses increased from Rs. 64.77 lakhs to Rs. 117.26 lakhs due to availment of term loan, utilization of enhanced working capital limits and increased discounting of export bills.

The PBT increase from Rs. 192.83 lakhs to Rs. 218.98 lakhs whereas due to higher provision of deferred tax liability the PAT declined from 193.14 lakhs to Rs. 144.79 lakhs.

Material developments in human resources/industrial relations front

The Company is committed to value its human resources and believes in unlimited potential of each of its staff member. These ensure highest quality, cost effectiveness and proper delivery system. During the financial year, the overall industrial relations remained cordial.

Disclaimer

Readers are cautioned that this discussion and analysis contains certain forward looking statements which describe the Company's objectives, expectations within the meaning of applicable laws and regulations. All these statements always have certain risks and uncertainties. Actual results could differ materially from those expressed or implied and the Company is not bound to publicly update or revise forwarding looking statements. Readers are cautioned not to place undue reliance on these forwarding looking statements.

ASHNOOR TEXTILE MILLS LIMITED

CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

1. Company's Philosophy on Corporate Governance

The Company's philosophy on corporate governance envisages attainment of the highest levels of Corporate Governance in all its activities and processes by adopting such set of policies, processes and practices. These policies, processes and practices help the Company reflect transparency, accountability and equity in all facets of its operations achieve its goal, professional approach in dealing with the shareholders and strive to discharge social responsibilities. During the financial year under review the Company continued to adopt procedures and practices in conformity with Clause 49 of the Listing Agreement.

The Company believes in abiding by the Code of Corporate Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz. the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner and by being fair to all its stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

2. Board of Directors

(a) Composition of the Board

The present strength of the Board is five and it comprises of Executive and Non-Executive Directors. Two directors including the Managing Director and the Whole-time Director are Executive Directors and the Managing Director also being the Chairman of the Company. There are three Non-executive Directors all being independent Directors.

During the year, there was no change in the board. However, Mr. Bodh Raj Malhotra and Mr. Rakesh Kumar resigned as directors w.e.f April 30, 2008 and Mr. Inder Mohan Aggarwala and Mr. Piyush Gupta were appointed as an additional directors on the same date and pursuant to Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company hold the directorship upto the date of ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Company has received notices under Section 257 of the Companies Act, 1956 from members of the Company in writing proposing their candidature for the office of Director and it is proposed to reappoint them as Directors liable to retire by rotation. Further, with effect from May 1, 2008 Dr. (Mrs.) Sangeeta Gupta was appointed as a Whole-time Director.

The composition of the Board, number of directorships and Committee positions held by each of the Directors are given hereunder -

Name of	Position	Attendance			Other Directorships		
		No. of Board Meeting held during the year	No. of Board Meeting attended	Last AGM attended (Yes/No)	Directorships in other public limited companies #	Committee membership's	Committee Chairman
Mr. Suneel Kumar Gupta	Chairman-cum-Managing Director (Promoter)	11	11	Yes	--	--	--
Dr. (Mrs.) Sangeeta Gupta	Whole-time Director (Promoter)	11	10	Yes	-	--	--
Mr. Bodh Raj Malhotra *	Non Executive (Independent)	11	10	Yes	--	--	--
Ms. Pallavi Agarwal	Non Executive (Independent)	11	11	No	--	--	--
Mr. Rakesh Kumar *	Non Executive (Independent)	11	9	Yes	---	--	--
Mr. Inder Mohan Aggarwala @	Non Executive (Independent)	N.A.	N.A.	N.A.	--	---	--
Mr. Piyush Gupta @	Non Executive (Independent)	N.A.	N.A.	N.A.	--	---	--

ASHNOOR TEXTILE MILLS LIMITED

- # Excludes directorship held in private limited companies, foreign companies, companies under Section 25 of the Companies Act, 1956 and memberships of Managing Committees of other Chambers/Institutions/Boards.
- \$ Includes Membership/Chairmanship of Audit Committee and Shareholders Grievances Committees only.
- * Resigned as a Director w.e.f April 30, 2008.
- @ Appointed as an Additional Director w.e.f. April 30, 2008

During the year none of the Directors was either a member of more than 10 committees or was a Chairman of more than 5 committees in any public limited company.

(b) Number of Board Meetings

During the year, 11 Board Meetings were held on - April 30, 2007; May 28, 2007; July 17, 2007; July 31, 2007; August 13, 2007; September 12, 2007; October 30, 2007; December 11, 2007; January 25, 2008; February 12, 2008 and March 29, 2008.

The gap between two Board Meetings did not exceed four months. Further, the information as required under Annexure I-A of Clause 49(I)(C) of the Listing Agreement is made available to the Board. The Agenda and other relevant papers having adequate information for consideration of the Board are circulated in advance. Further, the compliance report of statutory requirements is placed before the Board on quarterly basis.

(c) Shareholding of Non-Executive Directors

None of the Non-executive Director holds any equity share of the Company.

(d) Code of Conduct for Directors and Senior Management Personnel

The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel (the Code). The Code has been communicated to the Directors and the members of the Senior Management. All Board Members and Senior Management have confirmed compliance with the Code for the year ended March 31, 2008. This Annual Report contains a declaration to this effect signed by the Managing Director who is also the Chief Executive Officer.

(e) Resume of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting

Mr. Inder Mohan Aggarwala -

Mr. Inder Mohan Aggarwala, aged 61, is a B.Sc (Textile) and has more than 41 years of experience in spinning, weaving and textile units. He is an expert in the procurement and marketing of raw materials. Mr. Aggarwala was appointed as an Additional Director w.e.f April 30, 2008 and pursuant Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company holds the directorship upto the date of ensuing Annual General Meeting and being eligible has offered himself for appointment as Director liable to retire by rotation.

Mr. Aggarwala does not hold directorship and membership of any Committee of Directors of any other public limited company.

Presently, he does not hold any equity share of the Company.

Mr. Piyush Gupta -

Mr. Piyush Gupta, aged 42 years, is a Practicing Chartered Accountant and has more than 19 years of experience in accounting, project financing, company law, auditing, taxation and related fields. Prior to this he has worked in different corporate houses at senior level.

Mr. Gupta was appointed as an Additional Director w.e.f April 30, 2008 and pursuant Section 260 of the Companies Act, 1956 and Article 127(a) of the Articles of Association of the Company holds the directorship upto the date of the ensuing Annual General Meeting and, being eligible, has offered himself for appointment as Director liable to retire by rotation.

Mr. Gupta does not hold directorship and membership of any Committee of Directors of any other public limited company.

Presently, he does not hold any equity share of the Company.

ASHNOOR TEXTILE MILLS LIMITED

Mr. Sunee! Kumar Gupta -

Mr. Sunil Kumar Gupta, aged 47 years, Chairman-cum-Managing Director of the Company is MBA and has been associated with the Company since its inception. Mr. Gupta held office as the Managing Director upto January 9, 2008. Subject to the approval of the shareholder in a general meeting the Board of Directors have re-appointed him as a Managing Director for a term of five years w.e.f. January 10, 2008 and pursuant to the applicable provisions of Schedule XIII to the Companies Act, 1956 have fixed his remuneration for a period of three years with effect from that date. He does not hold directorship and membership of any Committee of Directors of any other Public Company. Presently he holds 930118 (38.94%) shares in the share capital of the Company.

Dr. (Mrs.) Sangeeta Gupta -

Dr. (Mrs.) Sangeeta Gupta aged 47 years, is a MBBS and a doctor by profession. She has been associated with the Company since 1994 onwards. To recognize her services, subject to the approval of shareholders in a general meeting the Board of Director at their meeting held on April 30, 2008 had appointed her as a Whole-time Director w.e.f. May 1, 2008. She does not hold directorship and membership of any Committee of Directors of any other Company. Presently, she holds 468933 (9.55%) shares in the share capital of the Company.

3. Board Committees

I Audit Committee

(a) Brief description of terms of reference

The scope of Audit Committee includes, inter-alia, overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/re-appointment/removal of external auditors and fixing their remuneration, reviewing the quarterly and annual financial statements before submission to the Board, reviewing the adequacy of the internal audit function, ensuring compliance of internal control systems, reviewing findings of internal investigations, discussing the nature and scope of audit with statutory auditors, reviewing the Company's financial and risk management policies and looking into reasons of substantial defaults, if any, of non payment to stakeholders, reviewing the functioning of the Whistle Blower mechanism and a mandatory review of Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions submitted by management, management letters/ letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the internal auditor.

The constitution and its composition meets the requirement of Clause 49 and Section 292A of the Companies Act, 1956. The members of the Committee are qualified, experienced and professional having knowledge in industry, finance, project financing, company law and other related matters. The quorum of the Audit Committee shall be either two members or two third of its strength, whichever is higher, but there should be a minimum of two independent directors present.

The minutes of Audit Committee Meeting are placed before the Board at its next Board Meeting for the discussion by the Board of Directors.

(b) Composition, name of members and Chairman

The Audit Committee of the Board of Directors of the Company has been constituted in terms of provisions of Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956.

The Audit Committee was reconstituted by the Board of Directors at their meeting held on April 30, 2008 and presently it consists of the following three Directors -

Mr. Piyush Gupta (*)	-	Chairman
Ms. Pallavi Agarwal	-	Member
Dr. (Mrs.) Sangeeta Gupta	-	Member

ASHNOOR TEXTILE MILLS LIMITED

Mr. Piyush Gupta and Ms. Pallavi Aggarwal are non-executive and independent directors whereas Dr. (Mrs.) Sangeeta Gupta is an executive and promoter director.

Mr. Dharmendra Kumar Bhasin, Company Secretary acts as a Secretary to the Audit Committee.

- * Appointed as Member and Chairman w.e.f. April 30, 2008 on the resignation of Mr. Bodh Raj Malhotra as a Director of the Company who consequently ceased to be the Chairman of the Audit Committee.

(c) Meetings and attendance during the year

During the year under review the Audit Committee met six times on April 28, 2007; May 28, 2007, July 30, 2007; August 13, 2007; October 29, 2007 and January 23, 2008 respectively wherein all then existing members were present.

II. Remuneration Committee

(a) Brief description of terms of reference

The constitution of Remuneration Committee is to recommend/review the remuneration package of Executive and Non-executive Directors including formulation of policy framework for managerial remuneration.

(b) Composition, name of members and Chairman

The Remuneration Committee of the Board of Directors of the Company was re-constituted by the Board of Directors at their meeting held on April 30, 2008 consists of the following three directors –

Mr. Piyush Gupta (*)	-	Chairman
Ms. Pallavi Agarwal	-	Member
Mr. Inder Mohan Aggarwala	-	Member

All the members are non-executive and independent directors.

- * Appointed as Member and Chairman w.e.f. April 30, 2008 on the resignation of Mr. Bodh Raj Malhotra as a Director of the Company who consequently ceased to be the Chairman of the Remuneration Committee.

(c) Meetings and attendance during the year

During the year under review, the Remuneration Committee met on January 15, 2008 wherein all then existing members were present.

(d) Remuneration Policy

The Remuneration Policy of the Company is aimed at rewarding performance based on achievements on a regular basis. The remuneration of the Directors is decided by the Board/Remuneration Committee which is further approved by the shareholders in the meeting, wherever required within the prescribed ceilings. The remuneration policy of Company in respect of the Executive and Non-executive Directors is as under –

- i) **Executive Directors** – The remuneration paid to the Executive Directors is subject to the limits laid down under Section 198, 309/310 and Schedule XIII to the Companies Act, 1956 and in accordance with the terms of their respective appointment approved by the shareholders of the Company. Their remuneration consists of salary, HRA/rent free accommodation, medical reimbursement, leave travel concessions, club fees, personal accident insurance, telephone and car and other perquisites and allowances in accordance with the Company's Rules, as applicable from time to time.

The Executive Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

The appointment of Managing Director is for a period of five years whereas the appointment of Whole-time Directors is for normal period of retirement. No notice period has been specifically provided for the removal of Executive Directors(s).

- ii) **Non-executive Director** – Presently, no remuneration or any sitting fees for attending the Board or its Committee meetings is being paid to any of the Non-executive Directors.

ASHNOOR TEXTILE MILLS LIMITED

(e) Detail of remuneration to all the directors for the Financial Year 2007-08

The detail of remuneration paid/payable to the Managing Director during the year 2007-08 is as under:

Name	Designation	Amount (Rs.)
Mr. Suneel Kumar Gupta	Chairman-cum-Managing Director	5,94,032/-

III. Shareholder / Investor's Grievance Committee

(a) Composition, name of members and chairman

The Shareholders/Investors Grievance Committee was reconstituted by the Board of Directors at their meeting held on April 30, 2008. Presently the Shareholders/Investors Grievance Committee comprises of the following three directors -

Mr. Piyush Gupta (*)	-	Chairman
Mr. Suneel Kumar Gupta	-	Member
Dr. (Mrs.) Sangeeta Gupta	-	Member

The scope of the Committee includes the redressal of shareholders / investors grievances pertaining to transfer/transmission/ dematerialization/rematerialization of shares, dividends and other related issues.

* Appointed as Member and Chairman w.e.f. April 30, 2008 on the resignation of Mr. Bodh Raj Malhotra as a Director of the Company who consequently ceased to be the Chairman of the Remuneration Committee.

(b) Name and designation of the Compliance Officer

Mr. Dharmendra Kumar Bhasin, Company Secretary is also the Compliance Officer of the Company.

(c) Summary of shareholder's complaints received so far and cleared by the Company during the year

During the year, 15 (fifteen) complaints were received by the Company, which were resolved to the satisfaction of complainants. There was no complaint pending as on March 31, 2008.

4. General Body Meetings

(a) The Location and time for the last three Annual General Meetings is as under

Year	Date	Venue	Time
2004-05	October 29, 2005	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.
2005-06	December 20, 2006	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.
2006-07	September 29, 2007	Beharampur Road, Village Khandsa, District Gurgaon, Haryana	9:30 A. M.

(b) No special resolution was passed at Annual General Meeting held on October 29, 2005 and December 20, 2006. One special resolution under section 372A of the Companies Act, 1956 was passed in the Annual General Meeting held on September 29, 2007. During the year under review no Extra-ordinary General meeting Act was held.

(c) During the year under review, no resolution was passed/is proposed to be passed through postal ballot as required by the Companies (Passing of the resolution by postal ballot) Rules, 2001 and Clause 49 of the Listing Agreement.

ASHNOOR TEXTILE MILLS LIMITED

5. Disclosures

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

The details of the related party transactions has been made in Notes to the Accounts appearing under Schedule T to the Annual Accounts given elsewhere in this Annual Report. None of such transactions has potential conflict with the interest of the Company at large. The details of materially individual transactions with related parties are periodically placed before the Audit Committee/Board with management justifications, wherever required, for the same.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Market, during the last three years

The Company has been regular in complying with the various rules and regulations prescribed by stock exchange(s), Securities & Exchange Board of India (SEBI) or any other Statutory Authorities relating to the capital markets. During the last three years, no penalties or strictures have been imposed on the Company.

(c) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause.

All the mandatory requirements of Clause 49 of the Listing Agreement have been complied with as stated in this report on Corporate Governance.

The non-mandatory requirements as stipulate in Annexure I-D of the said clause have been adopted to the extent and in the manner as stated under the appropriate headings in the Report of Corporate Governance.

6. Means of Communication

i) Quarterly Results

The quarterly, half yearly and annual results of the Company are published in accordance with the requirements of the Listing Agreement.

As the financial results of the Company are published in the newspapers and also displayed on the BSE website, a separate half yearly declaration of the financial performance of the Company is not sent to each household of shareholders.

ii) Newspaper in which results are normally published

Pioneer and Veer Arjun.

iii) Any website where displayed

The results of the Company are also displayed by the Bombay Stock Exchange Limited at its website bseindia.com

iv) Whether it also displays news releases and presentations made to institutional investors or to the analysts.

The relevant information, wherever required, is given to the Bombay Stock Exchange Limited who in turn displays the same at its website bseindia.com

v) Presentations made to institutional investors or to the analysts

During the year under review, no presentation was made to any institutional investor or any analyst.

7. General Shareholders Information

(a) Date, Time & Venue of Annual General Meeting

The Twenty-Fifth Annual General Meeting of the Company is scheduled to be held on Tuesday, September 30, 2008 at 9:30 a.m at the registered office of the Company at Beharampur Road, Village Khandsa, District Gurgaon, Haryana.

(b) Financial Calendar (tentative and subject to change)

The Company expects to announce the un-audited quarterly results for the year 2008-09, as per the following schedule:

ASHNOOR TEXTILE MILLS LIMITED

First Quarter	:	Last week of July, 2008
Second Quarter	:	Last week of October, 2008
Third Quarter	:	Last week of January, 2009
Fourth Quarter	:	Last week of April 2009

The Audited Results of the Company for the year 2008-09 will be announced on or before August 31, 2009.

(c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Monday, September 22, 2008 to Tuesday, September 30, 2008 (both days inclusive).

(d) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2007-08.

(e) Listing on Stock Exchange(s)

The equity shares of the Company are listed in the Bombay Stock Exchange Limited (BSE), Phiroze JeeJeebhoy Towers, Dalal Street Mumbai - 400 001. The Company is regular and has paid upto date annual listing fees to BSE.

(f) Stock Code

Bombay Stock Exchange Limited (BSE) 507872

(g) Market Price Data

The monthly high and low price of the equity shares of the Company at BSE during each month for the year ended March 31, 2008 is as under -

Month	Highest (Rs.)	Lowest (Rs.)	Volume (Rs.)
April 2007 - February 2008 *	-	-	-
March 2008	6.93	6.93	693.00

* No trading has been reported during this period.

Source : bseindia.com

(h) Performance of Company's stock price in comparison broad-based indices BSE Sensex

Month	Closing (Rs.)	BSE Sensex
April 2007- February 2008 *	-	-
March 2008	6.93	15644.44

* No trading has been reported during this period.

Source : bseindia.com

(h) Registrar and Share Transfer Agents (RTA)

Intime Spectrum Registry Limited

A-40, 2nd Floor, Naraina Industrial Area - II, Near Batra Banquet Hall, New Delhi- 110 028

Phone : 011-41410592-93-94 Fax : 011-41410591 E-mail : delhi@intimespectrum.com

Compliance Officer

Mr. Dharmendra Kumar Bhasin, Company Secretary

Phone: 0124 - 2215828-829, 2215831-833 Fax: 0124 - 2215829 E-mail: atml_delhi@yahoo.com

(i) Share Transfer System

The transfer of shares in physical form is done by the RTA-M/s Intime Spectrum Registry Limited and returned within a period of 30 days from the date of receipt of document complete in all respect. The Share Transfer Committee of the Company normally meets twice in a month depending upon the transfer received during the period.

ASHNOOR TEXTILE MILLS LIMITED

(j) Distribution of Share holding (as on March 31, 2008)

No. of Equity Shares held	Shareholders		No. of Shares			
	No.	%	Physical	Demat	Total	%
Upto 250	15186	79.625	1573595	13664	1587259	32.325
251 - 500	3056	16.023	1047559	10847	1058406	21.555
501 - 1000	611	3.204	417142	4410	421552	8.585
1001 - 2000	163	0.855	204032	6806	210838	4.294
2001 - 3000	22	0.115	51575	-	51575	1.050
3001 - 4000	20	0.105	67952	-	67952	1.384
4001 - 5000	3	0.016	13020	-	13020	0.265
5001 - 10000	5	0.026	34650	-	34650	0.706
10001 & above	6	0.031	541987	923048	1465035	29.836
Total	19072	100.000	3951512	958775	4910287	100.000

(k) Shareholding Pattern of the Company (as on March 31, 2008)

	Category of Shareholders	Number of Shares held	Percentage of holding
A.	Promoter's Holding		
1.	Promoters		
	- Indian Promoters	13,99,051	28.49
	- Foreign Promoters	Nil	Nil
2.	Persons acting in concert	Nil	Nil
	Sub-total	13,99,051	28.49
B.	Non-Promoter's Holding		
3.	Institutional Investors	Nil	Nil
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	3,080	00.06
C.	Foreign Institutional Investors (FIIs)	Nil	Nil
	Sub-total	3,080	00.06
4.	Others		
	Private Corporate Bodies	73,318	01.49
	Indian Public	34,16,775	69.59
	NRI/OCBs	17,963	00.37
	Clearing Member	100	Nil
	Sub-total	35,08,156	71.45
	Grand Total	49,10,287	100.00

(l) Dematerialisation of Shareholding:

The ISIN No. of the Company is INE372I01018. 19.53% of the paid-up share capital had been dematerialized as at March 31, 2008 with the two depositories.

Secretarial Audit Report:

The Secretarial Audit Report of the Company prepared in terms of SEBI Circular No. D&CC/FITTC/CIR-16/200 dated December 31, 2002 reconciling the shares dematerialized in both the depositories and physical form with the total issued/paid-up capital of the Company for every quarter is placed before the Board of Directors and also submitted to BSE and two depositories.

ASHNOOR TEXTILE MILLS LIMITED

(m) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments which likely to have impact on equity share capital of the Company.

(n) Plant Location

Behrampur Road, Village Khandasa, District Gurgaon, Haryana-122 001

(o) Address for Correspondence

Ashnoor Textile Mills Limited

Behrampur Road, Village Khandasa, District Gurgaon, Haryana-122 001

Phone: 0124 - 22152828-829, 2215831-833 Fax: 0124 - 2215829 E-mail: atml_delhi@yahoo.com

By the order of the Board

Place: Gurgaon

Date : July 25, 2008

Suneel Kumar Gupta

Chairman-cum-Managing Director

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR THEM

It is hereby declared that as provided under Clause 49(I)(D)(i) of the listing agreement with the Bombay Stock Exchange Limited, Mumbai, the Company has adopted a Code of Conduct for Board Members and Senior Management Personnel.

Further, as provided under Clause 49(I)(D)(i) of the said agreement, it is confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed compliance for the year ended March 31, 2008 with the respective Code of Conduct, as applicable to them.

Place: Gurgaon

Date : July 25, 2008

Suneel Kumar Gupta

Chairman-cum-Managing Director

AUDITORS' CERTIFICATE ANNEXURE TO THE REPORT OF THE DIRECTORS CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended March 31, 2008, no investor grievance pending against the Company for the period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KSA & Co.

Chartered Accountants

KAMAL PIYUSH


Partner

Membership Number: 83399

Place : New Delhi

Date : July 25, 2008

**Certified True Copy
For Ashnoor Textile Mills Limited**


Authorised Signatory

ASHNOOR TEXTILE MILLS LIMITED

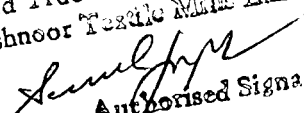
AUDITORS REPORT

The Members of Ashnoor Textile Mills Limited

1. We have audited the attached Balance Sheet of Ashnoor Textile Mills Limited as at March 31, 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt from this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on March 31, 2008 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) Subject to foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the cases of the Balance Sheet, of the state of affairs of the company as at March 31, 2008;
 - (ii) In the case of the Profit and Loss Account, of the profits for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Thanking you
Yours truly,
For KSA & Co.
Chartered Accountants**

**KAMAL PIYUSH
Partner
Membership Number: 83399
Place : New Delhi
Date : July 25, 2008**

*Certified True Copy
For Ashnoor Textile Mills Limited

Authorised Signatory*

ASHNOOR TEXTILE MILLS LIMITED

ANNEXTURE TO THE AUDITOR'S REPORT OF THE MEMBERS OF ASHNOOR TEXTILE MILLS LIMITED ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) According to the information and explanation given, the company has adopted a phased program of physical verification of fixed assets. Under this program all the assets would be verified in phased manner the frequency of which, in our opinion, is reasonable, having regard to the size of the company and nature of its assets. As explained to us no material discrepancies were noticed in respect of assets verified during the year.
 - (c) During the year, the company has not disposed off any major part of the plant and machinery.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has not granted or taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. As no loans is granted or taken, clauses (b), (c), (d), (e), (f) and (g) of paragraph (iii) of this order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 have been entered in the register required to be maintained under that section; and
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the of the Companies Act, 1956 and the rules framed there under. The Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not passed any order.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed for the maintenance of cost records by the company under Section 209(1)(d) of the Companies Act, 1956 for Cotton Textile Industry. The company has not maintained prescribed cost records.

ASHNOOR TEXTILE MILLS LIMITED

- (ix) (a) The Company has generally been 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 any other statutory dues with the appropriate authorities. There is no outstanding statutory liability as at March 31, 2008, which is due for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, out of the arrears of Employees' State Insurance dues on contract labour of Rs. 2,705,536/- pertaining to the years 1997 to 2001 levied by Regional Office of Employees State Insurance Corporation, Gurgaon, only Rs. 563,706/- has been paid under protest and the remaining amount of Rs. 2,141,830/- have not been paid and the appeal is pending with Civil Court, Gurgaon. Haryana Development Tax of Rs. 7,105,146/- levied by the State Government has been disputed and the local association on behalf of all the industries in the region has filed an appeal with Supreme Court of India.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	From where dispute is pending
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Interest on the late payment	2,186,351	2005-2006	Court
Employees State Insurance Act, 1948	Interest on the late payment	18,725	2005-2006	Court
Employees State Insurance Act, 1948	Arrears of ESI dues on Contract Labour	2,141,830	1997 to 2001	Civil Court Gurgaon
Local Area Development Tax Act, 2000	Haryana Development Tax	918,034	2002-2003	Court
		2,110,645	2003-2004	
		1,966,381	2004-2005	
		1,660,354	2005-2006	
		449,732	2006-2007	

- (x) The company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not taken loans from the financial institutions and has not issued any debentures. Accordingly, there is no defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund of a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.

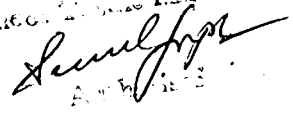
ASHNOOR TEXTILE MILLS LIMITED

- (xvi) The company has availed term loan of Rs. 449.63 Lacs from its Bank and according to the information and explanation given to us the loan has been applied for the purpose for which the same was obtained.
- (xvii) According to the information and explanations given to us and on an overall view of the balance sheet of the company, we report that no funds raised in short-term basis have been used for long-term investment. No long-term funds have been used to finance all current assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register of names of shareholders under section 89A of the Act.
- (xix) According to the information and explanations given to us, during the year under audit, the company had not issued any debentures and has not created any reserve in respect of debentures.
- (xx) According to the information and explanations given to us, the company has not received any money from the public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Thanking you
Yours truly,
For KSA & Co.
Chartered Accountants

KAMAL P(YUSE)
Partner
Membership Number: 83299
Place : New Delhi
Date : July 25, 2008

ASHNOOR TEXTILE MILLS LIMITED
BALANCE SHEET AS AT MARCH 31, 2008

PARTICULARS	SCHEDULES	31.03.2008 Rupees	31.03.2007 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	A	48,692,227.00	48,692,227.00
Share Application Money		27,165,000.00	18,190,000.00
Reserves and Surplus	B	24,372,087.36	9,892,964.11
LOAN FUNDS			
Secured Loans	C	137,935,977.21	53,421,557.00
Unsecured Loans		-	115,556.94
DEFERRED TAX LIABILITIES			
		4,743,149.00	-
TOTAL LIABILITIES		<u>242,908,440.57</u>	<u>130,312,305.05</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	D	420,630,337.52	375,665,116.85
Depreciation		(305,384,137.17)	(299,271,735.17)
Net Block		<u>115,246,200.35</u>	<u>76,393,381.68</u>
DEFERRED TAX ASSETS			
		-	2,503,944.00
INVESTMENTS			
	E	975,439.76	
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	F	91,753,902.23	77,260,600.96
Sundry Debtors	G	56,378,503.00	22,750,475.00
Cash and Bank Balances	H	8,468,416.83	2,507,920.80
Loans and Advances	I	71,452,162.53	20,912,001.92
		<u>228,052,984.59</u>	<u>123,430,998.68</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	J	98,451,945.13	66,128,996.00
Provisions	K	2,914,239.00	5,887,023.31
NET CURRENT ASSETS		<u>126,686,800.46</u>	<u>51,414,979.37</u>
TOTAL ASSETS		<u>242,908,440.57</u>	<u>130,312,305.05</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
Schedules Referred To Above Form An Integral Part of the Balance Sheet			
As per our report of even date attached			
For KSA & Co. Chartered Accountants		 For and on behalf of the Board	
KAMAL PIYUSH Partner Membership Number: 83399 Place : New Delhi Date : July 25, 2008		SUNEEL KUMAR GUPTA SANGEETA GUPTA Chairman-cum-Managing Director Director DHARMENDRA KUMAR BHASIN Company Secretary	

ASHNOOR TEXTILE MILLS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008**

PARTICULARS	SCHEDULES	31.03.2008 Rupees	31.03.2007 Rupees
INCOME			
Sales	L	503,529,378.85	338,160,238.00
Other Income	M	19,102,541.00	18,971,110.98
Change in Inventory	N	5,604,302.33	31,863,013.78
Total Income		528,236,222.18	388,994,362.76
EXPENDITURE			
Manufacturing Overheads	O	444,182,574.92	316,645,688.18
Administrative Overheads	P	9,319,228.00	9,505,678.26
Selling Overheads	Q	35,230,485.14	30,048,485.62
Financial Overheads	R	11,725,727.11	5,177,138.00
Depreciation	D	6,112,402.00	4,224,514.00
Total Expenditure		506,570,417.17	366,901,404.06
PROFIT BEFORE EXTRA ORDINARY			
ITEMS AND TAX			
Extra Ordinary Items	S	232,483.24	(2,809,166.85)
PROFIT BEFORE TAX		21,898,288.25	19,283,792.85
Current Income Tax		-	(2,343,411.00)
Fringe Benefit Tax		(172,072.00)	(130,123.00)
Deferred Tax Liability		(7,247,093.00)	2,503,914.00
PROFIT FOR APPROPRIATION		14,479,123.25	19,314,202.85
Profit/(Loss) Brought Forward		9,892,964.11	(9,421,238.74)
TRANSFERRED TO BALANCE SHEET		24,372,087.36	9,892,964.11

Weighted Average Number of Equity Shares	4,910,287	4,910,287
Basic Earning Per Share	2.95	3.93

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Schedules Referred To Above Form An Integral Part of the Profit And Loss Account

As per our report of even date attached

For KSA & Co.
Chartered Accountants

KAMAL PIYUSH
Partner

Membership Number: 83399

Place: New Delhi

Date : July 25, 2008

T

Certified True Copy
For Ashnoor Textile Mills Limited

Suneel Kumar Gupta
Authorized Signatory

For and on behalf of the Board

SUNEEL KUMAR GUPTA **SANGEETA GUPTA**
Chairman-cum-Managing Director Director

DHARMENDRA KUMAR BHASIN
Company Secretary

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET

PARTICULARS	As at 31-03-2008 Rupees	As at 31-03-2007 Rupees
<u>SCHEDULE - A</u>		
SHARE CAPITAL		
AUTHORIZED		
10,000,000 (10,000,000) Equity Shares of Rs. 10/- each	<u>100,000,000.00</u>	<u>100,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
4,910,287 (4,910,287) fully paid up Equity Shares of Rs. 10/- each fully paid up	49,102,870.00	49,102,870.00
Less: Calls in Arrears (from other than directors)	(410,643.00)	(410,643.00)
	<u>48,692,227.00</u>	<u>48,692,227.00</u>
<u>SCHEDULE - B</u>		
RESERVES AND SURPLUS		
Surplus in Profit and Loss Account	24,372,087.36	9,892,964.10
	<u>24,372,087.36</u>	<u>9,892,964.11</u>
<u>SCHEDULE - C</u>		
LOANS FUNDS		
SECURED LOANS		
Term Loan from Bank of Baroda for purpose of Plant and Machinery, against security of Immovable and Movable Properties and Assets, and personal guarantees of two Directors and relation of directors. Repayable in 48 monthly installments of Rs. 10,93,750/- from May 2008	44,963,133.00	-
Vehicle loan from ICICI Bank Limited	2,199,378.21	-
Working Capital Loans from Bank of Baroda		
Packing Credit Limits	58,573,999.00	30,000,000.00
Foreign Bills Discounted	30,080,467.00	21,289,067.00
Overdue Interest - Bank of Maharashtra	2,119,000.00	2,132,490.00
	<u>137,935,977.21</u>	<u>53,421,557.00</u>
UNSECURED LOANS		
Temporary Overdraft from the Bank	-	115,556.94
	-	<u>115,556.94</u>

SCHEDULE - D
FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2007 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31.03.2008 Rupees	As at 01.04.2007 Rupees	For the year Rupees	Adjustments During the year Rupees	As at 31.03.2008 Rupees	As at 31.03.2008 Rupees	As at 31.03.2007 Rupees
Land	8,557,120.00	-	-	8,557,120.00	-	-	-	-	8,557,120.00	8,557,120.00
Factory Building	84,081,585.24	-	-	84,081,585.24	28,802,941.24	2,808,325.00	-	31,611,266.24	52,470,319.00	55,278,644.00
Office Building	2,558,130.00	-	-	2,558,130.00	851,348.00	85,442.00	-	936,790.00	1,621,340.00	1,706,782.00
Electric Installation	382,143.84	205,460.00	-	587,603.84	226,472.00	49,967.00	-	276,439.00	311,164.84	155,671.84
Plant and Machinery	272,001,861.77	34,448,087.67	-	306,449,949.44	265,651,237.93	2,112,846.00	-	267,764,083.93	38,685,865.51	6,350,623.84
Generator Set	3,512,720.00	6,035,416.00	-	9,548,136.00	783,591.00	537,194.00	-	1,320,785.00	8,227,351.00	2,729,129.00
Furniture and Fixture	2,771,348.00	-	-	2,771,348.00	2,319,781.00	175,426.00	-	2,495,207.00	276,141.00	451,567.00
Office Equipment	1,035,258.00	100,490.00	-	1,135,748.00	345,761.00	70,311.00	-	416,072.00	719,676.00	689,497.00
Computers	587,950.00	143,102.00	-	731,052.00	240,085.00	105,212.00	-	345,297.00	385,755.00	347,865.00
Vehicles	177,000.00	4,032,665.00	-	4,209,665.00	50,518.00	167,679.00	-	218,197.00	3,991,468.00	125,482.00
Total	375,665,116.85	44,965,220.67	-	420,630,337.52	299,271,735.17	6,112,402.00	-	305,384,137.17	115,246,200.35	76,393,381.68
Previous year	345,463,950.63	4,164,768.48	(1,293,602.25)	375,665,116.85	306,236,147.58	4,224,514.00	(11,88,026.11)	299,271,735.17	76,393,381.68	79,227,903.05

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET

PARTICULARS

As at
31-03-2008
Rupees

As at
31-03-2007
Rupees

SCHEDULE - E

INVESTMENTS

GMR Infrastructure Ltd.

(4,000 equity shares @ Rs. 172.54 each)

690,166.19

-

Jaiprakash Associates Ltd.

(500 equity shares @ Rs. 355.13 each)

177,565.33

-

Power Grid Corporation of India Ltd.

(1,000 equity shares @ Rs. 107.71 each)

107,708.24

-

975,439.76

-

(Market value of the shares as at March 31, 2008 is Rs. 807,175/-)

SCHEDULE - F

INVENTORIES

(as certified and valued at Lower of Cost and Net Realizable value by the management)

Raw Materials

11,668,745.12

3,936,413.19

Dyes and Chemicals

2,343,391.00

1,872,712.44

Packing Material

723,038.00

529,760.00

Fuel

1,379,284.00

886,573.55

Stock in Progress

19,088,760.36

18,311,048.53

Finished Goods

56,550,683.75

51,724,093.25

91,753,902.23

77,260,600.96

SCHEDULE - G

SUNDRY DEBTORS

(Unsecured and Considered Doubtful)

Outstanding for more than 6 months

60,745.00

-

Less: Written Off as Bad Debts

(60,745.00)

-

(Unsecured and Considered Good)

Outstanding for more than 6 months

-

33,576.00

Outstanding for less than 6 months

56,378,503.00

22,716,899.00

56,378,503.00

22,750,475.00

ASHNOOR TEXTILE MILLS LIMITED**SCHEDULES TO BALANCE SHEET****PARTICULARS**As at
31-03-2008
RupeesAs at
31-03-2007
Rupees**SCHEDULE - H****CASH AND BANK BALANCES**

Cash in Hand including Imprest	92,020.22	267,777.80
Balance With Scheduled Banks in:		
Current Account	5,451,426.61	12,505.00
Margin Money	2,788,000.00	3,128,000.00
Fixed Deposit	136,973.00	99,638.00
	8,468,419.83	2,507,920.80

SCHEDULE - I**LOANS AND ADVANCES****(Unsecured and Considered Good)**

Advances Recoverable in Cash or in Kind of for value to be received	273,079.00	229,687.15
Advances to Suppliers	40,907,486.34	2,914,981.01
Security Deposit	1,577,388.00	1,683,340.00
Prepaid Expenses	248,908.00	420,798.00
Advance Tax, TDS and Fringe Benefit Tax	2,132,282.00	172,319.00
Other Receivables	26,313,069.19	15,530,916.46
	71,452,162.53	20,912,001.92

SCHEDULE - J**CURRENT LIABILITIES**

Sundry Creditors for Goods	2,842,035.14	9,789,058.11
Sundry Creditors for Expenses	75,057,992.81	35,102,333.60
Expenses Payable	19,070,862.64	15,113,516.44
Advances from Customers	-	17,628.54
Interest Accrued but not due	-	389,026.00
Unrealized losses on Investments	168,264.76	-
Cheques Issued but not yet presented for payment	1,812,789.78	5,717,333.31
	98,451,945.13	66,128,996.00

SCHEDULE - K**PROVISIONS**

Income Tax	-	2,345,411.00
Fringe Benefit Tax	172,072.00	130,123.00
Employees Benefits Schemes	2,742,167.00	3,413,489.31
	2,914,239.00	5,887,023.31

ASHNOOR TEXTILE MILLS LIMITED**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

PARTICULARS	Year Ended 31-03-2008 Rupees	Year Ended 31-03-2007 Rupees
<u>SCHEDULE - L</u>		
SALES		
Domestic	60,386,545.00	10,433,912.00
Excise Duty/Cenvat	(2,388,296.00)	(409,015.00)
Discount	-	(69,004.00)
Export	341,676,250.00	263,744,176.00
Discount	-	(827,696.00)
Deemed Export	91,611,966.00	61,794,574.00
Carpet Sale - Local	10,988,578.35	-
Rejects	976,946.00	3,184,315.00
Scrap	277,389.50	308,976.00
	<u>503,529,378.85</u>	<u>338,160,238.00</u>
<u>SCHEDULE - M</u>		
OTHER INCOME		
Expenses Recovered from Customers	2,029,000.00	1,040,000.00
Freight	17,005,036.00	17,801,723.00
Interest on Deposit	54,492.00	5,622.00
Balances Written Back	14,013.00	123,765.98
	<u>19,102,541.00</u>	<u>18,971,110.98</u>
Tax Deducted at Source	11,355.00	1,319.00
<u>SCHEDULE - N</u>		
CHANGE IN INVENTORY		
Opening Stocks		
Stock in Progress	18,311,048.53	15,158,656.00
Finished Goods	51,724,093.25	23,013,472.00
	<u>70,035,141.78</u>	<u>38,172,128.00</u>
Closing Stocks		
Stock in Progress	19,088,760.36	18,311,048.53
Finished Goods	56,550,683.75	51,724,093.25
	<u>75,639,444.11</u>	<u>70,035,141.78</u>
Change in Invenotry	5,604,302.33	31,863,013.78
<u>SCHEDULE - O</u>		
MANUFACTURING OVERHEADS		
Raw Material Consumed	216,815,262.36	146,575,157.24
Packing Material Consumed	23,679,688.31	16,027,107.87
Fuel Consumed	35,854,724.91	19,489,066.00
Dyes and Chemicals Consumed	91,608,404.21	61,081,942.26
Carpet Purchase	19,466,398.75	27,248,931.25
Towel Purchase	2,251,567.00	-
Stores and Spares	16,299,355.16	11,667,034.00
Freight and Cartage	6,463,522.00	7,047,227.79
Electricity Charges	11,514,620.00	14,768,745.00
Repair and Maintenance	2,749,008.01	1,689,775.62
Manufacturing Wages	8,136,207.97	7,436,221.35
Company's Contribution to PF and ESI	931,354.00	1,184,388.05
Other Manufacturing Expenses	8,412,462.24	2,429,991.75
	<u>444,182,574.92</u>	<u>316,645,588.18</u>

ASHNOOR TEXTILE MILLS LIMITED**SCHEDULES TO PROFIT AND LOSS ACCOUNT**

PARTICULARS	Year Ended 31-03-2008 Rupees	Year Ended 31-03-2007 Rupees
SCHEDULE - P		
ADMINISTRATIVE OVERHEADS		
Salaries and Other Benefits	1,399,244.00	1,282,718.04
Company's Contribution to PF and ESI	64,913.00	79,307.00
Rent, Rates and Taxes	1,171,585.00	1,477,823.05
Insurance	239,250.00	217,290.00
Travelling and Conveyance	480,032.00	1,208,898.44
Vehicle Maintenance	282,524.00	406,719.54
Communication Expenditure	606,771.10	958,696.39
Office Maintenance	1,625,879.12	849,897.80
Legal and Professional Charges	956,080.00	1,387,830.39
Auditors' Remuneration	300,000.00	300,000.00
Other Expenses	1,589,949.78	1,336,497.61
	<u>9,319,228.00</u>	<u>9,505,678.26</u>
SCHEDULE - Q		
SELLING OVERHEADS		
Advertisement	38,899.00	75,452.00
Sales Promotion and Documentation Expenses	856,595.14	52,064.30
Commission	8,532,707.00	6,111,994.00
Clearing and Forwarding	23,881,284.00	22,839,076.32
Freight and Cartage	1,871,000.00	969,899.00
	<u>35,230,485.14</u>	<u>30,048,485.62</u>
SCHEDULE - R		
FINANCIAL OVERHEADS		
Bank Charges	2,469,504.11	1,253,790.00
Foreign Exchange Fluctuation	1,313,817.00	361,665.00
Interest on Term Loan	1,432,242.00	143,699.00
Interest on Packing Credit Limit	4,050,009.00	2,719,784.00
Interest on Bills Negotiation	2,460,155.00	1,998,200.00
	<u>11,725,727.11</u>	<u>6,477,138.00</u>
SCHEDULE -S		
EXTRA ORDINARY ITEMS		
Prior Year Income	533,333.00	109,601.00
Prior Year Expenditure	(132,423.69)	(128,626.00)
Profit on Sale of Fixed Assets	-	608,081.00
Depreciation of Earlier Years Written Back	-	(3,074,675.85)
Income Tax Adjustments of Earlier Years	-	(23,549.00)
Loss on sale of investment (Equity) Unrealised	(168,264.76)	-
Loss on sale of investment (Equity) realised	(161.31)	-
	<u>232,483.24</u>	<u>(2,809,165.85)</u>

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE - T

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

- a) Financial statements are prepared under the historical cost convention in consonance and accordance with applicable accounting standards, accepted accounting principles and relevant presentational requirements of the Companies Act, 1956.
- b) Company follows accrual basis of accounting in accordance with the provisions of the Companies Act, 1956.
- c) Being 100% Export Oriented Unit, company is entitled to refund of Central Sales Tax (CST), Service Tax, CENVAT, and VAT paid/payable on purchases of inputs, Capital goods and services. These taxes paid is debited to "Receivable Account" and treated as Current Asset and on receipt of refund from the concerned Authorities "Receivable Account" is credited.
- d) The company has completed 10 years tax holiday under section 10B of the Income-tax Act, 1961.
- e) Purchases are booked net of discounts and rebates.

2. Fixed Assets

- a) Fixed assets are recorded at cost.
- b) Increase/decrease in liability towards creditors for capital goods due to change in foreign exchange rate is added to/reduced from the cost of asset.

3. Depreciation

- a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition. Depreciation of Plant and Machinery, Generator and Electrical Installation has been provided on triple shift basis. Depreciation has not been provided on deletions during the year.
- c) Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

4. Inventories

- a) Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
- b) Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at 50% of cost of production.
- c) Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at 50% of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
- d) Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- e) Inventory of scrap is valued on net realizable value.
- f) Stores and Spares are charged to expenses on purchase and no inventory is maintained.

5. Investments

Long Term investments are valued at cost. Provision for decrease in market value of the short term investment is created in the books as unrealized losses.

6. Retirement Benefits

Retirement benefits have been accounted for on accrual basis. Provision of Gratuity is created for the employees who became eligible after completing five years of services under the Payment of Gratuity Act, 1972.

7. Revenue Recognition

- a) Sale includes freight recovered and excise duty from the customers but excludes sales tax wherever charged. Sale is recognized on the date of dispatch of goods from factory after verification by the Excise Authorities from the Bonded Warehouse, which is located within the premises of the factory.

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

b) Export Sale is recorded at the foreign currency exchange rate prevailing on the date of negotiation/discounting with the bank. Invoices negotiated with bank are recorded at the rates negotiated.

c) Sales are recorded on gross invoice value. Rebate and discounts are shown separately.

8. Foreign Currency Transactions

a) Expenses and Income in foreign exchange are accounted for at the rates prevailing on the date of transactions and exchange differences on settlement of transaction are taken to the Profit and Loss Account.

b) Monetary assets and liabilities relating to foreign currency transaction pending for settlement have been restated on the foreign currency conversion rates prevailing on March 31, 2008 in accordance with Accounting Standard-11 on 'Accounting for the Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Resultant loss/gain has been booked as exchange rate fluctuation in the Profit and Loss Account under 'Financial Charges'.

9. Taxation

Company has completed 10 years tax holiday period being 100% Export Oriented Unit. Unabsorbed business losses are not carried forward but unabsorbed depreciation has been carry forwarded for set off against the future profits.

10. Deferred Tax

Deferred tax is recognized, on timing differences, being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

11. Segment Reporting

Business of Terry Towel constitutes one segment in the context of Accounting Standard - 17 on Segment Reporting, issued by the Institute of Chartered Accountants of India.

B. NOTES ON ACCOUNTS

1. Comparative figures for the previous years have been regrouped, recast and rearranged wherever necessary to conform to current year's classification. Figures in parenthesis represent previous financial year's figures unless stated otherwise. Amounts are mentioned in Rupees and quantity in Kilograms unless stated otherwise.

2. Company is entitled for Capital Subsidy of Rs. 3,000,000/- under Capital Investment Scheme of Haryana Government. This amount would be recognized in books on receipt as per conservative assumption of accounting.

3. Securities and Exchange Board of India vide its order dated January 8, 2007 has approved acquisition of 3,500,000 equity share by the promoters of the company on preferential allotment basis. The allotment was to be completed within 90 days of the date of SEBI order. However, the shares were not allotted due to pending permission from Bombay Stock Exchange. The promoters have inducted Rs. 27,165,000/- (2007-2008 - Rs. 18,190,000/-) as Share Application Money pursuant to SEBI order.

4. Excise demand of Rs. 10,000,000/- has been paid in protest to the Excise Department and is shown 'ESI Demand Paid Under Protest' under 'Other Receivables' in Schedule-I of 'Loans and Advances'. Company has filed an appeal in Central Excise and Service Tax Appellate Tribunal against the order of Commission Adjudication - Excise Department.

5. An Appeal is pending with the Civil Court, Gurgaon for the arrears of Employees State Insurance Scheme amounting to Rs. 2,141,830/- (2006-2007 - Rs. 2,141,830/-) for the years 1997 to 2001 levied by Regional Office of Employees State Insurance Corporation. Provision for this amount has not been created. For filing the appeal, Rs. 563,706/- (2006-2007 - Rs. 563,706/-) has been deposited with the Corporation, which is shown as 'ESI Demand Paid Under Protest' under 'Other Receivables' in Schedule-I of 'Loans and Advances'.

6. Following are the contingent liabilities, which has not been provided for:

a) Employees State Insurance Scheme dues of Rs. 2,141,830/- (2006-2007 - Rs. 2,141,830/-).

b) Excise Duty of Rs. 10,000,000/- paid in protest for filing the appeal with the Tribunal.

c) Bank Guarantee of Rs. 60,000/- (Rs. 30,000/- each) issued to Assistant Commissioner, Central Excise, Delhi-III.

7. Interest on late payment of Rs. 2,684,738/- (2006-2007 - Rs. 2,684,738/-) and Rs. 18,725/- (2006-2007 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively by the authorities for the years 2000-2005. Appeal has been filed against this demand in the Court. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest.

8. Company's contribution to Provident Fund and Employees State Insurance include amount contributed and borne by the Company towards share of contractors is Rs. 27,469/- (2006-2007 - Rs. 142,653/-) and Rs. 6,983/- (2006-2007 - Rs. 38,851/-) respectively.

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

9. The Profit and Loss Account includes Rs. 594,032/- (2006-2007 – Rs. 420,000) for remuneration to Managing Director. For the year ended March 31, 2008 no commission has been paid hence, computation of profit under section 349 of the Companies Act, 1956 is not given.
10. As per the information available with the Company, there are no creditors pertaining to Small Scale Industries, whom the Company owes a sum exceeding Rs. 1 Lakh to, which is outstanding for more than thirty days at the Balance Sheet date.
11. Creditors for goods of Rs. 14,013/- (2006-2007 - Rs. 123,766/-) have been written back being not payable.
12. The Company is engaged in production of Towels of various sizes and operations are confined only to the factory at Gurgaon. As such there is no other reportable segment as defined by Accounting Standard – 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India. Carpets
13. Estimated amount of contracts remaining to be executed on the capital account and not provided for (net of advances) is Rs. 8,976,541/- (2006-2007 – Rs. Nil).
14. There are no amount due to the suppliers covered under the Micro, Small and Medium Act, 2006. This information takes into account only those suppliers who have responded to the inquiries made by the company for this purpose.
15. Confirmation from Debtors, Creditors and advances to and from various parties were not received and their balances are shown as appearing in the accounts.
16. In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet.
17. **Remuneration to Auditors:**

Description	2007-2008	2006-2007
Audit Fees	220,000	220,000
Tax Audit Fees	50,000	50,000
Income Tax Matters	10,000	10,000
Company Law Matters	10,000	10,000
Others	10,000	10,000
Service Tax	36,720	36,720
Total	336,720	336,720

18. Investments

Particulars	Purchase		Sale		Closing Stock	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
GMR Infrastructure Limited	4,000	690,166	-	-	4,000	690,166
Jaiprakash Associates Limited	500	177,565	-	-	500	177,565
Power Grid Corporation Limited	1,000	107,708	-	-	1,000	107,708
Jaiparkash Hydro Limited	5,500	414,036	5,500	410,972	-	-
Liberty Shoes Limited	1,000	101,202	1,000	99,895	-	-
S: Kumar Nationwide Limited	5,000	750,804	5,000	756,719	-	-
Wire & Wireless India Limited	1,000	50,603	1,000	48,897	-	-

19. Value of Imports on CIF basis:

Particulars	2007-2008	2006-2007
Stores and Spares	2,557,493	2,174,929

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

20. Expenditure/Remittances in Foreign Currency:

Particulars	2007-2008	2006-2007
Stores and Spares	2,557,493	2,174,929
Foreign Traveling	103,500	745,905
Commission	8,305,093	5,591,017
Advances for Spares	698,129	-
Advance for Capital Goods	27,563,201	-
Total	39,227,416	8,511,851

21. Earnings in Foreign Currency:

Particulars	2007-2008	2006-2007
FOB value of Export of Terry Towels excluding Deemed Export of Rs. 91,611,966/- (2006-2007 - Rs. 61,794,574/-)	341,676,250	262,916,480
Total	341,676,250	262,916,480

22. Earning per Share:

Particulars	2007-2008	2006-2007
Profit After Tax	14,479,123	19,314,203
Number of Equity Shares	4,910,287	4,910,287
Nominal Value of Each Equity Share	10.00	10.00
Basic Earning Per Share	2.95	3.93

23. Deferred Tax Assets:

Description	2007-2008	2006-2007
Difference of WDV of fixed assets between books and income tax	(27,156,645)	(20,126,766)
Unabsorbed Losses	12,167,966	26,755,246
Disallowances under section 43B	1,034,138	810,450
Net Temporary Difference	13,954,541	7,438,929
Effective Rate of Income Tax	33.99%	33.66%
Deferred Tax Assets (Liability)	(4,743,149)	2,503,944
Less: Charged in Previous Year	2,503,944	-
Net Deferred Tax Assets (Liability)	7,247,093	2,503,944

24. Related Party Disclosures:

a) Key Management Personnel	Mr. Suneel Gupta (Managing Director) Mrs. Sangeeta Gupta (Whole time Director)
Significant Influence over the Entity	Suneel Gupta & Sons, HUF

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

b) Related party transactions:

Transactions	Key Management Personnel		Significant Influence	
	2007-2008	2006-2007	2007-2008	2006-2007
Salary	594,032	420,000	-	-
Loan Accepted	-	320,281	-	-
Loan Repaid	-	320,281	-	-
Share Application	8,240,000	8,240,000	18,925,000	9,950,000
Purchase of goods	-	-	19,466,399	27,248,931

c) There is nil balance as on March 31, 2008 of the related parties.

d) No balance has been written off and written back of the related parties during the year.

25. Particulars in respect of installed capacity and production:

Class of goods	Unit	Installed Capacity		Production	
		2007-2008	2006-2007	2007-2008	2006-2007
Terry Towel and Toweling	Tons	2,600	2,000	2,425	1,614

a) Consequent to revised Government Guidelines, requirements as to licensed capacity are no longer applicable.

b) The figure of installed capacity is as certified by the management and not verified by the auditors, being a technical matter and has been calculated on triple shift working.

26. Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption:

Particulars	2007-2008		2006-2007	
	Amount	Percentage	Amount	Percentage
Raw Materials:				
Imported	-	-	-	-
Indigenous	216,815,262	100%	146,575,157	100%
Stores and Spares:				
Imported	2,557,493	15.69%	2,174,929	18.64%
Indigenous	13,741,863	84.31%	9,492,105	81.36%

27. Particulars of quantitative detail of consumption (including wastes) of principal items of raw materials and other significant material:

Description	Unit	2007-2008		2006-2007	
		Quantity	Amount	Quantity	Amount
Cotton Yarn	Kg	2,714,144	216,815,262	1,814,756	146,805,593
Dyes, Chemicals and Consumables	-	-	91,608,404	-	61,081,942
HSD	Liter	965,428	35,854,725	544,016	19,489,066
Pet Coke	Kg	3,013,390		2,655,577	
Packing Material	-	-	23,679,688	-	16,027,108
Stores and Spares	-	-	16,299,355	-	11,667,034

Due to multiple items and different varieties, quantity wise details of the Dyes, Chemicals and Consumables, and Packing Material have not been mentioned.

ASHNOOR TEXTILE MILLS LIMITED

SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

28. Particulars in respect of opening stocks, production, purchase, sales and closing stocks of Terry Towels (Quantity in Kgs):

Description	2007-2008		2006-2007	
	Quantity	Amount	Quantity	Amount
Finished Goods				
Opening Stock	166,913	24,419,432	168,838	22,967,097
Production	2,425,122	-	1,614,123	-
Turnover	2,452,127	492,263,411	1,614,048	352,468,670
Closing Stock	139,908	19,812,668	166,913	24,419,432
Stock in Progress				
Opening Stock	126,335	18,311,049	119,397	15,158,656
Input	2,724,599	219,066,829	1,814,756	146,805,593
Consumption	2,716,136	218,289,118	1,807,818	143,653,200
Closing Stock	134,798	19,088,760	126,335	18,311,049

Notes:

- a) Sizing and dying losses are included in consumption of stock in process.
 b) Openings and closing stocks, and production of Terry Towel are exclusive of following rejected and scrap material (Quantity in Kgs):

Description	2007-2008		2006-2007	
	Quantity	Amount	Quantity	Amount
Rejected Material				
Opening Stock	2,423	55,730	2,016	46,375
Production	10,606	-	49,921	-
Turnover	-	-	49,514	3,184,315
Closing Stock	13,029	299,663	2,423	55,730
Scrap				
Opening Stock	14,024	-	17,170	-
Production	61,465	-	62,862	-
Turnover	58,398	277,390	66,008	308,976
Closing Stock	17,091	81,182	14,024	-

- c) Particulars in respect of opening stocks, purchase, sales and closing stocks of Carpet (Quantity in Sq. mtr.):

Description	2007-2008		2006-2007	
	Quantity	Amount	Quantity	Amount
Finished Goods				
Opening Stock	61,320	27,248,931	-	-
Purchases	34,964	19,466,399	61,320	27,248,931
Turnover	22,608	10,988,578	-	-
Closing Stock	73,676	36,438,353	61,320	27,248,931

- d) Particulars in respect of opening stocks, purchase, sales and closing stocks of Towels (Quantity in Kgs.):

Description	2007-2008		2006-2007	
	Quantity	Amount	Quantity	Amount
Purchases	10,455	2,215,567	-	-
Turnover	10,455	2,345,612	-	-

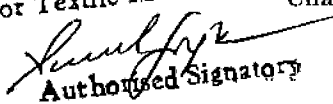
ASHNOOR TEXTILE MILLS LIMITED

29. Balance Sheet Abstract and Company's General Business Profile (in terms of amendment of part IV of Schedule VI to the companies Act, 1956) is annexed herewith.
30. Schedules 'A' to 'T' form an integral part of the Balance Sheet and the Profit and Loss Account and have been duly authenticated.

As per our report of even date attached

For KSA & Co.
Chartered Accountants

KAMAL PIYUSH
Partner
Membership Number: 83399
Place : New Delhi
Date : July 25, 2008

Certified True Copy
For Ashnoor Textile Mills Limited

Authorised Signatory

For and on behalf of the Board

SUNEEL KUMAR GUPTA SANGEETA GUPTA
Chairman-cum-Managing Director
Director

DHARMENDRA KUMAR BHASIN
Company Secretary

ASHNOOR TEXTILE MILLS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I. Registration Details :	
Registration No.	33384
Date of Incorporation	January 21, 1984
State Code	05
Balance Sheet Date	March 31, 2008
II. Capital Raised During The Year (Amount in Rs. Thousand)	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-
III. Position of Mobilization and Deployment of Funds:	
Total Liabilities	242,908.44
Total Assets	242,908.44
Source of Funds :	
Paid-up Capital	48,692.23
Reserves and Surplus	24,372.09
Secured Loans	137,935.98
Unsecured Loans	-
Application of Funds :	
Net Fixed Assets	115,246.20
Investments	975.44
Net Current Assets	126,686.80
Miscellaneous Expenditure	-
Accumulated Losses	-
IV. Performance of the Company (Amount in Rs. Thousand)	
Turnover	503,529.38
Total Expenditure	481,631.09
Profit/(Loss) Before Tax	21,898.29
Profit/(Loss) After Tax	14,479.12
Earnings Per Shares in Rupees	2.95
Dividend Rate %	-
V. Generic Names of Three Principal Products of the Company :	
Items Code No. (ITC Code)	63049251
Product Description	Terry Towel

25/07/2008
Suneel Kumar Gupta



For and on behalf of the Board

SUNEEL KUMAR GUPTA SANGEETA GUPTA
Chairman-cum-Managing Director
Director

DHARMENDRA KUMAR BHASIN
Company Secretary

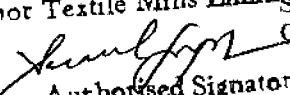
Place : New Delhi

Date : July 25, 2008

ASHNOOR TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008 (PURSUANT TO THE LISTING AGREEMENT WITH THE STOCK EXCHANGES)

Sr. No.	PARTICULARS	31-03-2008 Rupees	31-03-2007 Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit/(Loss) Before Tax and Extraordinary Items	21,665,805.01	22,092,958.71
	Adjustments for :		
	Depreciation	6,112,402.00	4,224,514.00
	Interest and Other Income	19,102,541.00	18,971,110.98
	Interest Paid	11,725,727.11	6,477,138.00
	Operating Profit Before Working Capital Changes	20,401,393.12	13,823,499.73
	Adjustments for:		
	Trade and Other Receivables	(84,168,188.61)	(12,322,714.07)
	Inventories	(14,493,301.27)	(33,171,704.57)
	Trade Payments	29,350,164.82	30,554,474.48
	Cash Generated from Operations	(48,909,931.94)	(1,116,444.43)
	Interest Paid	11,725,727.11	6,477,138.00
	Income and Fringe Benefit Tax	172,072.00	2,473,534.00
	CASH FLOW BEFORE EXTRAORDINARY ITEMS	(60,807,731.05)	(10,067,116.43)
	Extraordinary Items	232,483.24	(342,571.00)
	Net Cash from Operating Activities	(60,575,247.81)	(10,409,687.43)
B. CASH FROM INVESTING ACTIVITIES			
	Purchase of Fixed Assets	44,965,220.67	4,464,768.48
	Sale of Fixed Assets	-	608,081.00
	Investments	975,439.76	-
	Interest and Other Income	19,102,541.00	18,971,110.98
	Net Cash from Investing Activities	(26,838,119.43)	15,114,423.50
C. CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Issue of Share Capital/Share Application	8,975,000.00	18,190,750.00
	Proceeds from Long Term Borrowings	47,162,511.21	(39,000,000.00)
	Proceeds from Other Borrowings	37,236,352.06	17,190,661.94
	Public Issue and Other Expenses	-	-
	Net Cash from Financing Activities	93,373,863.27	(3,618,588.06)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS			
	5,960,496.03	5,960,496.03	1,086,148.01
	Cash and Cash Equivalents as at 01.04.2007	2,507,920.80	1,421,772.79
	Cash and Cash Equivalents as at 31.03.2008	8,468,416.83	2,507,920.80

For KSA & Co. Chartered Accountants KAMAL PIYUSH Partner Membership Number: 83399 Place : New Delhi Date : July 25, 2008	Certified True Copy Ashnoor Textile Mills Limited  Authorised Signatory	For and on behalf of the Board SUNEEL KUMAR GUPTA Chairman-cum-Managing Director SANGEETA GUPTA Director DHARMENDRA KUMAR BHASIN Company Secretary
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AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Ashnoor Textile Mills Limited for the year ended March 31, 2008 and March 31, 2007. The statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For KSA & Co.
 Chartered Accountants
 KAMAL PIYUSH
 Partner
 Membership Number: 83399
 Place : New Delhi
 Date : July 25, 2008



ASHNOOR TEXTILE MILLS LIMITED

Regd. Office -Behrampur Road, Village Khandsa, District Gurgaon, Haryana - 122 001

FORM OF PROXY

I/ We _____
of _____
being Member/Members of the above named company, hereby appoint _____
of or failing him of as my/our proxy to vote for me/ us on my/our behalf at the 25th ANNUAL GENERAL MEETING of the Company to be held at 9.30 A.M. on Tuesday, September 30. 2008 at the registered office of the Company at BEHRAMPUR ROAD, KHANDSA VILLAGE, DISTRICT GURGAON, HARYANA-122001 and at any adjournment thereof.

Re. 1
Revenue
Stamp

Ledger Folio No. / Client ID _____ DP ID _____
No. of Shares held _____

Witness _____ Signed this _____ day of _____ 2008

Important

- (a) Revenue Stamp of Re. 1/- is to be affixed on this form.
- (b) The form should be signed across the stamp as per specimen signature registered with Company.
- (c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the registered office of the Company not less than FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
- (d) A proxy need not be a member of the Company.



ASHNOOR TEXTILE MILLS LIMITED

Behrampur Road, Village Khandsa, District Gurgaon, Haryana - 122 001

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Place / hall

Name of the attending Member (IN BLOCK LETTER)	Ledger Folio No./ Client ID	I hereby record My presence at the 25th ANNUAL GENERAL MEETING of the Company being held to be held at 9.30 A.M. on Tuesday, the September 30, 2008 Behrampur Road Khandsa Village, District Gurgaon, Haryana-122001
Name of proxy (IN BLOCK LETTERS) (To be filled if the proxy attends instead of the member)	Number of shares held	

Member's/Proxy's Signature _____
(To be signed at the time of handling over this slip)

Note: Members/ Proxies are requested to bring the attendance slip with them at the meeting and hand it over at the entrance after signing it.

BOOK POST

To,

If undelivered please return to :
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
District Gurgaon, Haryana - 122 001