



FLORA TEXTILES LIMITED

COIMBATORE - 641 018

**SIXTEENTH ANNUAL REPORT
2008 - 2009**



FLORA TEXTILES LIMITED

BOARD OF DIRECTORS	:	Sri V.R. Gupta Chairman Sri A.K. Gupta Vice Chairman-Cum Managing Director Sri. K. Venkatasubramaniam Miss C.R. Padma Sri.R. Ravindra Kumar
REGISTERED OFFICE	:	Cowcoody Chambers, II Floor 234-A, Race Course Road Coimbatore - 641 018, Tamilnadu
MILL PREMISES	:	S.F. No.498 - A/C, Mopparipalayam Village Kaduvettipalayam (post) Karumathampatti - Annur Road Palladam Taluk Coimbatore - 641 659 Tamilnadu.
STATUTORY AUDITORS	:	Anjana & Co., Chartered Accountants, Coimbatore.
BANKERS	:	The Catholic Syrian Bank Ltd.

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NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the sixteenth annual general meeting of the members of the company will be held at the A/C Conference hall, Rajasthani Sangh, 579, D B Road, R S Puram, Coimbatore 641 002, on Monday, the 28th September, 2009 at 16.00 hrs, to transact the business as per the Agenda given below:

AGENDA**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited profit and loss account for the year ended and balance sheet as at 31st March, 2009 together with the reports of the directors and auditors of the company.
2. To appoint a director in the place of Miss. C. R. Padma who retires by rotation and being eligible offers herself for reappointment.
3. To appoint a director in the place of Mr. V. R. Gupta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors for the current year and to fix their remuneration M/s. Anjana & Co, Chartered Accountants, Coimbatore, retire and are eligible for reappointment.
5. To consider and if thought fit to pass with or without modification(s), the following Resolution as special Resolution:

"RESOLVED that pursuant to the provisions of Section 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to such sanctions as may be necessary, approval is hereby given to the reappointment of Shri A. K. Gupta as managing Director of the Company for a 5 year term commencing 27th March, 2009 till 26th March 2014 on the terms and conditions set out in the Explanatory Statement relating to this Resolution with powers to the Board of Directors to alter and vary terms and conditions without getting any remuneration to discharge the functions of the Managing Director of this company.

FURTHER RESOLVED that Shri A. K. Gupta be entrusted with substantial powers of management and power to perform such function as may from time to time be decided by the Board of Directors".

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

Item No. 5 of the Notice.

Shri. A. K. Gupta was reappointed as the Managing Director of the Company for a five year period Commencing from March 27, 2009 till March 26, 2014 by the Board of Directors on the terms and conditions set out below:

PERIOD: Five years with effect from March 27, 2009

DUTIES: Subject to superintendence, control and direction of the Board, Shri A. K. Gupta shall have the Overall responsibility of managing the affairs of the Company.

RENUMERATION : NIL

None of the other Directors of the Company are interested or concerned in this resolution, except the beneficiary Mr. A. K. Gupta and his relative Mr. V. R. Gupta.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy should be lodged with the company not less than forty eight hours before the time of the commencement of meeting.
3. The register of members and share transfer books of the company will remain closed from 19th September 2009 and 28th September 2009.

4. Details of Directors

Name	Qualification	Experience	Directorship with Indian Public limited Companies	Committee Membership
V R Gupta, Chairman, Non-executive Promoter	S S L C	50 years experience in textiles, flour Milling, sleeper making unit , LPG cylinder making unit	Nil	Audit Committee & Investors' Grievance and Share transfer committee
A. K. Gupta, Vice Chairman, Executive, Promoter	Intermediate	30 years in textiles, flour Milling, Past President of Flour Mills Assn.	Nil	Not a member of any committee
C. R. Padma Director, Non-executive Independent	M.Com., FCS,BL	14 years in corporate, administrative, legal and finance matters	Nil	Audit Committee
K. Venkatasubramaniam Director, Non-executive Independent	MBA with specialisation in Management, Accounting and Finance	30 years Consultant to various textile units on project finance	Nil	Audit Committee & Investors' Grievance and Share transfer committee
R.Ravindrakumar, Director, Executive Independent	B.E., [Electrical] Holder of 'C' certificate	10 Years in electrical appliance in Textile Mills	Nil	Investors' Grievance committee

For & on behalf of the Board of Directors

-Sd-

A K GUPTA

Vice Chairman & Managing Director

Place : Coimbatore

Date : 31.5.2009

DIRECTOR'S REPORT

Ladies and Gentlemen,

Your directors take pleasure in submitting to you their Sixteenth Annual Report together with the Audited Balance Sheet of the Company as at 31st March, 2009 and the Profit & Loss Account for the Year ended on that date.

WORKING RESULTS :

The working results of the Company for the Year under review are summarised and furnished below: -

	Rs. In Lacs
Sales and Other Receipts	287.24
Other Income	5.53
Total Receipts	<u>292.77</u>
Gross Profit before interest and Depreciation	<u>(21.32)</u>
Less : Interest	58.57
Profit before Depreciation	<u>(79.89)</u>
Less: Depreciation	8.93
Net Profit / Loss for the Year	(88.82)
Opening Balance - Loss brought forward	(1205.55)
Total Loss taken to P & L Account	(1294.37)

REVIEW OF OPERATIONS :

During the year under review, the Company achieved production in fabric, measuring 7.28 Lakh Metres as against 14.32 lakh Metres in the previous year and purchased 0.36 lakh mtrs of cloth. The fabric sales value realised was at Rs. 266.29 Lakhs as against Rs. 697.82 Lakhs in the last year. The Company did Conversion of Yarn into fabric for Third parties and earned income by way of conversion charges amounting to Rs. 20.07 Lakhs (Rs 20.94 Lakhs in the last Year). Waste sales value realized was at Rs0.52 lakhs as against Rs1.09 lakhs last year. The company earned a duty drawback of Rs. 2.75 lakhs, interest of Rs 2.77 lakhs by other activities which has been included in other income. The overall sales and other income of the Company was Rs. 292.77 Lakhs as against Rs.786.67 Lakhs in the last year.

On account of continuous recession in the economy and in particular in the textile industry and power cut, the Volume of Production and Sales remained very low.

PROSPECTS :

As the industrial recession continues to grip the whole nation and also many Asian Countries, there may not be any improvement in the performance of the company in the current year.

The Directors are evaluating various options to improve the performance of the Company with reference to sales and profitability. Unless the Company could secure remunerative prices for fabrics with improvement in quality of yarn, the working results may not be profitable.

DIRECTORS :

Miss. C. R. Padma retires by rotation and offers herself for re-election. Mr. V. R. Gupta retires by rotation and offers himself for re-election. Your directors recommend these resolutions for your approval.

DEPOSITS :

Your Company has accepted deposits from Directors, their relatives, friends and associates without extending invitation. As at the close of the year, there were no amounts remaining unclaimed.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956 :

217 (1) (e) A statement on the conservation of energy, technology absorption and foreign exchange earnings and outgo has been furnished by way of Annexure- I to this report.

217 (2A) There was no employee of the company who has drawn the prescribed salary during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT :

The Directors of the Company confirm the following, subject to the fact that your company is a Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provision) Act, 1985 :

- i that in the preparation of annual accounts, the applicable accounting standards had been followed and there is no material departure from the said standards :
- ii. that the Directors had selected such accounting policies and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period :
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities :
- iv. that the Director had prepared the annual accounts on a going concern basis.

AUDITORS :

M/s. Anjana & Co., Chartered Accountants, Coimbatore, the retiring Auditors are eligible for reappointment. A certificate under Section 224(1B) of the Companies Act, 1956 has been obtained from them confirming their eligibility for reappointment.

STATUS OF THE COMPANY UNDER SICA :

Your company's restructuring plan has been approved by the BIFR on 1.10.2002 and your directors are regular in sending the quarterly reports based on the plan to the Operating Agencies and to the BIFR. As per BIFR directions to the company for submission of proposal for incorporation of reduction of value of the company's equity and also proposal for conversion of unsecured loan of the promoters and / or others into equity, the company had submitted the same on 1.12.2006 and is awaiting further directions from BIFR.

AUDIT COMMITTEE :

Pursuant to provision of Section 292A of the Companies Act.1956, the audit committee constituted comprising of Sri. V.R. Gupta, Sri. K. Venkatasubramaniam, Miss. C.R. Padma discussed and given useful suggestions in the implementation of the accounting standards and the quickening process of internal check and audit.

STOCK EXCHANGES :

Your company is listed with Coimbatore, Mumbai, Calcutta and Delhi Stock Exchanges, The Corporate Governance Report of your company as on 31.3.2009 is enclosed for your perusal as Annexure II.

ACKNOWLEDGEMENT :

The Board wishes to place on record of their appreciation for the good work done by the employees of the company. It takes the pleasure of recording the services rendered by the O A and BIFR for and on the revamping exercise of the company.

Place: Coimbatore
Date: 31.05.2009

On behalf of the Board.
V.R. GUPTA
Chairman

**ANNEXURE TO DIRECTOR'S REPORT :**

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :

A. CONSERVATION OF ENERGY**(a) ENERGY CONSERVATION MEASURES TAKEN :**

The Companies has installed imported machines, which minimise the energy required for production. Further high efficiency power capacitors have been installed in close proximity to the load centres to curtail power losses and to maintain the power factor.

(b) ADDITIONAL INVESTMENTS & PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY :

The company has selectively chosen its machinery with a view to attain maximum production with the minimum consumption of energy. If any further measures are warranted to be undertaken, it will be undertaken in the current year .

(c) IMPACT OF THE MEASURES (A) & (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON COST OF PRODUCTION OF GOODS :

Because of the installation of high efficiency machines, there has been considerable saving of energy.

(d) FORM A : PARTICULARS WITH RESPECT TO ENERGY CONSERVATION :**1. POWER AND FUEL CONSUMPTION :**

	Current Year	Previous Year
1. Electricity :		
(a) Purchased		
Units	718180.00	1437816.00
Total Amount (with tariff Concession)	3787459.00	6804955.00
Rate per Unit	5.27	4.73
(b) Own Generation		
i) Through Diesel Generator		
Units	18380.00	161040.00
Units/Litre of Diesel	3.80	3.80
Total Amount	160443.00	1435214.70
Cost/Unit	8.73	8.91
ii) Through Steam Turbine/Generator	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Others/Internal Generation	NIL	NIL

**II. CONSUMPTION PER UNIT OF PRODUCTION :**

Product	Standard (if any)	Current Year	Previous Year
COTTON GREY FABRIC			
Fabric Production	(In Mts)	728069	1431939
Electricity Units (Units/mt of fabric)	-	1.01	1.11

A. TECHNOLOGY ABSORPTION :**(a) FORM B : PARTICULARS WITH RESPECT TO ABSORPTION OF RESEARCH AND DEVELOPMENT (R & D)**

- | | |
|---|-----|
| 1. Specific areas in which R & D carried out by the Company : | NIL |
| 2. Benefits derived as a results of above R & D. : | NIL |
| 3. Future Plans of Action on Research and Development Etc. : | NIL |
| 4. Expenditure on R & D : | NIL |
| 5. Technology Absorption, Adaptation & Innovation : | NIL |

(i) Efforts in Brief, made towards technology absorption, adaptation & innovation :

All the machinery installed are of the latest technology available in the field of fabric manufacture. To exploit the hi tech machines, suitable training is being given to the employees. If any improved versions of these machines are being developed, such devices will be replaced wherever possible

(ii) Benefits derived as a result of above efforts :

The productivity is higher resulting in production of Quality fabrics which are well accepted in the market within a short span of time.

(iii) Imported Technology :

Open End spinning machines and shuttle less weaving (air jet) looms with micro processor controls have been installed. This imported technology has been well absorbed in weaving.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	CURRENT YEAR	PREVIOUS YEAR
(i) Total Foreign Exchange used :		
Remittance in foreign currency on account of travel, training etc.	nil	nil
Remittance in Foreign Currency on account of purchase of Machinery and Spares (US\$)	nil	323 US\$
(ii) Total Foreign Exchange Earned FOB value of Exports	51584.40 US\$	413818.44US\$

Place: Coimbatore
Date: 31.05.2009

On behalf of the Board.
V.R. GUPTA
Chairman

**REPORT ON CORPORATE GOVERNANCE****A. MANDATORY REQUIREMENTS****1. Company's Philosophy of Corporate Governance**

The company firmly believes in good Corporate Governance and envisages the attainment of transparency in all matter of Management of the company and in reporting to Share holders and all other concerned.

2. Board of Directors

(a) The Board of Directors consists of 5 Directors, of whom 3 are Non Executive Directors.

(b) Attendance of each Directors at the Board Meeting and the Last Annual General Meeting (AGM)

Name of the Directors	Category of Directorship	No. of Board Meeting attended & Attendance at the Last AGM	No. of Committee meetings attended Audit & Investor Grievance
Mr. V.R.Gupta (Chairman)	Non-Executive Non-Independent	BM 3	AGM No
Mr. A.K.Gupta (Vice Chairman and Managing Director)	Executive & Non-independent	7	Yes
Mr.K.Venkatasubramaniam	Non-Executive & Independent	7	Yes
Miss C.R. Padma	Non-Executive & Independent	7	Yes
Mr.Ravindra Kumar	Executive & Independent	7	Yes

(c) Number of other Companies or Committee the Directors of the Company is Director /Member / Chairman Details are provided in the notice part of this annual report.

(d) Details of Board Meeting held during the period from 01.04.2008 to 31.03.2009 Board meetings were held during 2008-2009 on 31st May 2008, 26th June 2008, 31st July 2008, 29th September 2008, 30th October 2008, 31st January 2009 and 26th March 2009.

3. Audit Committee

The Audit Committee as of 31st March 2009 comprises of Mr. V.R.Gupta, Miss. C. R. Padma and Mr.K.Venkatasubramaniam all of whom are Non-executive Directors. Mr.K.Venkatasubramaniam a non executive independent Director who has good financial and Accounting knowledge, is the chairman of the committee. The role and terms of reference of the audit committee covers the areas mentioned under Clause 49 of listing Agreement and section 292A of The Companies Act, 1956.

The Audit Committee met 3 times during the year on 31st July 2008, 31st October 2008 & 31st January 2009 with full quorum. The Chairman of the Audit Committee, K.Venkatasubramaniam was present at the Annual General Meeting of the Company held on 29th September 2008

4. Remuneration Committee

No remuneration committee was formed since nobody in the Board is paid any remuneration during the year. The company intends forming the same once the necessity arises.

5. Investors' Grievance and Share Transfer committee and Meeting Attendance

The Committee consists of 3 Independent Directors namely Mr. K.Venkatasubramaniam, Mr. R Ravindra Kumar and Mr. V R Gupta. Mr. V R Gupta heads the committee.

During the year the committee met 3 times on 31st July 2008, 30th October 2008 and 31st January 2009

As on 31st MARCH, 2009 no share transfer request is pending for registration with the company. During the year 2008-2009, complaint's were received from share holder's which have been redressed to the satisfaction of the complainant within 16 days of the receipt. There were no outstanding complaint's as on 31st MARCH 2009.

6. Annual General Meeting

Location and time of Last three Annual general Meetings

Financial Year Ending	Date	Time	Venue
31 st March, 2006	30/09/2006	4.00 P.M	Rajasthani Sangh, Coimbatore
31 st March, 2007	28/09/2007	4.00 P.M	Rajasthani Sangh, Coimbatore
31 st March, 2008	29/09/2008	4.00 P.M	Rajasthani Sangh, Coimbatore

7. Disclosures

- » The Company had not entered into any transaction of a material nature which will have a conflict with its interest during the year.
- » Full disclosure of related party transaction as per Accounting standard 18 issued by the Institute of Chartered Accountants of India is given under Note No.'n' of Notes on the Annual Accounts. All the transaction covered under related party transaction were fair, transparent and at arms length.
- » During the last three years there were no structures of penalties imposed by either the Security Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

8. Means of Communication

- (i) Half yearly report sent to each household of Share holders. No
- (ii) Quarterly, Half yearly unaudited financial results normally published in Trinity Mirror Makkal Kural, None
- (iii) Any website where results are displayed None
- (iv) Presentation made to Institutional Investor or to the Analysts None
- (v) Whether Management discussion and Analysis report is a part of the Annual Report or not No

9. General Share Holders Information :

a. AGM information :- As available in page no.1

b. Financial Calendar (tentative)

Result for the Quarter Ending 30 th June 2009	Last week of July 2009
Result for the Quarter Ending 30 th September 2009	Last week of October 2009
Result for the Quarter Ending 31 st December 2009	Last week of January 2010
Result for the Year Ending 31 st March 2010	Last week of June 2010

- c. Book Closure Date: 19th September 2009 to 28th September 2009
- d. Dividend payment date: N.A.
- e. Listing on Stock Exchanges: Coimbatore, Mumbai , Calcutta and Delhi
- f. Stock Code:
 - (i) Scrip code in Mumbai Stock Exchange trading symbol in NSE 530705 , FLORA TEXTIL
 - (ii) ISIN Number in NSDL & CDSL for Equity Shares NOT ALLOTTED
- g. Stock Market Data The company's shares were not transacted during the year.
- h. Registrar and Transfer Agents The Company handles the physical transfer of Shares directly.

**i. Share Transfer System :**

The Equity Shares of the company are not yet dematted. Cameo corporate Services Ltd, Subramanian Building, No.1 Club house Road, Chennai 600 002, the demat agents of the company vide their letter CAM:CS:FTL:1246:2003 dated 25th February 2003, stated that NSDL has deferred the demat of the shares of the company.

The Share Transfers which are received in physical form are processed and the share certificate are returned within 21 days from the date of receipt, subject to the Documents being valid and completed in all respects.

j. Share Holding Pattern as on 31.03.2009

Sl.no.	Category	No. of Shares	% (Percentage)
1.	Indian Promoters	3331800	55.53
2.	Mutual funds and UTI	600100	10.00
3.	Banks, Financial Institutions, Insurance Companies	180000	3.00
4.	Private Corporate bodies	32300	0.54
5.	Indian Public	1390800	23.18
6.	NRIs / OCBs	465000	7.75
		6000000	100.00

k. Dematerialization of shares and Liquidity : There were no dematerialization of shares during the year

l. Plant Location : S.F.No.498 A/c,
Moopparipalayam Village
Kaduvettipalyam (Post)
Karumathampatti, Annur Road
Palladam Taluk
Coimbatore - 641 659
Tamil Nadu

m. Address for Correspondence : Cowcoody Chambers, II Floor
234-A, Race Course Road
Coimbatore 641 018
Tamil Nadu

n. Website of the company : <http://www.floratextiles.com>

CERTIFICATE

To the members of Flora Textiles Limited

We have examined the compliance of the conditions of Corporate Governance by Flora Textiles Limited for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended March 31, 2009, no investor, grievances are pending against the Company as on May 31, 2009, as per the records maintained by the Company and presented to the Investor / Shareholders 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.

Place : COIMBATORE
Date : 31st MAY 2009

For ANJANA & CO
CHARTERED ACCOUNTANTS
PRAVIN KUMAR MAHESHWARI
PARTNER



REPORT OF THE AUDITOR TO THE MEMBERS

We have audited the attached Balance Sheet of FLORA TEXTILES LIMITED, as at 31st March, 2009, the Profit & 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors Report) Order, 2003, issued by the Government on 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 paras 4 & 5 of the said order.
3. We further report that :
 - (i) 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;
 - (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 the books of the Company;
 - (iii) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - (iv) In our opinion, Balance Sheet, Profit & 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;
 - (v) Based on the representations made by the Directors as on 31st March, 2009 and taken on record by the Board of Directors of the Company and the information and explanations given to us, none of the Directors is, as at 31st March, 2009, prima facie disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (b) in case of the Profit and Loss Account, of the loss for the year ended on that date.
 - (c) in case of the Cash Flow Statement, of the Cash Flows for the year as on that date.

For and on behalf of
ANJANA & CO
Chartered Accounts
Pravin Kumar Maheshwari
Partner
Membership No. 26866.

ANNEXURE REFERRED TO IN PARAGRAPH (2) OF OUR AUDIT REPORT OF EVEN DATE OF FLORA TEXTILES LIMITED

- (i)
 - (a) The company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets.
 - (b) As explained to us, according to the practice of the company Fixed Assets are physically verified by the management at reasonable intervals in a phased verification programme, which in our opinion, is reasonable looking at the size of the company and the nature of its business. During the year, as informed to us no material discrepancies have been noticed on such verification.
 - (c) During the year, the company has not disposed off substantial part of its fixed assets so as to affect its going concern;
- (ii)
 - (a) As explained to us the inventories have been physically verified during the year, by the management.
 - (b) The procedures, as explained to us, which are followed by the management for physical verification of inventories are in our opinion adequate in relation to the size of the company and the nature of the business.
 - (c) The company is maintaining proper records of inventory and it is told to us that the discrepancies that were noticed in the course of physical verification have been properly dealt with in the books of accounts.
- (iii) The company has not granted / 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, and hence matters regarding rate of interest, terms and conditions of loans, repayments and overdue amounts more than one lakh of rupees are not applicable



- (iv) In our opinion and according to the information given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to the purchase of inventory and fixed assets and for the sale of goods. During the course of audit no major weakness has been noticed in the Internal Controls.
- (v) As explained to us, during the year there not been any transactions required to be entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 5,00,000/- or more in respect of each such party.
- (vi) The company has not accepted deposits from the public and hence the provisions of Section 58 A of the Companies Act, 1956 and the rules framed there under are not applicable. In the company's case, the Company Law Board has passed no order
- (vii) In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- (viii) In our opinion and according to the information given to us the provisions of Section 209(1)(d) of the Companies Act, 1956 are not applicable to the company.
- (ix) (a) According to the records of the company the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it. There are no statutory dues that are outstanding at the end of the Financial year which have been due by more than 6 months.
- (b) On the basis of our examination of the documents and records, the disputed statutory dues that have not been deposited with the appropriate authorities are as under :

Nature of the Dues	Amount In Rs.	Forum where Dispute is pending
1. Customs Duty	71,20,395.00	CEGAT

- (x) As the Accumulated Losses exceed the Net Worth of the Company, the company remains a Sick Industrial Company within the meaning of Sick Industrial Company (Special Provisions) Act, 1985. However it has not incurred Cash Losses in both the Current Financial year and also the Financial Year immediately preceding the current Financial Year.
- (xi) On the basis of the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institution, banks or Debenture Holders.
- (xii) As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities, and hence maintenance of documents and records relating to such items are not applicable.
- (xiii) The provisions of any special statute applicable to chit fund are not applicable as the company is not a nidhi /has a mutual benefit fund / society.
- (xiv) In respect of investments dealt or traded by the company, proper records are maintained in respect of transactions and contracts and timely entries have been made therein. All investments are held by the company in its own name.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions
- (xvi) The company has not taken any term loans during the year covered by our audit.
- (xvii) Based on our examination of the Books of Accounts and Balance Sheet of the Company, we are of the opinion that funds raised on short term basis have not been used for long term investment.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not raised any debentures during the year
- (xx) The company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place : COIMBATORE
Date : 31st MAY 2009

For and on behalf of
ANJANA & CO
Chartered Accounts
Pravin Kumar Maheshwari
Partner
Membership No. 26866.

BALANCE SHEET AS AT 31ST MARCH 2009

	Sch. No.	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SOURCES OF FUNDS			
A SHAREHOLDERS FUNDS			
Share Capital	1	60000000.00	60000000.00
Share Application Money		27000000.00	27000000.00
B LOAN FUNDS			
Secured Loans	2	3410993.21	4305112.79
Unsecured Loans	3	86028420.81	84455820.40
C Deferred Tax Liability		0.00	0.00
TOTAL		176439414.02	175760933.19
APPLICATION OF FUNDS			
A FIXED ASSETS			
Gross Block	4	146166386.00	146166386.00
Less : Depreciation		135153774.96	134260398.31
TOTAL		11012611.04	11905987.69
B CURRENT ASSETS, LOANS & ADVANCES			
(a) Current Assets			
Inventories	5	16469432.12	18833867.55
Sundry Debtors	6	20511016.10	27438753.52
Cash & Bank Balances	7	3744193.85	3507571.66
Other Current Assets	8	1838.00	1838.00
(b) Loans & Advances			
	9	1813788.42	2047665.42
		42540268.49	51829696.15
C Less : CURRENT LIABILITIES & PROVISIONS	10	6550915.89	8529827.27
NET CURRENT ASSETS		35989352.60	43299868.88
D MISCELLANEOUS EXPENDITURE	11	129437450.37	120555076.62
TOTAL		176439414.02	175760933.19

Subject to our reports of even date attached
For ANJANA & CO
Chartered Accountants
PRAVIN KUMAR MAHESWARI
Partner
Place: Coimbatore
Date : 31-5-2009

ON BEHALF OF THE BOARD

V.R.GUPTA
Chairman

A.K.GUPTA
Managing Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

	Sch. No.	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
INCOME			
Sales & Other Receipts	12	28671584.26	74018517.11
Miscellaneous Sales	13	52020.00	109213.50
Other Income	14	553075.49	4539710.02
	TOTAL - A	29276679.75	78667440.63
EXPENDITURE			
Raw Materials consumed	15	16529306.29	43535147.62
Salaries, Wages and Other Benefits	16	3203666.10	4666305.00
Power & Fuel	17	3959055.05	8240209.70
Stores, chemicals & Packing Materials Consumed	18	417687.58	1165729.50
Other Manufacturing Expenses	19	1562336.87	2845336.12
Repairs and Maintenance	20	549390.03	1441321.43
Interest and Financial Costs	21	5857058.03	4562511.62
Administrative & Other Expenses	22	1869945.47	2071082.03
Selling Expenses	23	543488.30	1070295.13
Depreciation		893376.65	892319.31
	TOTAL - B	35385310.37	70490257.46
Profit/Loss (A-B)		-6108630.62	8177183.17
Changes in Stock		-2743743.14	2355.38
Net Profit / loss before tax		-8852373.76	8179538.55
Less : Fringe Benefit Tax		30000.00	63429.00
Deferred tax Benefit for the Year (note "q" to notes of account)		0.00	0.00
NET PROFIT/LOSS FOR THE YEAR		-8882373.76	8116109.55
ADD : Opening Loss brought forward		120555076.62	128671186.17
LOSS TAKEN TO PROFIT AND LOSS ACCOUNT		129437450.37	120555076.62
BASIC EARNINGS PER SHARE (note "p" to notes of accounts)		-1.48	1.35
DILUTED EARNINGS PER SHARE (note "p" to notes of accounts)		-1.02	0.93

Subject to our reports of even date attached

For ANJANA & CO

Chartered Accountants

PRAVIN KUMAR MAHESWARI

Partner

Place: Coimbatore

Date : 31-5-2009

ON BEHALF OF THE BOARD**V.R.GUPTA**

Chairman

A.K.GUPTA

Managing Director

**SCHEDULE TO BALANCE SHEET**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised : 60,00,000 Equity Shares of Rs.10/-each	60000000.00	60000000.00
Issued, Subscribed and Fully Paid up 60,00,000 Equity Shares of Rs.10/-each	60000000.00	60000000.00
Share Application Money	27000000.00	27000000.00
SCHEDULE-2		
SECURED LOANS		
TERM LOANS:-		
From Catholic syrian bank	0.00	0.00
WORKING CAPITAL LOANS:-		
From Catholic syrian bank	3331863.82	4115451.40
LOAN AGAINST FD		
Indusind bank	0.00	0.00
HIRE PURCHASE:- (At agreement Value less instalments paid and unmatured finance charges)		
From Citibank	79129.39	189661.39
	3410993.21	4305112.79
SCHEDULE-3		
UNSECURED LOANS		
Intercompany Loans	52410428.00	50633017.00
Loans from Directors	11596926.41	11038874.00
Loans from Shareholders	14288394.40	16495753.40
Loans from Others (relatives)	7732672.00	6288176.00
	86028420.81	84455820.40

**SCHEDULE 4
FIXED ASSETS SCHEDULE**

Sl. No	Particurs	Cost as on 01.04.2008		Additions	Sales / Trf	Cost as on 31.03.2009		DEPRECIATION				Net Block as on 31-3-2009		Net Block as on 31-3-2008					
		Rs.	Ps.			Rs.	Ps.	upto 31-3-2008		For the Year		Added Back		Total		Rs.	Ps.	Rs.	Ps.
								Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.				
1.	Land & Site Development	470,239.25				470,239.25		00.00		0.00			0.00	470,239.25		470,239.25			
2.	Furniture and Fittings	537,099.37				537,099.37		444,125.08		33,998.39			478,123.47	58,975.90		92,974.29			
3.	Electrical Fittings	33,208.30				33,208.30		20,715.67		1,577.39			22,293.06	10,915.24		12,492.63			
4.	Office Equipments	607,934.00				607,934.00		313,629.07		64,855.54	0.00		378,484.61	229,449.39		294,304.93			
5.	Vehicle	442,611.00				442,611.00		68,083.65		42,048.05	0.00		110,131.69	332,479.31		374,527.35			
6.	Borewell	70,121.55				70,121.55		43,444.45		3,330.77			46,775.22	23,346.33		26,677.10			
7.	Plant & Machinery	130,181,779.41				130,181,779.41		127,775,395.57		285,865.18			128,061,260.75	2,120,518.66		2,406,383.84			
8.	Building	13,823,393.12				13,823,393.12		5,595,004.83		461,701.33			6,056,706.16	7,766,686.96		8,228,388.29			
	Total	146,166,386.00				146,166,386.00		134,260,398.32		893,376.65	0.00		135,153,774.97	11,012,611.03		11,905,987.68			
	Previous Year Figure	146,851,462.00		291,054.00	976,130.00	146,166,386.00		133,906,708.27		892,319.31	538,629.25		134,260,398.33	11,905,987.68		12,944,753.73			

**SCHEDULE TO BALANCE SHEET**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE - 5 INVENTORIES		
(As physically verified and certified by Managing Director)		
Stock of Raw Materials	843046.44	428343.73
Stock of Finished Goods	15267595.87	17869581.99
Stock of Work in Progress	163005.48	304762.50
Stock of Consumables and Stores	195784.33	231179.33
	16469432.12	18833867.55
SCHEDULE - 6 SUNDRY DEBTORS (Unsecured and considered good)		
Debts exceeding 6 months	2810275.00	2810275.00
Debts not exceeding 6 months	17700741.10	24628478.52
	20511016.10	27438753.52
SCHEDULE - 7 CASH AND BANK BALANCES		
Cash on hand	15581.24	5635.67
Balances with scheduled banks in current accounts	296401.04	152466.91
Fixed Deposit Accounts	3432211.57	3349469.08
	3744193.85	3507571.66
SCHEDULE - 8 OTHER CURRENT ASSETS		
Duty Drawback receivable	0.00	0.00
PLA & Modvat investment in shares	1838.00	1838.00
	-	-
	1838.00	1838.00

**SCHEDULE TO BALANCE SHEET**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE - 9		
LOANS AND ADVANCES		
(Recoverable in cash or kind, unsecured and considered good)	1255641.77	1447761.77
Deposit with Government depts	145500.00	145500.00
Other trade deposits	18969.00	8000.00
Advance for other expenses	301573.65	337302.65
Advance income tax & TDS	92104.00	109101.00
Prepaid expenses		
	1813788.42	2047665.42
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
Liability for Purchases	2641184.89	4729333.89
Liability for Expenses	2054814.00	2667000.00
Liability for Other Finances	759429.00	753420.38
Advance from Customers	1095488.00	380073.00
	6550915.89	8529827.27
SCHEDULE - 11		
MISCELLANEOUS EXPENDITURE		
(a) Share issue expenses	0.00	0.00
Less: 1/10th written off	0.00	0.00
Sub- Total (a)	0.00	0.00
(b) Preliminary Expenses	0.00	0.00
Less: 1/10th written off	0.00	0.00
Sub- Total(b)	0.00	0.00
(c) Profit and Loss Account Dr.	129437450.37	120555076.62
Deferred Tax Liability	0.00	0.00
Sub- Total(C) - Loss Carried Forward	129437450.37	120555076.62
GRAND TOTAL(a+b+c)	129437450.37	120555076.62

**SCHEDULE TO PROFIT AND LOSS ACCOUNT**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE-12		
SALES AND OTHER RECEIPTS		
Fabric sales	26628619.70	69781962.11
Yarn sales	0.00	390000.00
Job charges collected	2007835.74	3846555.00
Other Charges collected	35128.82	0.00
	28671584.26	74018517.11
SCHEDULE-13		
MISCELLANEOUS SALES		
Waste (fents) sales	52020.00	109213.50
	52020.00	109213.50
SCHEDULE-14		
Duty draw back	275760.00	3530206.00
DEPB income	0.00	324818.00
Interest received	277315.49	341121.02
Fireclaim	0.00	343565.00
	553075.49	4539710.02
SCHEDULE-15		
RAW MATERIALS CONSUMED		
(a) Cotton & Waste cotton:		
Opening Stock	53922.00	0.00
Add : Purchases	0.00	343401.70
	53922.00	343401.70
Less : Closing stock	53922.00	53922.00
Sub - Total (a)	0.00	289479.70
(b) Yarn		
Opening Stock	374421.73	626471.25
Add : Purchases	14486325.00	29066091.40
	14860746.73	29692562.65
Less : Closing stock	789124.44	374421.73
Sub - Total (b)	14071622.29	29318140.92
(c) Cloth purchase	2457684.00	13927527.00
GRAND TOTAL (a+b)	16529306.29	43535147.62

**SCHEDULE TO PROFIT AND LOSS ACCOUNT**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE-16		
SALARIES, WAGES AND OTHER BENEFITS		
Salaries	1688500.00	1895274.00
Stipends & Wages	1138629.00	2311484.00
Bonus & Ex-gratia	161356.00	231605.00
PF & ESI Benefits	172930.00	169441.00
Staff and Labour Welfare Expenses	42251.10	58501.00
	3203666.10	4666305.00
SCHEDULE-17		
POWER AND FUEL		
Opening stock of fuel	17301.90	30539.60
Electricity Charges	3787459.00	6804995.00
Generator Maintenance	160443.00	1421977.00
	3965203.90	8257511.60
Less : Closing stock	6148.85	17301.90
	3959055.05	8240209.70
SCHEDULE-18		
STORES AND PACKING MATERIALS CONSUMED		
(a) Consumable stores (a)	170541.50	682263.00
(b) Packing Materials		
Opening Stock	11949.00	15672.50
Add : Purchases and expenses	250443.00	479743.00
	262392.00	495415.50
Less : Closing stock	15245.92	11949.00
Sub - Total (b)	247146.08	483466.50
GRAND TOTAL (a+b)	417687.58	1165729.50

**SCHEDULE TO PROFIT AND LOSS ACCOUNT**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE-19		
OTHER MANUFACTURING EXPENSES		
Opening Stock	201928.43	194860.55
Yarn Sizing Charges	1419626.00	2730832.00
	1621554.43	2925692.55
Less : Closing stock of Sizing Chemicals	174389.56	201928.43
	1447164.87	2723764.12
Processing & job Charges	17491.00	108571.00
Other expenses	97681.00	13001.00
	1562336.87	2845336.12
SCHEDULE-20		
REPAIRS AND MAINTENANCE		
Office Maintenance	11400.00	4975.00
Factory Maintenance	414100.00	1227098.00
Vehicle Maintenance	95822.73	175689.43
General Maintenance	28067.30	33559.00
	549390.03	1441321.43
SCHEDULE-21		
INTEREST AND FINANCIAL COSTS		
Interest paid on Bank Loans	385046.00	411962.67
Interest paid on other Loans	4307808.00	3748124.62
Bank charges	241514.13	402424.33
Foreign Exchange fluctuations	922689.90	0.00
	5857058.03	4562511.62

**SCHEDULE TO PROFIT AND LOSS ACCOUNT**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
SCHEDULE-22		
ADMINISTRATIVE AND OTHER EXPENSES		
Professional and Consultancy Charges	122000.00	184300.00
Security Service charges	237078.00	235951.00
Rates and Taxes	205230.44	172784.61
Traveling and Conveyance	305403.53	288627.63
Auditors remuneration		
- Audit fees	44120.00	22472.00
- Other services		11236.00
Insurance Charges	137032.00	230422.00
Subscription and Periodicals	28774.00	28368.72
Miscellaneous expenditure	145822.00	84658.00
Donation	4100.00	4230.00
Rent	313126.00	255696.00
Printing & Stationary	55506.50	71961.00
Postage & Telegram	51347.80	73405.00
Telephone charges	220405.20	257469.33
Loss Due to Sale of asset	-	149500.74
	1869945.47	2071082.03
SCHEDULE-23		
SELLING EXPENSES		
Sales commission	148838.00	143178.00
Clearing & Forwarding charges	35014.00	208582.00
Freight	2749.00	28896.00
Advertisement	194908.00	508182.00
Rebate and Discounts	16342.00	11176.00
	145637.30	170281.13
	543488.30	1070295.13
SCHEDULE-24		
Opening Stock - Finished goods	17869581.99	17815664.62
- Work in progress	304762.50	356324.49
A	18174344.49	18171989.11
Closing Stock - Finished goods	15267595.87	17869581.99
- Work in progress	163005.48	304762.50
B	15430601.35	18174344.49
Increase /Decrease In stock B-A	-2743743.14	2355.38

**SCHEDULE-25****NOTES ON ACCOUNTS :****A. ACCOUNTING POLICIES :**

- a. The Company has been adopting accrual basis of accounting for all its regular sources of income and expenditure including sale of its manufactured goods and purchases of raw materials, stores, packing and other materials.
- b. Fixed assets have been represented and disclosed in the Balance Sheet at their historical cost. Cost includes Excise Duty paid on machinery purchased on which no claim for MODVAT was made. Provision for depreciation has been made adopting straight line method at the rates prescribed in the Schedule XIV to the Companies Act, 1956.
- c. **Inventories :**
Stock of finished goods and stock of waste are valued at cost or at net realisable value, whichever is less. Stock of raw materials, stores, packing materials and work in progress are valued at cost.
- d. **Retirement Benefits :**
There was no liability to the company as at the close of the year towards retirement benefits to the employees.

B. BALANCE SHEET :

- e. Working Capital Loan from Catholic Syrian Bank is secured by equitable mortgage of the company's land and building by deposit of title deeds and also by hypothecation of the plant and machinery, stores and spares acquired under the project for manufacture of fabric. This loan is secured by the personal guarantee of the chairman, managing director and a director of the company.
- f. Auditors' Remuneration consists of Audit fee Rs. 40,000 /- towards Tax Audit and Taxation Services (including Service Tax) Rs. 4120/-.
- g. Tax deducted at source from Interest, Commission and Job Work Charges amounted to Rs. 121926/- (Previous Year Rs. 82565/-)

C. OTHER INFORMATION :

- h. The estimated amount of contracts remaining to be executed on Capital Accounts and not provided for accounted to Rs. NIL (Previous Year Rs. NIL)
- i. The Company is contingently liable to a sum of Rs. 125.84 lakhs for concession in customs duty availed against import of machinery for which the company has undertaken export obligation to the extent of Rs. 2557.06 lakhs due to be performed within a period of 5 years from the date of import. This liability is secured by guarantee executed by the Vysya Bank, Catholic Syrian Bank and Andhra Bank in favour of the Government of India, for which the Company has executed Counter Guarantee to the bankers. The bankers guarantee is secured by a lieu on Fixed Deposits of Rs. 24.75 lakhs held by the Company with its bankers.
- j. Based on information available with Company, there are no outstanding dues to small scale undertakings as at the year end.
- k. **SEGMENT INFORMATION**

According to the concept of segment reporting, we are of the opinion that the business of the company viz yarn and cloth manufacturing falls under one segment. Hence no separate statement of segment reporting is reported.

**I. RELATED PARTY DISCLOSURE:****1. RELATED PARTIES :****KEY MANAGEMENT PERSONNEL :**

Shri V.R. Gupta - Chairman
Shri A.K. Gupta - Managing Director

RELATIVES OF KEY MANAGEMENT PERSONNEL :

Relatives of Shri A.K. Gupta

- | | |
|----------------------|----------|
| a. Aditya Gupta | Son |
| b. Indira Devi Gupta | Wife |
| c. Anamika Kajaria | Daughter |

2a. RELATED PARTY TRANSACTIONS :

Related Party	Relationship	(Amount in Rupees) During the Year		
		Loan Received	Loan Repaid	Interest Paid
1. Mr. A.K. Gupta	KMP Managing Director	54000.00		603017.00
2. Mr. Aditya Gupta	KMP - Relative		2390,000.00	449876.00
3. Mrs. Indira Gupta	KMP - Relative			455985.00
4. Mr. Aditya Gupta (HUF)	KMP - Relative	437731.00		96503.00

b. Transacting Related Party Relationship

- M/s Anamika Enterprises Private Limited
- Enterprise in which Relative of KMP i.e Mrs. Anamika Kajaria has significant influence.

Transactions During the Year :

- | | |
|---------------------------------|----------------|
| a. Opening Balance (01.04.2008) | - Rs. 0.00 |
| b. Sales to Anamika Enterprises | - Rs. 21220.00 |
| c. Amounts Received from same | - Rs. 21220.00 |
| d. Closing Balance (31.03.2009) | - Rs. NIL |

- o. As per the explanations given to us, there are no operating or Financial lease.

**P. EARNINGS PER SHARE:****Basic Earnings Per Share**

a) Net Profit/(Loss) for the period	(8882373.76)
b) Weighted average number of equity shares	6000000.00
c) Basic Earnings Per Share a/b	(1.48)

Diluted Earnings Per Share

a) Net Profit/(Loss) for the period	(8882373.76)
b) Less : Interest Reversal Added Back	NIL
c) Adjusted Net Profit	(8882373.76)
d) Weighted Average Number of equity Shares	6000000.00
e) Potential Equity Shares Share application Money	2700000.00
f) Total	8700000.00
g) Diluted Earnings Per Share c/f	(1.02)

9. The company has accounted for Deferred Tax in accordance with the Accounting Standard 22 issued by the institute of Chartered Accountants of India. The deferred tax asset on account of opening unabsorbed loss and unabsorbed depreciation has not been recognised as the Company is of the opinion that there is no virtual certainty of realisation of the same.

D. Particulars as per Part D of Part II of Schedule VI to the companies act, 1956 are as follows

A. CAPACITY, PRODUCTION, STOCKS AND TURNOVER

	Product	Unit	For the Year Ended 31-3-2009	For the Year Ended 31-3-2008
Licensed Capacity			Not Applicable	Not Applicable
Installed Capacity (As certified by the management)	Looms (Fabric)	Mtrs./day (40 Picks)	9240.00	9240.00
Actual Production	Fabric	Mts.	728069.00	1431939.00
	OE Yarn	Kgs.	0.00	114792.00
Purchase	Yarn	Kgs. value	103774.00 14486325.00	227845.00 29066091.00
	Cloth	Mts. value	36769.00 2457684.00	262503.00 13927527.00
	Cotton and waste cotton	Kgs. value	0.00 0.00	8628.00 343402.00
Opening Stock	Fabric	Mts.	441495.00	434795.00
	Fabric	Rs.	17869582.00	17788503.00
	OE Yarn	Kgs	0.00	1488.00
	OE Yarn	Rs.	0.00	27161.00
	Cotton & cotton waste	Kgs	1419.00	0.00



	Product	Unit	For the Year Ended 31-3-2009	For the Year Ended 31-3-2008
Closing Stock	Cotton & cotton waste	Rs.	53922.00	0.00
	Yarn	Kgs.	3307.00	5140.00
	Yarn	value	374422.00	626471.00
	Fabric	Mts.	359228.00	441495.00
	Fabric	Rs.	15267596.00	17869582.00
	OE Yarn	Kgs.	0.00	0.00
	OE Yarn	Rs.	0.00	0.00
	Cotton & Waste	Kgs.	1419.00	1419.00
	Cotton & Waste	Rs.	53922.00	53922.00
	Yarn	kgs	6431.00	3307.00
	Yarn	value	789124.00	374422.00
Sales (Inclusive of free Samples)	Fabric	Mts.	618562.00	1492821.00
	Fabric	Rs.	26628620.00	69781962.00
	Fabric Job work	mts.	228544.00	194921.00
	OE Yarn	Kgs.	0.00	3300.00
	OE Yarn	Rs.	0.00	390000.00
	OE Conversion	Kgs.	0.00	112980.00
Raw Material Consumed	Cotton & waste	Kgs.	0.00	7209.00
		Rs.	0.00	289480.00
	Yarn	Kgs.	100650.00	229678.00
		Rs.	14071622.00	29318141.00

B. VALUE OF IMPORTED / INDIGENEOUS MATERIALS CONSUMED		
1. Raw Materials - Indigeneous (100%)	14071622.00	29607621.00
2. Stores and Spare Parts - Indigeneous (100%)	417687.58	1165729.50
C. Imports - CIF VALUE (In Rupees)		
1. Machinery spares	0.00	12892.00
D. EARNING IN FOREIGN EXCHANGE		
FOB Value of Exports	2445101.00	19847447.00

Previous year figures have been regrouped or reclassified wherever necessary to conform to the current year grouping

SIGNATORIES TO SCHEDULE 1 TO 25

Subject to our report of even date attached
For ANJANA & CO
Chartered Accountants
PRAVIN KUMAR MAHESHWARI
Partner

ON BEHALF OF THE BOARD

V.R.GUPTA
Chairman

A.K.GUPTA
Managing Director

Place : Coimbatore
Date : 31.05.2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

	Current Year As at 31.3.2009 Rs.	Last Year As at 31.3.2008 Rs.
A. CASH FLOW FROM OPERATIVE ACTIVITIES		
Profit before tax	(8,852,374)	8,179,539
Fringe Benefit Tax	(30,000)	(63,429)
Adjustments for Depreciation	893,377	353,690
Preliminary Expenses Written Off	-	-
Share Issue Expenses Written Off	-	-
Interest received during the year	(277315)	(341121)
Interest Paid on Bank Loans	385046	411963
Interest Paid on Other Loans	4307808	3748125
Operating Profits before Working Capital Changes	(3,573,459)	12,288,766
Adjustments for Change in Net Current Assets	7,547,138	(5,378,015)
Net Cash from Operating Activities	A	6,910,751
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Interest Received	277,315	341,121
Purchase of Fixed Assets	-	685,076
Net Cash used in Investment Activities	B	1,026,197
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid on Bank Loans	(385046)	(411963)
Interest Paid on Other Loans	(4307808)	(3748125)
Share Application Money	-	-
Net Increase / Decrease in Borrowings	678,481	4,075,029
Net Cash generated from Financing Activities	C	(8,235,117)
Net Increase/(Decrease) in Cash and Cash Equivalents	A + B + C	(298,168)
Opening Balance of cash	3507572	3805740
Closing Balance of cash	3744194	3507572

ON BEHALF OF THE BOARD

Place : Coimbatore

Date : 31.05.2009

V.R.GUPTA

Chairman

A.K.GUPTA

Managing Director

AUDITOR'S CERTIFICATE

We have verified the above cash flow statement of FLORA TEXTILES LIMITED derived from the audited annual financial statements for the year ended 31st March 2009 and found the same to be drawn in accordance herewith and also with the requirements of Clause 32 of the listing agreements with stock exchanges.

For ANJANA & CO

Chartered Accountants

PRAVIN KUMAR MAHESHWARI

Partner

Place : Coimbatore

Date : 31.05.2009

**NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2009****BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details :-	
Registration No.	181-4290
State Code	18
Balance Sheet date	31.3.2009
II. Capital raised during the year (Rs. In thousands)	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-
III. Position of mobilisation and deployment of funds (Rs. In thousands)	
Total Liabilities	176439
Total Assets	176439
Sources of Funds	
Paid-up Capital	60000
Share Application Money	27000
Reserves & Surplus	-
Secured Loans	3411
Unsecured Loans	86028
Application of Funds	
Net Fixed Assets	11013
Net Current Assets	35989
Miscellaneous Expenditure	
Accumulated Losses	129437
Pre-operative Expenses	0
Preliminary Expenses	0
IV. Performance of Company (Rs. In thousands)	
Turnover	29277
Total Expenditure	38129
Profit Before Tax and deferred tax	-8852
Profit After Tax and deferred tax	-8882
Earning per share in Rs.	-0.15
Dividend rate	
V. Generic names of three principal products / Services of company (as per monetary terms) :-	
Item Code No. (ITC Code)	Product description
520811.49	100% Cotton Woven Fabric

ON BEHALF OF THE BOARD

Place : Coimbatore
Date : 31.05.2009V.R.GUPTA
ChairmanA.K.GUPTA
Managing Director



FLORA TEXTILES LIMITED

Cowcoody Chambers, II Floor,
234-A, Race Course Road, Coimbatore - 641 018

Please Hand over this
at the entrance of the
Meeting Hall

ATTENDANCE SLIP

Member's Folio Number		No of Shares held	
-----------------------	--	-------------------	--

Name of the proxy (in BLOCK LETTERS) to be filled in if the proxy attends instead of the member

I hereby record my presence at the 16th Annual General Meeting held on Monday the 28th September 2009 at 4.00 p.m. at A/C Conference Hall, Rajastani Sangh, D.B.Road, Coimbatore-2, Tamilnadu.

Note

Member's / Proxy's Signature

1. A Member / Proxy attending the meeting must complete this Attendance Slip and hand it over at the entrance.
2. Members are requested to advise, indicating their folio number, change in their address, if any, to the company.



FLORA TEXTILES LIMITED

Cowcoody Chambers, II Floor,
234-A, Race Course Road, Coimbatore - 641 018

PROXY FORM

I/We
of being a Member/Member of Flora Textiles Limited
hereby appoint of
of failing him of
of failing him of
as my/our proxy to attend and vote for me / us on my / our behalf at the 16th Annual General Meeting of the Company to be held on Monday, 28th September 2009 and at any adjournment thereof.as witness my / our hand(s) this day of

Signed by the said



Note : The proxy from must be returned so as to reach the Registered Office of the Company at Cowcoody Chambers, II Floor, 234-A, Race Course Road, Coimbatore - 641 018, not less than forty - eight hours before the time of holding the aforesaid meeting.

MEMBERS / PROXIES ARE ONLY ALLOWED

If undelivered, please return to :



FLORA TEXTILES LTD
Cowcoody Chambers, 2nd Floor,
234A, Race Course Road,
Coimbatore - 641 018. Tamilnadu