

BINAYAK TEX PROCESSORS LIMITED

384-M, 5th Floor, Dhabolkar Wadi, Kalbadevi Road, Mumbai – 400 002

DIRECTOR'S REPORT

To,
The Members of
BINAYAK TEX PROCESSORS LIMITED,

Your Directors have pleasure in presenting the 26th Annual Report together with the Audited statement of Accounts for the financial year ended March 31, 2009.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Financial Year 2008-2009	Financial Year 2007-2008
Total Income	11955.86	11209.72
Profit Before Interest, Depreciation & Taxation.	1134.12	991.51
Profit / (Loss) Before Taxation	831.56	810.08
Less: Provision for Taxation (including deferred tax)	304.94	280.97
Less: Provision for wealth/fringe benefit tax	4.40	4.05
Profit / (Loss) after Taxation	522.22	525.07
Add: Earlier year Adjustment	25.23	-
Add: Balance brought forward from previous year	2019.14	1610.93
Profit Available for Appropriation	2566.60	2135.79
Less: Transfer to General Reserve	100.00	100.00
Less: Proposed Dividend	14.23	14.23
Less: Provision for Tax on Dividend	2.42	2.42
BALANCE CARRIED TO BALANCE SHEET	2449.96	2019.14

DIVIDEND

Considering the company's profit for the year, the Directors recommend for your approval, dividend @ 20% i.e. Rs. 2.00 per equity share of Rs. 10.00 each. The dividend will absorb a total of Rs. 16.64 lacs including Dividend Distribution Tax.

OPERATIONS

Your Company is growing at an impressive rate. During the year under review, the company showed a healthy performance by recording a growth of 7.25% in the top-line over the previous year. The company earned a total income of Rs. 11955.86 lacs. The Profit before Interest, Depreciation, Tax and Adjustments (PBIDTA) stood at Rs. 1134.12 lacs as compared to the last year's Rs. 991.51, recording a growth of 42.84%. The company's Profit after Tax stood at Rs. 522.23 lacs as compared to previous year's Rs. 525.07.

FUTURE OUTLOOK

Your Company is enjoying a good reputation as a quality processor and exporter. With the anticipation of a boom in the retail sector, we are planning to consolidate



our position. During the year under review, we opened our first showroom at Jaipur. With the overwhelming response received from consumers, your company further plans expand its foothold in all the major parts of Country. We intend to open at least 5 showrooms all over the country during the current financial year.

Besides, your company is planning a further value addition by foraying into garmenting. We are entering into the domestic Bed Sheet market. Inorganic growth through acquiring companies that have right strategic fit with us is the corner stone of the future growth plan of your company.

DIRECTORS

Pursuant to the provisions of the Companies Act, 1956 and in accordance with the Articles of Association of the Company, Mrs Heeradevi Pacheriwala retires by rotation as the Director at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Your Directors recommend him re-appointment for your approval.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the directors hereby confirm:

- That in preparation of accounts for the period ended March 31, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the year end of the financial year under review and of the profit for the year under review;
- That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- That the Directors have prepared the accounts for the financial year ended March 31, 2009 on a going concern basis.

SECRETARIAL COMPLIANCE REPORT

The Secretarial Compliance Report pursuant to the provisions to sub-section (1) of section 383A of the Companies Act, 1956 is enclosed and forms part of this Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:



Pursuant to the provisions of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, read with section 217(1)(e) of the Companies Act, 1956, the necessary details are given hereunder:

a) Conservation of Energy

The company has taken various in-house measures to conserve the electricity and energy.

b) Technology absorption and innovation is a continuous process in the company.

c) Foreign Exchange Earnings

During the year, the company has incurred foreign currency expenditure on traveling stood at Rs.4.53 Lacs respectively. The total foreign exchange earnings for the year stood at Rs. 5352.77 lacs.

EMPLOYEES

None of the employees of the company is covered by the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

HUMAN RESOURCES

The relationship of your Company with its employees at all levels remained cordial throughout the year. Your directors wish to place on record their appreciation for the dedicated services of its employees.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits falling within the purview of Section 58A of the Companies Act, 1956 and as such, no principal or interest amount was outstanding on the date of the Balance sheet. During the year the company has incurred CAPEX of Rs. 418.26 Lakh due to this Gross block of Fixed Asset has been increased from 805.63 Lakh to Rs.1208.03 Lakh. Company will get full benefit in the coming year.

CORPORATE GOVERNANCE

Our Company has complied all the provisions as required by the listing agreement with the stock exchange corporate governance is not applicable to the company however management discussion of directors is annexed herewith.

AUDITORS

M/s. Sunderlal, Desai & Kanodia, Chartered Accountants, Mumbai, the Statutory Auditors of the company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. M/s. Sunderlal, Desai & Kanodia retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends re-appointment of M/s. Sunderlal, Desai & Kanodia as Statutory Auditors to hold office till conclusion of next Annual General Meeting and to fix their remuneration. The Company has received letter from M/s. Sunderlal, Desai & Kanodia to the effect that their



appointment/re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/ re-appointment within the meaning of Section 226 of the said Act.

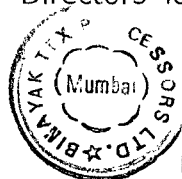
AUDITOR'S NOTES TO THE ACCOUNTS

The observations made in the Auditor's report are self explanatory and therefore does not call for any further comment u/s 217 of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Directors wish to express their appreciation for the co-operation and assistance received from the bankers, concerned regulatory authorities including Reserve Bank Of India, The Securities and exchange Board of India, The Stock exchanges and/or other regulatory authorities and other Business constituents during the year under review. Your Directors look forward to their continued support in the future.

Mumbai
Date: 07.09.2009



A handwritten signature in black ink, appearing to be "Pradeep Kumar Pacheriwala".

Pradeep Kumar Pacheriwala

Chairman

BINAYAK TEX PROCESSORS LIMITED
384-M, 5th Floor, Dhabolkar Wadi, Kalbadevi Road, Mumbai – 400 002

MANAGEMENT'S DISCUSSION & ANALYSIS

Financial Operations Overview

The following descriptions set forth information with respect to key components of our statement of operations.

Income

Sales: Our sales includes sale of cotton cloth processed by us. Our company is engaged in Textile Processing at our facilities located at M. I. D. C., Dombivali, and Maharashtra, INDIA. Majority of such products are exported to African Countries. In addition, we also undertake processing job work for our clients. Exports constitute about 49%, of our total sales and the rest is accounted by domestic sales of the processed cloth and the income received from job work.

Other income: Other income primarily consists of export incentives and interest earned.

Expenditure

Raw material Consumption: The raw materials used for the processing includes the Grey cloth, Dyes & Chemicals consumed in the processing activities. The cost of packing material consumed and other stores and spares items we consume are also included under this head.

Manufacturing expenses: Our manufacturing expenses consist of expenditures on power, fuel & water charges, Labour charges, Property taxes and rent. We also incur additional expenses in respect of repairs and maintenance, processing costs and other miscellaneous costs.

Personnel expenses (Staff Costs): Personnel expenses consist of salary and wage expenses, Contributions to Provident Fund & Employees' State Insurance, bonus and gratuity. It also includes the Directors' Remuneration.

Administrative, Selling & other expenses: The administrative, selling and other expenses include establishment and general expenses and expenses incurred on advertisement.

Financial expenses: Our financial expenses consist of borrowing costs being interest payable on bank loans and other bank charges.

Depreciation: Depreciation expense relates principally to the machinery installed for manufacturing purposes and the other administrative assets.

Taxation: We are subject to income tax liability pursuant to the Income Tax Act, 1961. Also, pursuant to this act, corporations are in some circumstances subject to a



minimum tax liability based on book profits. We make provision for current tax as well as for deferred tax liability based on the effect of timing differences. The Government also has introduced a fringe benefit tax on various benefits and expenditures we are deemed to provide or incur towards our employees as part of our business, for which we have made provision with effect from the current fiscal.

Relationship between Different Items of Financial Statements:

In our financial statements, some of the items have either direct or inverse relationship with other items. The Cost of Raw Materials, Purchases and Other manufacturing Expenses, Stores and Spares and Personnel Expenses have direct relationship with Sales. However, the relationship varies in terms of proportion. The reason for the variance in the proportion is that the amount of sales includes not only the element of materials supplied, but also the service element which changes depending upon various factors such as the demand-supply dynamics at the time of supply, the competitive edge we enjoy in the quality of particular services provided, etc. There is a relationship between the financial expenses and the amounts borrowed by us. The amount of depreciation has a direct relation with the Fixed Assets and its composition. Taxation has a direct relationship with Profit before Tax, but the same may not be a proportionate relationship, as the incidence of taxation is subject to incentives, which may or may not have been charged to the Profit & Loss Account.

As a result of the various factors discussed above our results of operations may vary from period to period.

Comparison of performance for year 2008-09 vis-à-vis 2007-08

Operating Income

The total operating income of our company has increased by 9.1% from Rs. 10482.16 lacs in fiscal 2008 to Rs. 11435.49 lacs in fiscal 2009. The increase in the total revenues is attributable to the increase in the income received in the form of processing charges received by the company. The revenues from on-job processing activities have jumped from 3469.49 lacs to 3587.86 lacs, registering a growth of 3.41% despite slowdown in Textile market.

Other income

The other income of our company has been decreased by 28 % from Rs. 727.56 lacs in fiscal 2008 to Rs. 520.37 lacs in fiscal 2009.



Expenditure

The total expenditures of our company has increased by 3.77% to Rs. 11321.20 lacs in the year 2009 as compared to Rs. 10909.89 lacs in the year 2008. Despite slowdown market we were able to limit the same.

The total expenditure includes the finished purchases by our company, Raw Material Consumption (Grey Fabric), Manufacturing Expenses, Employee's Remuneration, Administrative & Selling charges, Finance charges and Depreciation.

Finished Purchases and Raw Material Consumption

The Finished purchases have increased by 75.14% from Rs. 449.74 lacs in fiscal 2008 to Rs. 787.66 lacs in fiscal 2009 whereas the Raw Material Consumption has also decreased by 2% to Rs. 7171.01 lacs in fiscal 2009 over Rs. 7317.68 lacs in fiscal 2008, our company is trying to utilize maximum in-house manufacturing and processing facilities there fore our company has recently expanded its facilities to support the sales of our company.

Manufacturing Expenses

The manufacturing expenses have increased by 2.49% over the previous year. Only the increase in the manufacturing costs is very marginal as compared to the increase in the sales of our company. By utilizing the company's in-house processing facilities, which are highly cost-effective, the company has reduced its dependence on getting the process job done from outside agencies. The company has also started providing the processing services to outsiders.

Employees' remuneration & Benefits

The remuneration & benefits to employees of our company has increased substantially by 21.46% to Rs. 207.26 lacs during the current fiscal as compared to Rs. 170.64 lacs in fiscal 2008. This substantial increase in the employees' expenses is attributable to the increase in the production facilities and thereby increases in the number of employees and their related expenses.

Administrative, Selling and Other expenses

The Administrative, Selling and Other expenses of our company have increased by 9.10% from Rs. 458.21 Lacs in fiscal 2008 to Rs. 462.38 lacs in fiscal 2009. This includes the expenses on Conveyance & Traveling, Freight & Forwarding, Insurance, Donations, Auditors remuneration, Brokerage & Commission, Advertisement & Publicity and Other Miscellaneous expenses of our company. The expenses are incurred for increasing the sales and other administrative purposes of the Company.



Finance Charges

The finance charges of our company are Interest charges, commission charges paid by our company. Interest charges are related to the debts, packing credit and Export Bills discounting of our company and Commission charges for discounting the Export bills of our company. The finance charges have shown an increase of 65.14% from Rs. 151.55 lacs to Rs 250.27 lacs in the current fiscal.

Depreciation

The depreciation charge of our company has increased by 42.88% from Rs.29.87 lacs fiscal 2008 to Rs. 52.29 lacs in fiscal 2009. This increase in the expense is due to the expansion in the facilities of the company.

Profits before Tax

The total expenditures increased by 3.77% whereas the total income has shown a growth of 3.70% during fiscal 2009. The profit before Tax of the Company has increased by 2.65% to 831.57 lacs as compared to Rs. 810.08 lacs in the previous year.

Provision for Tax

During the current fiscal, due to increase in profit provision for current tax has increase by 4% from Rs.250.00 lac in previous year to Rs.260.00 lac in current year In addition, our Company also provided for the Fringe Benefit Tax in

Profits after Tax

The Profits after tax of our company has decreased by 0.5% from Rs. 525.07 lacs in fiscal 2008 to Rs. 522.22 lacs in fiscal 2009.



(AUDITORS' REPORT)

To,
The Members of **BINAYAK TEX PROCESSORS LIMITED.**

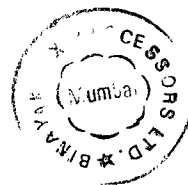
We have audited the attached Balance sheet of **BINAYAK TEX PROCESSORS LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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.

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 statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- A. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- B. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination or those books.
- C. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
- D. In our opinion the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, (*subject to Note no. 5 of schedule 21 regarding non provision of Gratuity liability and leave salary*).
- E. On the basis of written representations received from the directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- F. In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with Significant Accounting Policies and (*subject to Note no. 1 of schedule 21 regarding non provision of Gratuity liability and leave salary*) and other notes thereon 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 ;



SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

903, Arcadia, 195, NCPA Road,
Nariman Point, Mumbai 400 021.

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- i) In the case of Balance sheet of the state of affairs of the company as at 31st March, 2009 and
- ii) In the case of Profit and Loss account of the profit of the company for the year ended on that day.
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

FOR : SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

PLACE : MUMBAI

DATE : 7 SEP 2009



PARTNER

MUKUL B. DESAI
B. Com. F.C.A.
M. No. 33978



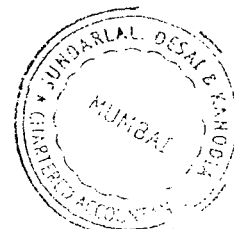
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ANNEXURE TO AUDITORS'S REPORT

As required by the "companies (Auditors - Report) order, 2003" issued by the Department of Company affairs in terms of section 227 (4A) of the Companies Act, 1956, we report as under: -

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. The fixed assets have been physically verified by the management during the year. We are informed that the management on such verification has noticed no material discrepancies.
 - b) As explained to us, all the assets have been physically verified by the management during the year. Having regard to the size of the operations and on the basis of explanations received, in our opinion, no serious discrepancies have been noticed.
 - c) The company has not disposed of any substantial part of its fixed assets so as to affect its going concern.
2.
 - a) The inventories have 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 stocks followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.
 - c) The company is maintaining proper records of the inventory. As explained to us, there is no material discrepancies noticed on physical verification of inventory as compared to book records.
3.
 - a) The company has granted unsecured loans to five parties including interest free loan to three parties, entered in the register maintained u/s 301 of the companies Act, 1956. The amount involved in the transaction were Rs.93145356
 - b) In our opinion and according to the information and explanation given to us, the rate of interest whenever charged and other terms and conditions of said loan and other loan are not stipulated hence we do not have any further comment for Para 4(iii)(b)(c)&(d) and said loan are not prima facie prejudicial to the interest of the company.
 - c) In our opinion and according to the information and explanation given to us, the loan is free of interest and other terms and conditions of loans taken by the company, are not stipulated hence we do not have any further comment for Para 4(iii)(f)&(g)) and said loan are not prima facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business.



SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS
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5. a) According to the information and explanation given to us, we are in opinion that the transaction made in pursuance of contracts or arrangements, that needed to be entered in the register maintained U/s 301 of the companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the companies Act, 1956 and are exceeding the value of rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public.
7. According to information & explanation given to us the company is developing an internal audit system commensurate with its size and nature of the business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of any cost records u/s 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, service tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax sales tax, custom duty and excise duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of income tax, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute, except as refer below:-

Asst. Year	ACT under which demand is pending	Demand Raised	Amount Paid	Forum where appeal is pending
1999-00	Income Tax act 1961	725650	544239	ITAT
2000-01	Income Tax act 1961	619420	464565	ITAT
2001-02	Income Tax act 1961	19160539	6488052	ITAT
2002-03	Income Tax act 1961	15772033	5718654	ITAT
2003-04	Income Tax act 1961	16015315	5939985	ITAT
2004-05	Income Tax act 1961	1074805	545841	ITAT



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10. The company has no accumulated losses and the company has not incurred any cash losses during the financial year covered under audit or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. According to the information and explanations given to us, during the year covered by our audit report of the company have not issued any debentures.
20. According to the information and explanations given to us the company have not raised any money by public issue during the period covered by our audit report.
21. 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.

FOR : SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

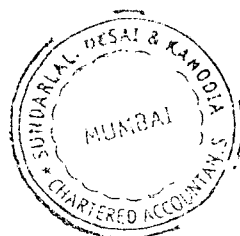
PLACE : MUMBAI

DATE : 7 SEP 2009

Mukul B. Desai

PARTNER

MUKUL B. DESAI
B. Com. F.C.A.
M. No. 33978



BINAYAK TEX PROCESSORS LTD.

BALANCE SHEET AS ON 31st MARCH, 2009

	SCHEDULE	CURRENT YEAR 31.03.2009	PREVIOUS YEAR 31.03.2008
<u>SOURCE OF FUNDS</u>			
Share Holders Funds			
Share Capital	1	7,113,000.00	7,113,000.00
Reserve & Surplus	2	344,880,915.82	291,798,892.18
Secured Loans	3	232,223,923.69	268,965,933.00
Deferred Tax Liability	4	10,740,930.15	6,246,648.95
		<u>594,958,769.67</u>	<u>574,124,474.13</u>
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	5	120,803,279.04	80,562,782.86
Less Depreciation		14,718,042.80	9,699,498.67
Net Block		<u>106,085,236.24</u>	<u>70,863,284.19</u>
INVESTMENTS	6	73,710,000.00	73,710,000.00
		<u>73,710,000.00</u>	<u>73,710,000.00</u>
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	7	114,339,202.01	103,278,182.75
Sundry Debtors	8	269,201,126.28	339,467,034.81
Cash & Bank Balances	9	29,699,859.65	20,347,356.77
Loan & Advances	10	157,141,804.23	188,091,024.38
		<u>570,381,992.17</u>	<u>651,183,598.71</u>
<u>Less : CURRENT LIABILITIES AND PROVISIONS.</u>			
Current Liabilities	11	141,407,546.74	202,938,290.77
Provision	12	13,810,912.00	18,694,118.00
		<u>155,218,458.74</u>	<u>221,632,408.77</u>
Net Current Assets		<u>415,163,533.43</u>	<u>429,551,189.94</u>
		415,163,533.43	429,551,189.94
		<u>594,958,769.67</u>	<u>574,124,474.13</u>
Notes Forming Part of accounts	21		

For: SUNDERLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

PARTNER

DATE:-

PLACE:- 7 SEP 2009

MUKUL B. DESAI
B. Com. F.C.A.
M. No. 33978

For BINAYAK TEX PROCESSORS LTD.

DIRECTORS.



BINAYAK TEX PROCESSORS LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

	SCHEDULE	CURRENT YEAR 31.03.2009	PREVIOUS YEAR 31.03.2008
<u>INCOME</u>			
Sales / Receipts (Net)	13	1,143,549,247.01	1,048,216,329.07
Other Income	14	52,036,713.19	72,755,867.51
Increase/Decrease in stock	15	19,691,429.76	51,024,987.56
		<u>1,215,277,389.96</u>	<u>1,171,997,184.14</u>
<u>EXPENDITURE</u>			
Purchased for Resale		78,765,711.00	44,973,525.00
Consumption of Raw Material	16	717,100,764.72	731,767,921.61
Manufacturing Expenses	17	239,033,836.52	233,219,414.11
Employees Remuneration & Benefits	18	20,726,724.00	17,064,342.50
Administrative, Selling & other Expenses	19	46,238,325.42	45,821,385.53
Finance charges	20	25,026,560.16	15,155,083.90
Depreciation		<u>5,228,527.29</u>	<u>2,987,380.63</u>
		<u>1,132,120,449.11</u>	<u>1,090,989,053.28</u>
<u>PROFIT</u>			
Profit before Taxation		83,156,940.85	81,008,130.86
Provisions.			
Current Tax		26,000,000.00	25,000,000.00
Deferred Tax liabilities/ (Assets)		4,494,281.20	3,096,591.95
Fringe Benefit Tax		425,000.00	400,000.00
Wealth Tax		15,000.00	4,500.00
Profit after Taxation		52,222,659.64	52,507,038.91
Prior year adjustment		2,521,860.00	-
Prior year adjustment depreciation		1,875.00	-
Short provision for dividend tax of earlier year		-	21,199.00
Short provision for taxation of earlier year		-	-
Balance brought forward from previous year		201,914,244.18	161,092,775.27
		<u>256,660,638.82</u>	<u>213,578,615.18</u>
APPROPRIATION:-			
Transferred to General Reserve		10,000,000.00	10,000,000.00
Proposed Dividend		1,422,600.00	1,422,600.00
Tax on Dividend		241,771.00	241,771.00
BALANCE CARRIED TO BALANCE SHEET		<u>244,996,267.82</u>	<u>201,914,244.18</u>
Earning per Share- Basic and Diluted		73.42	73.82
Notes Forming Part of accounts	21		

For: SUNDERLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

Mukul B. Desai

PARTNER MUKUL B. DESAI

DATE:- 7 SEP 2009 B. Com. F.C.A.
PLACE:- M. No. 33978



For BINAYAK TEX PROCESSORS LTD.

M M M

DIRECTORS.

Harpreet Kaur



BINAYAK TEX PROCESSORS LTD.

CURRENT YEAR	PREVIOUS YEAR
31.03.2009	31.03.2008

SCHEDULE - 1

Share Capital Authorised

750000 (750000) Equity Shares of Rs. 10/- (Rs. Ten) each.	<u>7,500,000.00</u>	<u>7,500,000.00</u>
--	---------------------	---------------------

Issued, Subscribed and paid up

711300 (711300) Equity Shares of Rs. 10 (Rs. Ten) each.	7,113,000.00	7,113,000.00
--	--------------	--------------

<u>7,113,000.00</u>	<u>7,113,000.00</u>
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SCHEDULE - 2

Reserve and Surplus

1. Investment Allowance Reserve

As per last balance Sheet	7,370.00	7,370.00
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2. Share Premium	25,200,000.00	25,200,000.00
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3. General Reserve

As per last balance Sheet	64677278	64,677,278.00
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Add:- Transferred from P & L	<u>10000000</u>	
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4. Profit and Loss Account	244,996,267.82	201,914,244.18
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<u>344,880,915.82</u>	<u>291,798,892.18</u>
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SCHEDULE - 3

Secured Loan (Refer Note 3 of Schedule 21)

(i) Export bills Discounting/ Purchases	167,865,400.96	195,117,861.00
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(ii) Packing Credit	45,337,823.73	48,295,721.00
---------------------	---------------	---------------

(III) Term Loan	14,232,746.00	18,358,919.00
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(IV) Vehical Loan	4,787,953.00	7,193,432.00
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<u>232,223,923.69</u>	<u>268,965,933.00</u>
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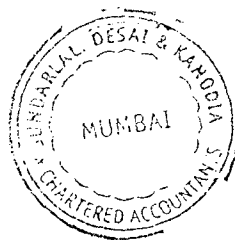
SCHEDULE - 4

Defferd tax liability

<u>Defferd tax liability on account of depreciation</u>	10,740,930.15	6,246,648.95
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Less-Defferd tax assets on account expenses

<u>10,740,930.15</u>	<u>6,246,648.95</u>
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BINAYAK TEX PROCESSORS LTD.

SCHEDULE - 5

	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 31.03.2008	Addition	Deduction	Total 31.03.2009	As on 01.04.2008	For the Year	Deduction/ Adjustment	Total 31.03.2009	Upto 31.03.2009	As on 31.03.2008
Leasehold Land	128823.75	-	-	128,823.75	22,665.00	1,511.00		24,176.00	104,647.75	106,158.75
Factory Building	3219784.02	1,422,360.00 ^{*1}	-	4,642,144.02	1,475,012.39	155,047.61		1,630,060.00	3,012,084.02	1,744,771.63
Plant & Machinery	60976784.38	15,343,045.25	1,366,667.00 ^{*2}	74,953,162.63	5,143,337.86	3,162,753.44	1,875.00	8,304,216.30	66,648,946.33	55,833,446.52
Electrical Installation	42846.53		-	42,846.53	31,106.16	3,179.21		34,285.37	8,561.16	11,740.37
Furniture & Fixtures	215198.37	22,470.00	-	237,668.37	83,603.40	13,859.76		97,463.16	140,205.21	131,594.97
Cycle & Motor Cycle	736.49		736.49	0.00	736.49	0.00	736.49	0.00	0.00	-
Motor Car	11602200.21		-	11,602,200.21	1,660,936.91	1,102,209.02		2,763,145.93	8,839,054.28	9,941,263.30
Office Equipment	307654.41	9,022.00	-	316,676.41	81,493.53	14,804.88		96,298.41	220,378.00	226,160.88
Printing Table	218286.67		218,286.67	0.00	207,371.67	0.00	207,371.67	0.00	0.00	10,915.00
Computer	1033878.03	246,030.09	-	1,279,908.12	399,836.48	177,010.49		576,846.97	703,061.15	634,041.55
Water Pollution Plant	556500.00		-	556,500.00	528,675.00	0.00		528,675.00	27,825.00	27,825.00
Mobile Phone	27000.00		-	27,000.00	13,483.50	1,282.50		14,766.00	12,234.00	13,516.50
Air Condition	383090.00	515,597.00	-	898,687.00	51,240.28	40,476.49		91,716.77	806,970.23	331,849.72
Flat at tarapur	1850000.00			1,850,000.00	-	30,155.00		30,155.00	1,819,845.00	1,850,000.00
Office at andheri	0.00	22,439,200.00 ^{*3}		22,439,200.00		455,841.59		455,841.59	21,983,358.41	
Office furniture andheri	-	1,828,462.00		1,828,462.00		70,396.29		70,396.29	1,758,065.71	
	80,562,782.86	41,826,186.34	-----	120,803,279.04	9,699,498.67	5,228,527.29	207,371.67	14,718,042.80	106,085,236.24	70,863,284.19

NOTE :

- *1 Addition of rs.1422360 on account of payment on stamp/registration charges paid in preceding year now capitalised
- *2 Deduction is on account of credit note received of addition made in preceding year now adjustment with depreciation
- *3 Include of rs.1099500 on account of stamp duty paid in preceding year, claimed as expenses, but now capitalised.



SCHEDULE - 6**INVESTMENTS****(Unquoted-non- Trade)**

1000 Equity Shares of Saraswat Co-op Bank Ltd. of Rs.10 each fully paid in cash	10,000.00	10,000.00
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(Unquoted - Trade)

316800 Equity Shares of Valiant Glass Works Pvt Ltd of Rs.-100/- each fully paid in cash	72,000,000.00	72,000,000.00
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100000 Equity shares of Paramount fine tex & industries (I) Pvt. Ltd. Of Rs.10/ fully paid in cash	1,700,000.00	1,700,000.00
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<u>73,710,000.00</u>	<u>73,710,000.00</u>
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CURRENT ASSETS, LOANS & ADVANCES**A. Current Assets****SCHEDULE - 7****Inventories****(As taken valued and certified by Management)**

Grey Cloth	8,951,817.69	18,450,716.19
WIP	45,841,675.92	47,839,121.00
Dyes and Chemicals	12,073,936.00	11,676,786.00
Packing material	1,298,880.00	810,229.00
Oil and Fuel	874,380.00	978,492.00
Stores and spares	1,138,871.00	1,052,072.00
Finished Goods	44,159,641.40	22,470,766.56

<u>114,339,202.01</u>	<u>103,278,182.75</u>
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SCHEDULE - 8**Sundry Debtors****(Unsecured Considered Good)**

Outstanding for a period over six months	4,219,649.21	59,363,939.34
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Others	264,981,477.07	280,103,095.47
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<u>269,201,126.28</u>	<u>339,467,034.81</u>
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SCHEDULE - 9**Cash & Bank Balance**

Cash in hand	666,390.00	502,701.00
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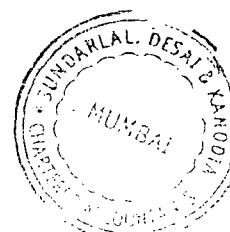
With Scheduled Bank

Current Account	356,429.65	3,068,425.77
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E E F C Account	114,688.00	90,310.00
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Fixed Deposit	28,562,352.00	16,685,920.00
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(Pledge with bank)	<u>29,699,859.65</u>	<u>20,347,356.77</u>
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SCHEDULE - 10**B. Loans and Advances**

(unsecured considered good)

advance recoverable in cash or kind

for value to be received

Export Incentive Receivable

Duty Drawback

Unsecured Loan

Deposits

Prepaid Expenses

Vat Recivable

Insurance claim Receivable

Sub Total B

18,223,554.75

21,616,108.00

2,939,344.00

77,787,388.55

26,128,684.00

264,658.00

10,182,066.93

-

157,141,804.23

29,511,301.72

43,715,271.81

6,788,918.00

73,773,578.55

26,128,684.00

436,497.00

6,393,346.93

1,343,426.37

188,091,024.38**SCHEDULE - 11**

Sundry Creditors:-

Micro small and medium enterprises

Others

Advance against sale

Other Liabilities

Excess cheques drawn

Deposit received

125,329,663.08

79,337.00

837,556.00

5,130,990.66

10,030,000.00

141,407,546.74

167,228,137.28

23,396,378.00

1,182,130.01

1,101,645.48

10,030,000.00

202,938,290.77**SCHEDULE - 12****B. PROVISION**

Provision for Income Tax.

Provision for final Dividend

Provision for Tax on Dividend

12,146,541.00

1,422,600.00

241,771.00

13,810,912.00

17,029,747.00

1,422,600.00

241,771.00

18,694,118.00**SCHEDULE - 13**

Sales/Receipts (Net)

Export Sales

local sales

Process Charges

558,443,263.88

226,319,582.09

358,786,401.04

1,143,549,247.01

578,059,484.95

123,207,436.81

346,949,407.31

1,048,216,329.07**SCHEDULE - 14****OTHER INCOME**

Interest Received

Dividend

D.E.P.B./D.F.I.A Licence (Export Incentive Net)

OTHER INCOME

Duty Drawback

Exchange Rate Difference

Insurance Claim (Loss by fire)

8,207,509.00

2,000.00

28,585,747.19

-

15,217,079.00

24,378.00

-

52,036,713.19

7,311,258.00

285,855.00

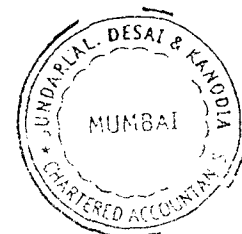
37,593,657.46

500.00

25,653,325.00

567,845.68

1,343,426.37

72,755,867.51

SCHEDULE - 15**Increase/Decrease in Stock**

a. Opening Stock		
Finished Goods	21,967,584.56	2,438,936.00
Finished Goods Lying at Jaipur Branch	503,182.00	608,311.00
Work in Progress	47,839,121.00	16,237,653.00
	<u>70,309,887.56</u>	<u>19,284,900.00</u>
b. Closing Stock		
Finished Goods	44,159,641.40	21,967,584.56
Finished Goods Lying at Jaipur Branch	-	503,182.00
Work in Progress	45,841,675.92	47,839,121.00
	<u>90,001,317.32</u>	<u>70,309,887.56</u>
INCREASE / DECREASE IN STOCK	19,691,429.76	51,024,987.56

SCHEDULE - 16**Consumption of Raw Material**

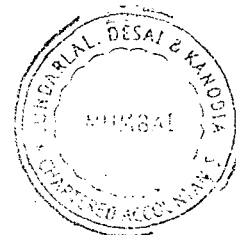
Grey Cloth	460,493,823.00	499,227,094.81
Dyes and chemical	215,491,207.86	182,707,530.16
Packing Material	19,331,118.13	22,060,930.55
Stores and spares	21,784,615.73	27,772,366.09
	<u>717,100,764.72</u>	<u>731,767,921.61</u>

SCHEDULE - 17**Manufacturing Expenses**

Process Charges	5,427,615.00	6,838,609.00
Property taxes and Rent	6,193,983.00	6,197,876.00
Power, Fuel & Water	158,494,909.16	153,737,353.50
Labour Charges	61,839,879.51	59,221,502.14
Repairs & Maintenance	7,077,449.85	7,224,073.47
	<u>239,033,836.52</u>	<u>233,219,414.11</u>

SCHEDULE - 18**Employees Remuneration & Benefits**

Salary, Wages and Bonus etc.	15,894,431.00	12,266,630.00
Contribution to employees state insurance etc.	176,346.00	85,962.00
Welfare Expenses	772,967.00	1,014,517.50
Provident Fund.	2,682,980.00	2,497,233.00
Directors Remuneration	1,200,000.00	1,200,000.00
	<u>20,726,724.00</u>	<u>17,064,342.50</u>



SCHEDULE - 19

Administrative, Selling and other Expenses

Conveyance & Travelling	1,698,206.00	922,481.28
Freight and forwarding	29,679,168.68	27,106,614.00
Insurance	871,603.00	760,580.00
Donation	223,301.00	131,100.00
Auditors Remuneration		
Audit fees	110,300.00	112,360.00
Other Maters	-	79,214.00
Brokerage and Commission	133,623.80	563,583.00
Advertisement and Publicity	12,600.00	144,471.00
Postage, Telrgram & Telephone Exp.	1,417,808.32	1,106,131.00
Printing & Stationery	1,677,615.11	1,611,255.57
Professional & Cosultancy Charges	481,910.00	6,146,177.00
Sales Tax	-	5,999.00
Miscellaneous Expenses	3,354,216.12	7,104,919.68
Office Rent	48,000.00	24,000.00
Professional tax	2,500.00	2,500.00
Exchange rate difference	6,516,558.39	-
Assest discarded	10,915.00	-
	<u>46,238,325.42</u>	<u>45,821,385.53</u>

SCHEDULE - 20

FINANCE CHARGES

Bank Interest

On Term Loan	2,198,612.00	2,777,200.00
For Others Facilities	21,819,032.03	11,103,667.39
Bank Commission	1,008,916.13	1,274,216.51
	<u>25,026,560.16</u>	<u>15,155,083.90</u>



BINAYAK TEX PROCESSORS LTD.

SCHEDULE - 21

NOTES FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNT

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirement of the companies Act, 1956.

2. FIXED ASSETS AND DEPRECIATION

All fixed assets are valued at cost including cost of erection Depreciation for the year has been provided on the straight line method at the rates specified in the schedule XIV of Companies Act, 1956. Depreciation on addition / deduction to assets during the year is provided on pro-rata basis.

3. VALUATION OF INVENTORY

Grey cloth is valued at cost & finished cloth is net of excise and valued at cost or market price whichever is lower on FIFO basis, Scrap is valued at realizable market value. Due allowances is made for defective & obsoletes wherever necessary based on the past experience of the company. Cost of work in progress and manufactured goods include material, labour and other appropriate overhead wherever applicable.

4. RETIREMENT BENEFIT

Gratuity liability is not determined and not provided at the end of the each financial year however same is accounted on cash basis.

5. PROCESS CHARGES

Process charges are recognized as income as and when the invoice been made in the name of customer. Process charges receipt and payment are net of discount, claim and excludes excise duty as applicable.

6. IMPAIRMENT OF ASSETS:-

At balance sheet date, an assessment is done to determine whether there is any indication impairment in the carrying amount of the company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

7. SALES

Export sales are stated at C.I.F. value & Domestic sales are net of local taxes.

8. EXPORT INCENTIVE

Export Incentive are accounted for on accrual basis.

9. TAXES ON INCOME

Income Tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of deductions, available under the Income Tax Act. Deferred Tax is recognized for all timing difference, subject to the consideration of prudence, applying the Tax rates that are applicable on Balance sheet date.

10. FOREIGN CURRENCY TRANSACTION:

Transactions of foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. The realized exchange gain/ losses are recognized in Profit & Loss Account. All monetary items of foreign currency assets/ liabilities are translated in rupees at rates prevailing on the date of balance sheet.



2. CONTINGENT LIABILITY NOT PROVIDED FOR IN RECEIPT OF

	Current Year	Previous Year
	31.03.2009	31.03.2008
Bills Discounted / Purchases	167865400.96	195117861

3. i) Loans from Union Bank of India on FDBP/PC/PCFC/ Cash Credit account are Secured by first hypothecation charge on entire current assets consisting of raw Material, semi finished goods and receivables. Extension of first charge on entire fixed assets of the Company consisting of land, building, plant and Machinery situated at Dombivali, Dist. Thane. The loans are also guaranteed by Two of the directors.
- ii) Term loan from Union Bank of India is secured by mortgage charges on land & building at Dombivali and hypothecation charge on plant & Machinery and extension of hypothecation charge on the entire current assets of the Company consisting of Raw Material, Stock in Process, Finished Goods, Stores & Spares, Other Consumables, Book debts, both present & future. The Tern loan is also guaranteed by two of the directors. (Repayment in next one year is Rs.41.26 lacs (P.Y. Rs.- 40.76 lacs.)
- iii) Loans from other banks are secured by hypothecation of the vehicles purchased from such loans. Repayment due in next one year is Rs.28.54 Lacs (P.Y. Rs.29.83 Lacs).
4. Estimated amount of Contracts remaining to be executed on Capital Account and not Provided for Rs.-4050000/-/ (P.Y. Rs.-32788230/-) against which advance of Rs.2727908/ (P.Y. Rs.-10623230/-) have been paid.

5. DETAILS OF LICENCED CAPACITY

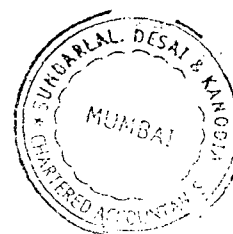
Installed capacity and actual production. (As certified by management)

a) Licensed Capacity		N.A.	N.A.
b) Installed Capacity		75000 meters per day on single shift basis	75,000 meters per day on single shift basis
and			
Hired Capacity		100000 meters per day on single shift basis	100000 meters per day on single shift basis
c) <u>Actual production</u>		Current year	Previous year
i. Self Account		23051360.48	31226435.06
ii. Parties Account		54823334.06	55106484.57
iii. Through Job work		317272.00	551730.68
d) Class of Goods		Textiles Madeups	Textiles Madeups
e) <u>Quantity and value in regard to finished goods.</u>			
(i) <u>Class of goods manufactured / Trading</u> Cotton Cloth		31.03.2009	31.03.2008
Opening Stock (in fabrics)	Qty. Mtrs	652521.09	107048.59
	Value	17255484.56	2139618.00
In Made ups	Qty. in Sets	32058	3124



	Value	5215282.00	608311.00
Closing Stock			
In Fabrics	Qty. Mtrs Value	1228690.85 38812031.40	652521.09 17255484.56
In Sets	Qty. in Sets Value	44720 5347610.00	32058 5215282.00
Sales (Net)			
In Fabrics	Qty. Mtrs Value	25516641.02 735575838.88	32415829.80 685291423.21
In Sets	Qty. in Sets Value	381456 49187007.09	145093 24051897.29
(ii) <u>Purchase of cloth for Resale</u>			
In Fabrics	Qty. Mtrs Value	4122678.70 78370651	2290565.24 44832773.00
In Sets	Sets Value	5126 395060.00	1587 140752.00
f) <u>Quantity in respect of Raw –Material Consumed during the year</u>		9577117.00	35956545.00
<u>Class of Goods.</u>			<u>Grey Cotton Cloth</u>
Grey Cloth	Mtrs Value	23433535.54 460493403.00	32423116.08 499227094.81
Color & Chemicals Imported	Value Value	215,491,207.86 NIL	182707530.16 NIL
g) <u>Value of stores and Spares parts consumed</u>			
Imported	Value	NIL	NIL
Indigenous	Value	21690537.61	27772366.09
h) <u>Expenditure in foreign Currency.</u>			
Foreign Traveling expenses Rs.- .453130 (Previous year Rs. 88000.00)			
C.I.F. Value of Import Rs.-.NIL (Previous year Rs.- 5632039.00)			
i) <u>Earning in foreign Currency (Export/F.O.B.) Rs.535276892.64 (Pr.Yr. Rs.558014772.95)</u>			

6. Depreciation on fixed assets has been provided on straight line method basis in conformity with the provision of Section 205(2) (b) of the companies act 1956 at the rates prescribed in schedule XIV of the said act.
7. The Company has not provided for gratuity liabilities and leave salaries as same has not been ascertained, however it will be recognized on cash basis. The method adopted by company & disclosure made hereinabove are not in accordance with AS-15 (Revised) issued by The Institute of Chartered Accountants of India.



8. Consequent to issue of Accounting standard 22 "Accounting for Taxes on Income" by 'The Institute of Chartered Accountant of India', the Company recorded the deferred Tax Liabilities on account of timing difference & for the current year Rs4494281.20/- (P.Y. Rs.3096591.95) has been debited to Profit & Loss Account.

9. **Earning per share**

	<u>2009-2010</u>	<u>2008-2009</u>
a) Weighted average number of equity shares of Rs-10/ each.		
i) Number of shares at the beginning of the year	711300	711300
ii) Number of shares at the end of the year	711300	711300
weighted average number of equity shares outstanding during the year	711300	711300
b) Net profit after tax available for equity –holder (Rs. In lacs)	472.28	525.07
c) Basic and diluted earning for equity share (in Rupees)	73.42	73.82

10. Related parties Disclosures:-

i) (a) **Key Management Personnel**

Shree Pradip kumar Pachariwala
Shree Ashok kumar Agarwal
Smt. Heera Devi Pachariwala

(b) **Associates:-**

Jimtex Pvt Ltd
S.V. Business Pvt Ltd
Hanuman das madan lal
Valiant Glass Works Pvt Ltd
Benkatesh synth Processors Pvt Ltd
Balaji Ferro Alloys Pvt Ltd
Paramount Finetex & Industries (I) Pvt. Ltd
Balaji Tex Knitting Mfg. Co. Pvt Ltd.
Wintry engineering&Chemicals pvt Ltd

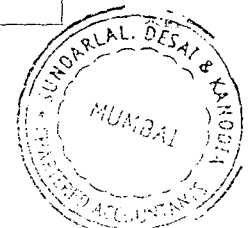
(c) **Relatives of key management personnel and their enterprises:**

Mr Binodilal Pachariwala, Mr Dilipkumar Pachariwala, Smt. Bhagirathi Devi Pachariwala and Smt Beladevi Pachariwal.

Note:- Related party relationship is as identified by the company and relied upon by the Auditors.

- ii) Transaction carried out with related parties referred in 1 above , in ordinary course of business:

Nature of transactions	<i>Rs. In Lacs</i>		
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above
Purchases			
Fixed Assets			
Goods & Materials		815.62 (448.32)	
Spare Items			
Sales			
Goods & Materials		1471.15	
Job Works charges		593.33	
Fixed Assets			



Expenses			
Rent & other service charges		5.40 (1.68)	
Conductor Charges		50.46 (50.56)	
Job Works charges		53.55 (58.56)	
Royalty charges			
Remuneration	12.00 (12.00)		
Salary			3.00 (3.00)
Interest paid			
Reimbursement of expenses			
Directors fees			
Compensation			
Income			
Rent & other service charges			
Interest received		65.28 (64.40)	
Finance			
Loans & Advances Taken			
Investment Made		737.00 (737.00)	
Outstanding			
Payable		100.30	
Receivable		304.39 (46.81)	
Loan given		777.87(826.06)	
Security Deposit paid		250.00 (692.82)	

NOTE : Figures in brackets indicate previous year's figures.

11. Segment Reporting

A: Primary Segment (By business Segment):-

As The Company is mainly engaged in the business of Manufacturing/ Processing of textile fabrics considering the nature of business and financial reporting of the company. The Company has only one segment viz. "Textiles"Products as reportable segment.

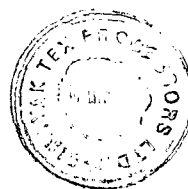
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B: Secondary Segment (By Geographical demarcation):-

The Company operates in Local/ Export segment geographically of which the export sales have amounted to Rs. 5584.43 lacs (P.Y. Rs.-5780.59 lacs)but due to the nature of business, the assets/ liabilities and expenses for these activities has not be bifurcated separately.

13. The provision for current Taxation has been made in accordance with provision of Income Tax Act & as per advice given to Company. Further company has made provision of Rs.- 32,042,000A.Y.07-08 for demand raised by I.T. Department for earlier years and company has filed appeal against said demand.Against the provision of above amount the company has paid Rs.-19701336/-till date.

14. Company has advanced unsecured loan of Rs.- 77787388.55/- including interest free loan of Rs.3093041.55/- to certain parties / Companies in which directors are interested. The maximum balance outstanding at any time during the year to such parties / Companies is Rs. 93145356/-



15. The sundry debtors closing Balance is including of Rs.- 30439310.00 from one party in which directors are interested.
16. Note for fire during the current year i.e. events subsequent to balance sheet date.
17. The Company had entered into forward contract during the year to hedge the risk against receivable from export parties. Loss of Rs.65.17 lacs on account of forward contract cancelled during the year has been debited to profit and loss account. There were no outstanding forward contract as on 31.03.09
18. Company does not have complete information to determine Micro, Small and Medium Enterprises as specified in Micro, Small and Medium Enterprises development Act,2006 hence it is not possible for us to verify the amount due to such enterprises.
19. Other information required to be given under paragraph 3, 4 (C) and 4 (D) of the part II of Schedule VI of Companies Act.1956 are not applicable.
20. Previous Year's Figures have been regrouped / rearranged wherever found necessary.
21. There was major fire on 12/05/2009 at factory premises taken on lease by the company and located at plot no. A 55 MIDC phase 1 Dombivali East the fire extremely damage finish stock own& party account and certain machinery. The company has lodged claim of rs.70086245.95 with IFFCO Tokio general insurance company ltd. In the opinion of the company, the fire and damage caused do not effect going concern concept and related accounting will be made in consent year.
22. Additional Information regarding Balance Sheet abstract and general Business Profile as required under part IV of schedule VI to Company Act.1956 is annexed herewith.

AS PER OUR REPORT OF EVEN DATE ATTACHED.

**FOR: SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS.**



PARTNER

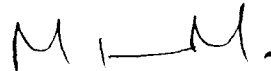
MUKUL B. DESAI
B. Com. F.C.A.

PLACE: MUMBAI.

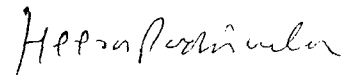
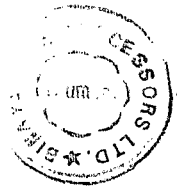
M. No. 33978

DATE:- 1-7 SEP 2009

FOR: BINAYAK TEX PROCESSORS LTD.



DIRECTOR

BINAYAK TEX PROCESSORS LIMITED

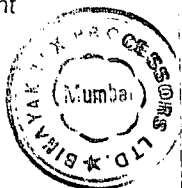
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

PARTICULARS	Rs. In Lacs 2008-09	Rs. In Lacs 2007-08
Cash flows from Operating Activities		
Net profit before taxation, and extraordinary item	831.57	810.08
Adjustments for :-		
Depreciation	52.29	29.87
Interest Income	(82.08)	(73.11)
Dividend Income	(0.02)	(2.86)
Rent received	-	-
Interest expenses	250.27	151.55
Operating profit before working capital changes	1,052.03	915.53
Adjustments for :-		
(Increase)/Decrease in sundry debtors	702.66	(1,007.28)
(Increase)/Decrease in inventories	(110.61)	(621.90)
(Increase)/Decrease in Loans & Advances	309.51	(818.64)
(Increase)/Decrease in Current Liabilities	(615.31)	496.70
Cash generated from operations	1,338.28	(1,035.59)
Income taxes (paid) / refund received	(329.55)	(397.46)
Net Cash from Operating Activities	1,008.73	(1,433.05)
Cash Flow from Investing Activities		
Investment in Capital WIP	-	-
Purchase of Assets	(388.18)	(364.42)
Purchase of Investment	-	-
Interest Received	82.08	73.11
Rent received	-	-
Dividend received	0.02	2.86
Prior period adjustment	25.22	-
Net Cash from / used in Investing activities	(280.86)	(288.45)
Cash flow from Financing Activities		
Share Application Money Received	-	-
Proceeds from long-term borrowings (Secured)	(367.42)	759.94
Repayment of long-term borrowings (Unsecured)	-	(10.00)
Interest paid	(250.27)	(151.55)
Dividends paid	(14.23)	(14.23)
Dividend Tax Paid	(2.42)	(2.42)
Net Cash from / used in financing Activities	(634.34)	581.74
Net increase in Cash and Cash Equivalents	93.53	(5.06)
Cash and cash equivalents at the beginning of period	203.47	208.53
Cash and cash equivalents at the end of period	297.00	203.47

Notes:-

1. Previous Year's figures are regrouped / reconsidered wherever necessary
2. Cash and cash equivalent includes the following : (Rs. In Lacs)

	31-Mar-09	31-Mar-08
Cash in Hand	6.66	5.03
Cash at Bank		
with Schedule Bank in Current Account	3.57	30.68
Margin Money	-	-
EEFC Account	1.15	0.90
Fixed Deposits	285.62	166.86
	297.00	203.47



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