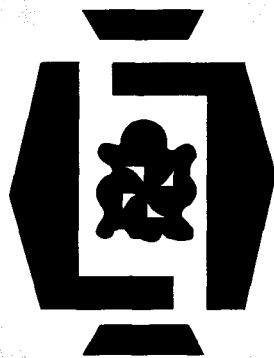


*Lambodhara
Textiles Limited*



15th *Annual Report*
2008 - 2009



Lambodhara Textiles Limited

BOARD OF DIRECTORS

- Managing Director** : Sri. Santossh.R
- Director** : Smt. Vimala.R
Sri. Deepak Malani
Sri. Vasthupal R. Mehta
Sri. Girish G. Radia
Smt. Giulia Bosco
- Bankers** : State Bank of India
Commercial Branch,
24, Stanes Road, Tirupur - 2.
Phone : 0421 - 2207400.
- Auditors** : M/s. Mohan & Venkataramanan
Chartered Accountants
No.9, Bharathi Park, Ill Crosse,
Saibaba Mission Post, Coimbatore - 641011.
Phone : 0422 - 2432101.
- Registrar & Share
Transfer Agent** : M/s. SKDC Consultants Limited
No.11, Street No.1, S.N. Dass Layout
West Power House Road, Coimbatore - 641 012
Phone : 0422 - 6549995
Fax : 0422 - 2499574
Email : info@skdc_consultants.com

REGISTERED OFFICE

3A, 3rd Floor, Pioneer Apartments,
1075-B, Avinashi Road,
Coimbatore - 641 018.
Phone : 0422 - 2249038

WORKS

826, Thazhaiyuthu
Palani Taluk
Pin : 624 618
Phone : 04252 - 252253



Lambodhara Textiles Limited

15th ANNUAL GENERAL MEETING

Date : 25th September 2009
Day : Friday
Time : 1.00 p.m.
Venue : The Chambers, The Coimbatore Club,
East Club Road, Coimbatore - 641 018.

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the company will be held on Friday 25th September 2009 at 1.00 p.m. at The Coimbatore Club, East Club Road, Coimbatore – 641 018, to transact the following business.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account relating to the financial year ended 31st March 2009 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Ms.Vimala.R Whole Time Director who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in the place of Mr.Girish G. Radia, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint the auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and pass the following with or without modification as an ordinary resolution :

RESOLVED that pursuant to Section 198, 309, 317 and other applicable provisions in any of The Companies Act, 1956, Mr.Santossh. R be and is hereby re-appointed as the Managing Director for a further period of five years w.e.f. 26th September 2009 with remuneration detailed as under:

Salary of Rs.65,000/- p.m. plus HRA of Rs.10,000/- p.m. and membership fees towards two clubs.

6. To consider and pass the following with or without modification as an Ordinary resolution :

RESOLVED that the consent of the members be and is hereby extended for the elevation of Ms. Giulia Bosco as a Whole Time Director of the Company with a remuneration of Rs.20,000/- p.m.

7. To consider and pass the following with or without modification as an Ordinary resolution :

RESOLVED that the consent of the members be and is hereby extended for the elevation of Ms.Vimala.R as a Whole Time Director of the Company with a remuneration of Rs.20,000/- p.m.

By Order of the Board,
(Sd/-) **SANTOSSH.R**
Managing Director

Place : Coimbatore
Date : 27.08.2009

(Sd/-) **VIMALA.R**
Whole Time Director



NOTES

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxies in order to be effective must be lodged at the Registered Office of the Company at 3A, B-Block, 3rd Floor, Pioneer Apartments, 1075-B, Avinashi Road, Coimbatore – 641 018 atleast 48 hours before the time fixed for Annual General Meeting.
3. Members/Proxies should bring the Attendance Slip/Proxy Form duly filled in for attending the meeting.
4. Members are requested to intimate change of address if any to M/s.SKDC Consultants Limited, No.11, Street No.1, S.N.Dass Layout, West Power House Road, Coimbatore – 641 012, the Registrar and Share Transfer Agent of the company.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th September 2009 to 25th September 2009 (both days inclusive).

EXPLANATORY STATEMENT UNDER SEC.173(2) OF THE COMPANIES ACT, 1956
SPECIAL BUSINESS

Item No.5

The current tenure of Mr.Santossh.R as the Managing Director of the Company comes to an end on 28th September 2009. The Board recommends his re-appointment for a further period of five years with remuneration as stated under this item.

Mr.Santossh.R, Ms.Vimala.R and Ms.Giulia Bosco are interested in this resolution.

Item No.6

The Board recommends the elevation of Ms.Giulia Bosco and Ms.Vimala.R. as Whole time Directors of the Company and seek the approval of the members for the same.

Ms.Giulia Bosco, Ms.Vimala.R., and, Mr.Santossh.R. are interested in this resolution.

By Order of the Board,
(Sd/-) **SANTOSSH.R**
Managing Director

Place : Coimbatore
Date : 27.08.2009

(Sd/-) **VIMALA.R**
Whole Time Director



DIRECTORS' REPORT

Ladies & Gentlemen,

Your Directors are pleased to present the Fifteenth Annual Report of your company and the Audited Annual Accounts for the financial year ended 31st March 2009. The Management Discussion and Analysis is included as a part of this Report.

FINANCIAL RESULTS

Sl.No.	PARTICULARS	Year Ended	Year Ended
		31.03.2009	31.03.2008
(Rs. in Lakhs)			
1.	Net Sales / Income from Operations	4,798.13	3,471.50
2.	Other Income	78.53	5.20
3.	Total Expenditure	4,370.29	3,087.47
4.	Interest	235.36	174.68
5.	Profit before Depreciation and Taxation	271.01	214.55
6.	Depreciation	142.20	103.00
7.	Profit before Tax	128.81	111.55
8.	Prior year Income	0.00	1.41
9.	Prior year Expenses	0.00	0.09
10.	Provision for taxation	5.00	12.70
11.	Provision for Fringe Benefit Tax	1.22	1.08
12.	Provision for Deferred Tax	9.82	(8.30)
13.	Income Tax for Prior years	0.65	0.99
14.	Profit after Tax	112.12	106.40
15.	B/F from Previous year	404.30	297.90
16.	Profit available for appropriation	516.43	404.30
17.	Paid-up Equity Share Capital	437.98	437.98



REVIEW OF OPERATIONS

Your Company has achieved a profit of Rs.128.81 lacs from operations before taxation on a turnover of Rs.4,798.13 lacs for the year ended 31st March 2009.

FUTURE PLANS OF THE COMPANY

Your Company has expanded capacity from 20,264 spindles to 26,312 spindles during 2009 -10 with main focus on fancy yarns as core business. Your Company is also planning foray into yarn export during the year.

OPPORTUNITIES

Your Company is mainly focusing on fancy yarn in niche segment which should help the company in having an edge over competitors.

THREATS

The worldwide recessionary trend which has impacted every industry globally may pose threat in the short term.

OUTLOOK

The economy is under revival and should be back to rails in the near future.

RISKS AND CONCERN

Your Company is exposed to all the risks associated with this business in terms of market conditions, timing, inflation, long term economic conditions, etc.,

INTERNAL CONTROL SYSTEMS

The Company has an internal control system commensurate with the size and the nature of its business.

SEGMENT WISE PERFORMANCE

The main business of your Company is Textiles. Your Company is also engaged in real estate and agricultural operations. Your Company has recognized a net income of Rs.1.01 lacs in connection with the agricultural operations during the year.

DIRECTORS

Ms. Vimala.R. and Mr. Girish G. Radia, Directors retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-election.

The current tenure of Mr.Santossh.R as Managing Director of the Company comes to an end on 28th September 2009 and is eligible for re-appointment at the ensuing Annual General Meeting.



AUDITORS

M/s.Mohan & Venkataramanan, Chartered Accountants, Coimbatore retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT

With regard to the Auditors' qualification regarding non-provision of gratuity, the same has been accounted on payment basis and hence no provision is made.

Regarding the Auditors' qualification on registration of four vehicles in the name of one of the directors, we wish to state that appropriate steps will be taken to register the vehicles in the name of the company.

PUBLIC DEPOSITS

The company has not accepted any deposit from the public during the year under review.

INFORMATION PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

As per the requirement of Section 217(1)(e) of The Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 the information regarding conservation of energy, technology absorption and foreign exchange earned and outgo are appended hereto and form part of this report.

PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration in excess of the limits set under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee Rules 1975).

DEMATERIALISATION AND SHARE TRANSFER

The company's shares are traded compulsorily in the dematerialised form and is available for trading under National Securities Depositories Limited (NSDL) and Central Depositories Service (India) Limited (CDSL). M/s.SKDC Consultants Limited, Coimbatore is the company's transfer agent for both physical and electronic form of transfers.

CORPORATE GOVERNANCE

The Board of Directors of your company has taken all necessary steps to comply with Clause 49 of the Listing Agreement entered by the company with the Stock Exchanges at Coimbatore, Chennai, Ahemadabad and BSE IndoNext Segment.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of The Companies Act, 1956 your directors have :

- a. followed in the preparation of the Annual Accounts, the applicable accounting standards.
- b. selected such accounting policies and applied them consistently 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 financial position of the company for the period.
- c. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities, and,
- d. prepared the attached statement of accounts for the year ended 31st March 2009 on a going concern basis.

ACKNOWLEDGEMENT

Your directors take this opportunity to thank the bankers, Government authorities, shareholders, suppliers and contractors for their support and co-operation extended to the Company.

Place : Coimbatore

Date : 27.08.2009

By Order of the Board,

(Sd/-) **SANTOSSH.R**

Managing Director

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

FORM - A

A. CONSERVATION OF ENERGY

Total Energy Consumption and Energy Consumption per unit of Production

		31.03.2009	31.03.2008
I. Electricity			
(a) Purchased	Units	60,78,000	59,22,156
Total Amount	Rs.	2,62,65,588	2,74,13,375
Rate per unit (Average)	Rs.	4.32	4.63
(b) Own Generation			
Through Diesel Generator	Units	6,21,249	2,17,969
Value of HSD	Rs.	60,75,478	17,71,182
Unit per litre of Diesel oil	Units	9.78	8.13
Cost per litre	Rs.	31.00	31.89
II. Consumption per kg. of production			
Yarn	Kgs.	29,91,361	27,09,276
Electricity Consumed	Units	66,99,249	61,40,125
Units per kg.		2.24	2.27

FORM - B

A. RESEARCH AND DEVELOPMENT

The Company has no separate Research and Development Department.

B. TECHNOLOGY ABSORPTION

The Company is a member of Tamilnadu Spinning Mills Association and is able to get from the said Association, the recent developments in various segments of the Industry.

C. FOREIGN EXCHANGE EARNING AND OUTGO

(i) Expenditure on Foreign Travel	Rs.	1,66,300	—
(ii) Foreign Exchange Earned	Rs.	—	—

Place : Coimbatore
 Date : 27.08.2009

By Order of the Board,
 (Sd/-) **SANTOSSH.R**
 Managing Director



REPORT ON GOVERNANCE

(In compliance with Clause 49 of the Listing Agreement)

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to ensure that its obligations are discharged in a fair and transparent manner.

II. BOARD OF DIRECTORS

The Board comprises of a Managing Director, two Whole Time Directors and three Non-executive Directors.

The composition of the directors and their attendance at the board meetings during the year and at the last Annual General Meeting are as follows:-

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorship held in Public Companies	Membership in other Committees	Member Chairman (As on 31.3.2009)
Mr.Santossh.R.	Exe-MD Promoter	7	Yes	1	—	—
Ms.Vimala.R.	Exe-WTD	7	Yes	Nil	—	—
Ms.Giulia Bosco	Exe-WTD	7	Yes	1	—	—
Mr.Deepak Malani	Non-Exe. Independent	7	No	Nil	3	3
Mr.Vasthupal R Mehta	Non-Exe. Independent	5	No	Nil	3	—
Mr.Girish G Radia	Non-Exe. Independent	7	No	Nil	3	—

Seven Board Meeting were held during the 12 month period ended 31.03.2009. The dates on which the meeting were held are as follows:

DATE OF MEETING	NO.OF DIRECTORS PRESENT
30.04.2008	6
30.07.2008	5
11.08.2008	5
30.08.2008	6
01.10.2008	6
31.10.2008	6
30.01.2009	6



III. AUDIT COMMITTEE

The terms of reference of this committee are as required by SEBI under Clause 49 of the Listing Agreement. The Audit Committee has power to do all activities within the terms of reference. The Audit Committee considered and reviewed the financial statements of the company before the same were placed before the board.

The Audit Committee is headed by Mr. Deepak Malani and has three members namely Mr. Deepak Malani, Mr. Vasthupal R. Mehta and Mr. Girish G. Radia.

The members of the committee met five times during the year on 17.04.2008, 21.07.2008, 23.08.2008, 20.10.2008 and 20.01.2009. The details of attendance at the meeting(s) of Audit Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Deepak Malani (Chairman)	Non-executive Independent	5
Mr. Vasthupal R Mehta (Member)	Non-executive Independent	5
Mr. Girish G Radia (Member)	Non-executive Independent	5

IV. REMUNERATION COMMITTEE

The Remuneration Committee is headed by Mr. Deepak Malani and has three members namely Mr. Deepak Malani, Mr. Vasthupal R Mehta and Mr. Girish G Radia. The members of the said committee met once on 23.08.2008 during the year under review.

Details of Remuneration paid to the directors for the year ended 31st March 2009.

(1) Executive Directors:

Name	Designation	Total Remuneration
Mr. Santossh.R.	Managing Director	Rs. 9,07,405/- p.a
Ms. Vimala.R.	Whole Time director	Rs. 1,20,000/- p.a
Ms. Giulia Bosco	Whole Time director	Rs. 1,20,000/- p.a

V. INVESTORS' RELATION COMMITTEE

The Investors' Relation Committee is headed by Mr. Deepak Malani and has three members namely Mr. Deepak Malani, Mr. Vasthupal R Mehta and Mr. Girish G Radia.

The members of the committee met 12 times during the year on 21.04.2008, 17.05.2008, 25.06.2008, 15.07.2008, 16.08.2008, 20.09.2008, 17.10.2008, 14.11.2008, 15.12.2008, 19.01.2009, 12.02.2009 and 13.03.2009. The details of attendance at the meeting(s) of Investors' Relation Committee are as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Deepak Malani (Chairman)	Non-executive Independent	12
Mr. Vasthupal R Mehta (Member)	Non-executive Independent	9
Mr. Girish G Radia (Member)	Non-executive Independent	9



Compliance Officer : Mr.Ramesh Shenoy.K.
Manager - Accounts

Investors' Complaint : There was no complaint for non
receipt of Annual Report

No. of pending share transfers
as on 31.03.2009 : Nil

VI. ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held as under:

AGM	Financial year	Date	Time	Venue
12 th	2005-2006	22.09.2006	1.00 p.m.	The Coimbatore Club East Club Road, Coimbatore - 641 018
13 th	2006-2007	22.09.2007	10.30 a.m.	The Coimbatore Club East Club Road, Coimbatore - 641 018
14 th	2007-2008	29.09.2008	12.00 Noon	The Coimbatore Club East Club Road, Coimbatore - 641 018

The Special resolutions as set out in the respective notice to the members were passed by the shareholders. No special resolution requiring postal ballot was placed before the members at the last Annual General Meeting.

VII. DISCLOSURES

The company has not entered into any transactions with the promoters, directors and their relatives during the year under review.

VIII. MEANS OF COMMUNICATION

Quarterly results were published in the Daily Thanthi and Business Line.

Management Discussion and Analysis Report is furnished as a part of the Annual Report.

IX. GENERAL SHAREHOLDERS INFORMATION

AGM - Date & Venue : 25.09.2009 at 1.00 p.m.
The Chambers
The Coimbatore Club
East Club Road
Coimbatore - 641 018



Financial Calendar for the year 2009 - 2010

- First Quarter Unaudited Results : July 2009
- Second quarter and Half-Yearly Unaudited Results : October 2009
- Third Quarter Unaudited Results : January 2010
- Fourth Quarter Unaudited Results : April 2010
- Date of Book Closure : 18.09.2009 to 25.09.2009
- Dividend Payment Date : No dividend recommended
- Listing in Stock Exchange : The Coimbatore Stock Exchange Ltd.,
Regional Exchange Building,
683 – 686, Trichy Road,
Singanallur, Coimbatore – 641 005.
- The Madras Stock Exchange Limited
Exchange Building, P.B.No.183
11, Second Line Beach,
Chennai – 600 001.
- The Stock Exchange, Ahmedabad
Kamdenu Complex, Opp. Sahajanand
College, Panjarapole,
Ahmedabad – 380 015.
- BSE Indo Next
Bombay Stock Exchange Limited
P.J. Towers, Dalal Street
Mumbai - 400 001.
- Type of Security : Equity
- Stock Code : 21176
- ISIN : INE 112F01014
- Market Price Data :

Period	High (Rs.)	Low (Rs.)	Volume(000s)
Apr 08	14.13	11.20	27.87
May 08	15.68	10.90	12.00
Jun 08	13.95	10.34	4.43
Jul 08	11.24	9.13	5.30
Aug 08	14.18	10.00	22.57
Sep 08	13.49	11.60	2.21
Oct 08	12.10	10.17	0.92
Nov 08	10.45	10.00	0.15
Dec 08	10.89	10.40	0.07
Jan 09	12.98	11.40	0.01
Feb 09	14.20	11.95	2.48
Mar 09	12.00	11.28	1.80



- Face value : Rs.10/-
- For physical Transfer and Demat Service : M/s.SKDC Consultants Limited,
No.11, Street No.1, S.N.Dass Lay-out,
West Power House Road, Coimbatore-641 012.
- Share Transfer System : The Investor Relation Committee meet once in a month to approve Share transfers effected by the Share Transfer Agent and to attend to other related activities.
- The average time taken for processing of share transfers including despatch of share certificates is 15-20 days.
- Share transfer in physical form is registered and returned within the stipulated time. Trading in equity shares of the company is permitted only in dematerialised form w.e.f. 01.01.2002.

The time taken to process dematerialisation request is 1 to 9 days from the date of receipt of request.

DISTRIBUTION OF SHAREHOLDING VALUE-WISE AS ON 31.03.2009

No.of equity Shares held	No.of shareholders	% of shareholders	No.of shares	% of shareholding
Upto 5,000	556	61.30	206155	4.71
5,001 – 10,000	194	21.39	178209	4.07
10,001 – 20,000	105	11.58	180380	4.12
20,001 – 30,000	17	1.87	46404	1.06
30,001 – 40,000	2	0.22	7002	0.16
40,001 – 50,000	11	1.21	53200	1.21
50,001 – 1,00,000	8	0.88	58173	1.33
1,00,001 and above	14	1.54	3650277	83.34
Total	907	100.00	4379800	100.00

- Shares Dematerialised with : National Securities Depository Limited
4th Floor, Trade World,
Kamala Mills Compound, S.P.Marg
Lower Parel, Mumbai - 400 013
- Central Depository Services (India) Limited
P.J.Tower, 28th Floor, Dalal Street,
Mumbai - 400 001
- Dematerialisation of Shares : Commenced with effect from 12.02.2002
- Total Share dematerialised as on 31.03.2009 : 31,12,200
- Works : 826, Thazhaiyuthu, Palani Taluk - 624 618.



Address for Communication : The Secretarial Department
Lambodhara Textiles Limited
3A, 'B Block' Pioneer Apartments,
1075 - B, Avinashi Road
Coimbatore - 641 018

Telefax : (0422) 2249038 & 4351083

Address for Communication : M/s. SKDC Consultants Limited,
regarding transfer of shares and No.11, Street No.1, S.N.Dass Layout
related activities West Power House Road,
Coimbatore - 641 012

RETIREMENT OF DIRECTORS BY ROTATION

- a) Ms.Vimala.R. and Mr. Girish G. Radia retire by rotation at the ensuing AGM and are eligible for re-appointment.

PROFILE:

Name : Ms. Vimala.R.
Date of Appointment : 23.08.1995
Status : Whole Time Director
Age : 63 Years
Qualification : Graduate
Occupation : Business
Other Directorships : Nil

Ms. Vimala.R. has been associated with the company right from the initial stages and has a vast knowledge of the industry.

- b) **PROFILE:**

Name : Mr. Girish G. Radia
Date of Appointment : 28.09.2002
Status : Director
Age : 54 Years
Qualification : Graduate
Occupation : Business

Mr. Girish G. Radia has been in Textile business for the past 19 years and has abundant knowledge about the industry.



CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior Management of the Company and that all the Board members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2008-2009.

Place : Coimbatore

Date : 27.08.2009

(Sd/-) **SANTOSSH.R**

Managing Director

CERTIFICATE

To the members of Lambodhara Textiles Limited

We have examined the compliance of conditions of Corporate Governance by M/s.Lambodhara Textiles Limited for the year ended on 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the Investors' Relation Committee.

We further state that such compliance is either an assurance as to the future viability of the company nor efficiency or effectiveness with which the management has conducted the affairs of the company.

for **MOHAN & VENKATARAMANAN**

Chartered Accountants

Place : Coimbatore

Date : 27.08.2009

(Sd/-) **R.MOHAN**

Partner



TO THE MEMBERS OF LAMBODHARA TEXTILES LIMITED

We have audited the attached Balance Sheet of M/S.LAMBODHARA TEXTILES LIMITED as at 31st March 2009 and also the Profit and Loss Account and 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.

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.

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 purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of those books.
- (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 **except as detailed below regarding provision of gratuity;**
- (e) On the basis of written representations received from the directors of the company 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, **subject to non provision of gratuity for the year amounting to Rs.2,93,909 where in profits are overstated by Rs. 2,93,909 and subject to Note No.16 wherein four vehicles shown as fixed assets of the Company amounting to Rs. 24,46,804 not registered in the name of the Company,** the said accounts together with Accounting policies and notes give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009,
- ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date, and,
- iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, on the matters specified in paragraphs 4 and 5 of the said Order, we further report that

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) Fixed Assets have been physically verified by the Management according to the regular programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies noticed on such physical verification were not material.
 - (c) No substantial part of Fixed Assets has been disposed off during the year, which has bearing on the going concern assumption.
2.
 - (a) The Inventory of the Company at all its locations (except stocks lying with third parties and in transit, confirmation / subsequent receipt have been obtained in respect of such inventory) have been physically verified by the Management at reasonable intervals.
 - (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to book records were not material.
3. The Company has taken loan from other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and the rate of interest and other terms and conditions of 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 with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.



5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register maintained under Section 301 of Companies Act, 1956. Accordingly, the clause 4 (v) (b) of the Order is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year as defined under section 58A of the Companies Act, 1956 and the rules made there under.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The company has maintained the cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956; however, we have not made detailed examination of such records.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Excise Duty, Cess and any other statutory dues have been regularly deposited during the year with the appropriate authorities though there were some delay in remitting the dues. There are no undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2009.
(b) In our opinion and according to the information and explanations given to us, there are no dues in respect of Income tax, Wealth tax, Sales tax and Excise Duty that have not been deposited on account of any dispute except

Nature of the Dues	Amount	Forum where dispute is pending
Income Tax	Rs.3,20,871/-	Income Tax Appellate Tribunal
ESI	Rs.7,57,748/-	Employee Insurance Court.

10. The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The Company has not defaulted in repayment of any dues to financial institutions or banks or debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society, therefore, the clause 4 (xiii) of the Order is 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, according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
16. In our opinion, on the basis of information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
17. On the basis of an overall examination of the Balance sheet of the Company, no funds raised on short-term basis have been used for long-term investment and vice versa.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money through a public issue during the year.
20. Based upon the audit procedures performed and on the basis of information and explanations provided by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R.MOHAN**

Partner

Membership No. 201229

Place : Coimbatore

Date : 27.08.2009



BALANCE SHEET AS AT 31-03-2009

Particulars	Schedules	As on 31.03.2009	As on 31.03.2008
SOURCE OF FUNDS			
Share Capital	1	43798000	43798000
Reserves & Surplus	2	128543352	40430462
LOANS			
Secured	3	181210255	170785798
Unsecured	4	19733183	20408476
Deferred Tax Liability (Net)		12197042	11214996
	TOTAL	385481831	286637731
APPLICATION OF FUNDS			
Fixed Assets	5	229257648	121022278
Work in Progress		367964	14622871
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	41060543	63697830
Sundry Debtors	7	108331372	70838577
Cash & Bank Balances	8	998254	3727840
Loans & Advances	9	17496889	29202149
		167887057	167466395
Less: Current Liabilities & Provisions			
Current Liabilities	10	12859955	16538179
Provisions	11	500000	1270000
		13359955	17808179
Net Current Assets		154527102	149658216
Miscellaneous Expenditure	12	1329117	1334366
	TOTAL	385481831	286637731
Notes on Accounts	23		

Vide Our Report of even date
for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R.MOHAN**
Partner

(Sd/-) **SANTOSSH.R**
Managing Director

(Sd/-) **VIMALA.R**
Whole Time Director

Place : Coimbatore
Date : 27.08.2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

Particulars	Schedules	For the year ended 31.03.2009	For the year ended 31.03.2008
INCOME			
Sales	13	479813014	347149511
Other Income	14	7852565	520561
Stock Adjustments	15	(30341534)	24587199
	TOTAL	457324045	372257271
EXPENDITURE			
Raw Materials Consumed	16	317682632	249446520
Stores Consumed	17	7491894	4542124
Power & Fuel		34112680	30706774
Personnel Cost	18	23284742	10814721
Repairs & Maintenance	19	5070023	2185926
Other Expenses	20	3570075	3610628
Selling Cost	21	15475264	32027041
Financial Charges	22	23535574	17468232
Depreciation		14220400	10300054
	TOTAL	444443284	361102019
Net Profit Before Taxation		12880761	11155252
Add			
Prior Year Income		-	140834
Less			
Prior Year Expenses		-	8937
Income Tax Paid		64774	99285
Provision for Taxation		500000	1270000
Provision for Fringe Benefit Tax		121718	108313
Provision for deferred tax		982046	(830448)
Net Profit after Tax		11212224	10639999
Balance B/F from previous year		40430462	29790463
Profit available for Appropriation		51642686	40430462
APPROPRIATION			
Balance in Profit & Loss Account		51642686	40430462
Earnings per share		2.56	2.43
Notes on Accounts	23		

Vide Our Report of even date
for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R.MOHAN**
Partner
Place : Coimbatore
Date : 27.08.2009

(Sd/-) **SANTOSSH.R**
Managing Director

(Sd/-) **VIMALA.R**
Whole Time Director



**SCHEDULES ANNEXED TO BALANCE SHEET
AS ON 31st MARCH 2009**

Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 1 - SHARE CAPITAL		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	50000000	50000000
Issued, Subscribed and Paid up		
No. of Equity Shares - 43,79,800 Shares		
Share Capital (Rs.10/- fully paid)	43798000	43798000
SCHEDULE 2 - RESERVES & SURPLUS		
Revaluation Reserve - Land	76900666	-
Balance in Profit & Loss A/c	51642686	40430462
	128543352	40430462
SCHEDULE 3 - SECURED LOANS		
Term Loan - State Bank of India - Non-TUFS - I	26512952	32004234
State Bank of India - Cash Credit	95708704	95320726
Term Loan - State Bank of India TUFS - I	12821797	15756321
Term Loan - State Bank of India TUFS - II	45691153	26609387
HP Loan from Finance Companies	1257350	2138694
Less: Unmatured Finance Charges	781701	1043564
	475649	1095130
TOTAL	181210255	170785798
SCHEDULE 4 - UNSECURED LOANS		
Loan from Directors	19733183	19399538
Loan from Others	-	1008937
TOTAL	19733183	20408476

SCHEDULE 5 - FIXED ASSETS

NAME OF THE ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 31.03.08	ADDITIONS	SALE / TRANSFER	COST AS AT 31.03.2009	UPTO 31.03.08	DURING THE YEAR	WITH- DRAWN	UPTO 31.03.2009	UPTO 31.03.2009	UPTO 31.03.2008
01. LAND	2323799	83300000	0	85623799	0	0	0	0	85623799	2323799
02. BUILDING	29929620	21380375	0	51309995	7192998	1477111	0	8670109	42639886	22736622
03. PLANT AND MACHINERY	134898399	16542486	0	151440885	46189676	11816899	0	58006575	93434311	88708724
04. FURNITURE AND FIXTURES	1186190	5940	0	1192130	391715	58184	0	449899	742231	794475
05. OFFICE EQUIPMENT	1873498	139816	0	2013314	965006	112479	0	1077485	935830	908492
06. VEHICLES	7387096	1087152	0	8474248	1836929	755727	0	2592656	5881591	5550167
TOTAL OF FIXED ASSETS	177598602	122455769	0	300054371	56576324	14220400	0	70796724	229257648	121022278
PREVIOUS YEAR	147402737	31138054	942189	177598602	46561154	10300054	284884	56576324	121022278	100841583

WORK IN PROGRESS

NAME OF ASSET	GROSS BLOCK			
	AS ON 31.03.08	ADDITIONS	SALE / TRANSFER	COST AS AT 31.03.2009
01. BUILDING - WIP	14622869	7024620	21380375	267114
02. BUILDING - PEELAMEDU	0	100850	0	100850
TOTAL	14622869	7125470	21380375	367964
PREVIOUS YEAR	2218523	14923016	2518670	14622870



Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 6 - INVENTORIES		
Stock of Finished Goods	19381916	36431562
Real Estate Stock	-	6399334
Stock in Process	4596567	11214611
Stock of Raw Materials	16356536	8051151
Stock of Waste	263104	537614
Stock of Stores & Packing Materials	462419	1063557
	41060543	63697830
SCHEDULE 7 - SUNDRY DEBTORS		
Unsecured and considered good		
Others	108331372	70838577
	108331372	70838577
SCHEDULE 8 - CASH & BANK BALANCES		
Cash Balance	746474	1138744
Bank Balance		
On Current Account	10628	114164
On Deposit Account	241152	2474932
	998254	3727840
SCHEDULE 9 - LOANS & ADVANCES		
(Unsecured - Considered Good)		
Advances Recoverable in cash or kind or for the value to be received	11651055	24731474
Sundry Deposits	5478562	4060174
Prepaid Expenses	367271	410501
	17496889	29202149
SCHEDULE 10 - CURRENT LIABILITIES		
Sundry Creditors		
For Purchases	6186762	7215869
For Expenses	4186355	4139945
For Others	2486838	5182364
	12859955	16538179
SCHEDULE 11 - PROVISIONS		
Provision for Taxation	500000	1270000
	500000	1270000
SCHEDULE 12 - MISCELLANEOUS EXPENDITURE		
Agri Expenditure	1329117	1334366
	1329117	1334366



Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 13		
SALES		
Yarn	449592990	337089660
Cloth	29789282	9836180
Waste	430742	223671
	479813014	347149511
SCHEDULE 14		
OTHER INCOME		
Interest Receipts (TDS Rs.62366/- Previous year Rs.58081/-)	289766	328980
Miscellaneous Income	7489599	170581
Scrap Sales	73200	19000
Profit on Sale of Assets	-	2000
	7852565	520561
SCHEDULE 15		
STOCK ADJUSTMENTS		
Opening Stock	54583122	29995923
Less: Closing Stock of		
Finished Goods	19381916	36431562
Process	4596567	11214611
Real Estate Stock	-	6399334
Waste	263104	537614
Increase (Decrease) in Stock	(30341534)	24587199
SCHEDULE 16		
RAW MATERIAL CONSUMED		
Opening Stock	8051151	10971267
Add: Purchase & Expenses	325988017	246526404
	334039168	257497671
Less: Closing Stock	16356536	8051151
	317682632	249446520
SCHEDULE 17		
STORES CONSUMED		
Opening Stock	560672	410719
Add: Purchase & Expenses	7033757	4692077
	7594429	5102796
Less: Closing Stock	102535	560672
	7491894	4542124



Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 18		
PERSONNEL COST		
Director's Remuneration	1147405	907143
Salaries & Wages	5449423	5350611
Staff Welfare	23814	22800
Labour Welfare	1805301	385313
Conversion Charges	14858799	4148854
	23284742	10814721
SCHEDULE 19		
REPAIRS & MAINTENANCE		
Vehicle Maintenance	1514062	1332570
Machinery Maintenance	757409	554961
Building Maintenance	2636739	134846
Others	161813	163549
	5070023	2185926
SCHEDULE 20		
OTHER EXPENSES		
Printing & Stationary	210560	169650
Postage, Telegram, Telephones & Fax	436017	457217
Travelling Expenses	727326	181339
Rent Expenses	132000	107100
Rate & Taxes	123898	200210
Audit Fees and Expenses	191555	113087
Professional & Consultation Charges	354084	1059348
Insurance Premium	463014	412593
Advertisement	129138	114727
Subscription	18993	42258
Loss on Sale of Assets	-	191805
General Expenses	74014	96769
Pooja Expenses	143912	79708
Bad Debts Written Off	416124	65941
Sales Tax paid	149440	318877
	3570075	3610628



Particulars	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
SCHEDULE 21		
SELLING COST		
Commission - Yarn	3046355	4429458
Consignment Expenses - others	2911996	2853901
Packing Material Consumed	4292046	2949837
Consignment Exp. Duty & Cess	1596877	19194549
Freight Outward	3213137	2388106
Sample purchases	414853	211190
	15475264	32027041
SCHEDULE 22		
FINANCIAL CHARGES		
Interest on Bank Account	12693655	10485265
Interest on Term Loan	9350011	5853622
Bank Charges & Commission	711315	364599
Hire Charges	75492	162127
Other Interest	527980	161873
Interest on Vehicle Loan	177122	226300
Chit loss	-	214446
	23535574	17468232



NOTES ON ACCOUNTS

SCHEDULE 23

I. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting :

- i) Revenue Recognition: The Financial Statements are prepared under historical cost. Revenue / Income and Cost / Expenditure are generally accounted for on accrual as they are earned or incurred, except in case of significant uncertainties. The Export Sales are recognized on the date of the Bill of Lading.
- ii) Use of Estimates: The preparation of financial statement in conformity with generally accepted accounting principles required estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

b) Fixed Assets and Depreciation :

- i) Fixed Assets are stated at cost and includes all expenditure of Capital nature and net of VAT credit, if any.
- ii) In respect of leased assets all expenses incurred to bring the assets into working condition, including customs duty paid for imported machinery and lease rent upto the date of commercial production or up to the date of commissioning the respective machinery are capitalised.
- iii) Assets acquired under Hire Purchase agreements are capitalised to the extent of principal value while interest on hire purchase are expensed when paid.
- iv) Depreciation on fixed assets is provided on straight-line basis at the rates specified in Schedule XIV of the Companies Act, 1956. In respect of assets costing less than Rs.5000/- the policy of the Company is to charge depreciation at 100% on Prorata basis to the period of use.

c) Inventory valuation :

Inventories are valued as follows :

- i) Raw materials, materials in process, finished goods, Goods for Trade and property – Commercial Units, are valued at Cost or Net Realizable Value, whichever is lower.
- ii) Stores, Spares, etc., are valued, either at Cost or at Cost less amounts written off.
- iii) Goods in transit are valued at cost to date.
- iv) 'Cost' comprises all cost of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost formula used is 'First in First Out' as applicable.

d) Value Added Tax :

The value added tax is accounted for by reducing the purchase cost of the related items.

e) Retirement Benefits:

1. Provident fund is accounted on accrual basis with contribution to recognized funds.



2. Leave encashment benefit are paid annually as per the policy of the company.
 3. Gratuity is accounted on payment basis and is not provided for in the accounts and as per the actuarial provision the liability of the company not provided for as on 31.3.2009 amounts to Rs.7,61,073/- and for the year ended 31.3.2009 the amount not provided for is Rs.2,93,909/-
- f) In respect of fixed return contracts, the prorata income on the fixed returns are treated as revenue accrual and considered as income.
- g) **Borrowing Cost :**
- a) Borrowing costs that are directly attributable to the acquisition / construction of a qualifying asset are capitalized as part of the cost of that asset till the time it is ready to put to use.
 - b) All other Borrowing cost are recognized as expenditure during the period in which these are incurred.
- h) **Taxes on income :**
- Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
- Deferred Tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- i) **Foreign currency Transactions :**
- Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the currency and the foreign currency at the date of the transaction.
- Foreign currency monetary assets and liabilities (other than those covered by forward contracts) as on the balance sheet date are revalued in the accounts on the basis of exchange rates prevailing at the balance sheet date and exchange difference arising there from is charged to profit & Loss Account.
- In the case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction is charged to Profit & Loss Account, proportionately over the contract period. Exchange differences on such contracts are recognized in the statement of Profit & Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.
- j) **Earnings per share:**
- Earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- k) **Cash Flow Statement :**
- The cash flow statement is prepared by the Indirect method set out in Accounting Standard 3 on cash flow statement and presents cashflows by operating, investing and financing activities of the Company.



Cash and cash equivalents presented in the cash flow statement consists of cash on hand and demand deposits with banks as on the balance sheet date.

l) Operating lease :

Operating lease payments are recognized as expenditure in the Profit & Loss Account on a straight line basis , which is representative of the time pattern of benefits received from the use of assets taken on lease.

m) Contingent Liabilites :

Contingent Liabilities as defined in Accounting Standard-29 are disclosed in the notes to accounts. Provisions is made if it became probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

II. OTHER NOTES

1. Estimated value of contract remaining to be executed on Capital Account is Nil. (Previous Year Rs. 355.00 lakhs).

2.	Details of contingent liabilities	31.03.2009	31.03.2008
i.	On account of hundi discounting	Rs. 15,74,915/-	Rs. 34,49,784/-
ii	Appeal made by Income tax department in the Appellate Tribunal	Rs. 3,20,871/-	Rs. 3,20,871/-
iii.	Employees' State Insurance Corporation demand, the case is before the Employee Insurance Court.	Rs. 7,57,748/-	Rs. 7,57,748/-
iv.	Sales tax dispute with sales tax department. Appeal made by the company.	Nil	Rs. 3,51,007/-

3. The amount falling due within one year in respect of secured loans are as follows:

i.	State Bank of India Term Loan - I		
	TUFS	Rs.	31,85,000/-
	Non - TUFS	Rs.	59,15,000/-
ii.	Hire Purchase Loans	Rs.	7,94,180/-

4. Two directors have given personal guarantee and one of them had given personal assets as security for the loan from State Bank of India and no Guarantee commission has been paid to any director in this connection.

Details of pledge of shares held by Directors for availing loan facilities for the company:

- i) The Managing Director has pledged 6.00 lakh shares of the company held by him as collateral security, and based on this collateral security, the company has availed a purchase finance facility for Rs.50.00 lakhs from Birla Global Finance Company Ltd., Mumbai.
- ii) The Managing Director has pledged 4.62 lakh shares of the company held by him as collateral security, and based on this collateral security, the company has availed working capital facility of Rs.10 crores and term loan of Rs.17.60 crores from State Bank of India, Commercial Branch, Tirupur.

5. Loans from the State Bank of India

Existing facilities available with the State Bank of India as on 31st March 2009 has the first charge on land, building, plant & machinery and the stock-in-trade of the Company as security for the working capital credit facilities and term loans.



6. Borrowing cost of Rs.2,59,022/- on State Bank of India Term loan, is capitalized towards Building, Plant & machineries and other capital work-in-progress during the year.
7. The Company has entered into agricultural operations. The expenditure incurred on the agricultural operations is deferred and will be charged on realisation of the produce.
8. Segment Reporting as at 31st March 2009.

The Company is having the main business of textiles and the other businesses are real estate and agricultural operations. With regard to agricultural operations during the year, the company has incurred an expense of Rs.1,04,126/- and has earned an income of Rs.1,09,375/- which are adjusted against agricultural expenses as referred in Note 8 above. There is no operation on real estate business during the year and the real estate stock is converted into fixed assets.

Segment Assets	- Real estate operation	Nil	Rs. 63,99,334/-
	- Agricultural operation	Rs. 2,61,500/-	Rs. 3,00,063/-
	- Main business of textiles	Balance assets	
Segment Liabilities	- Real estate operation	Nil	Nil
	- Agricultural operation	Nil	Rs. 34,882/-
	- Main business of textiles	Balance liabilities	

During the Year, the real estate which was a stock in trade with a value of Rs. 63,99,334 is converted into fixed asset. The same was revalued for a value of Rs. 8,33,00,000 resulting in a revaluation reserve of Rs. 7,69,00,666/-

9. Related party disclosures for the year ended 31st March 2009
 - a) The following loans have been taken during the year from related parties:

	Opening Balance	Amount Received	Amount Repaid	Closing Balance
Mr. Santossh.R Managing Director	1,93,99,538	3,46,709	12,064	1,97,34,183
Santossh. R (HUF)	5,75,125	Nil	5,75,125	Nil
Strike Right Integrated Services Limited	4,33,812	6,19,500	10,53,312	Nil

- b) Remuneration paid to Managing Director, Mr.Santossh.R. is Rs.9,07,405/- (Previous Year Rs.9,07,143/-)

10. Earning Per share	31.03.2009	31.03.2008
(a) Profits after Tax	1,12,12,224	1,06,39,998
(b) Weighted Average No. of Shares	43,79,800	43,79,800
(c) Face Value per share	10	10
(d) Earning per share- Basic & Diluted	2.56	2.43



11. STATISTICAL INFORMATION

	31.03.2009		31.03.2008	
a) Capacity	NA		NA	
i) Licenced Capacity	NA		NA	
ii) Installed Capacity	20,264 Spindles		19,256 Spindles	
	Quantity Kgs.	Value Rs.	Quantity Kgs.	Value Rs.
b) TURNOVER				
i) Yarn	33,00,044	44,95,92,990	25,84,656	33,70,89,660
ii) Cloth (in Mtrs.)	20,30,248	2,97,89,282	7,03,485	98,36,180
iii) Waste	95,052	4,30,742	28,871	2,23,671
c) RAW MATERIAL CONSUMED				
i) VSF, PSF & Waste	32,23,339	31,76,82,632	29,07,243	24,94,46,520
d) PRODUCTION				
i) Yarn	29,91,361	-	27,09,276	-
ii) Cloth (Mtrs.)	20,30,248	-	7,03,485	-
iii) Waste	1,68,392	-	1,59,615	-
e) STOCK				
i) Raw Material				
Opening	92,117	80,51,151	1,26,631	1,09,71,267
Closing	2,08,488	1,63,56,536	92,117	80,51,151
ii) Finished Goods – Yarn				
Opening	3,08,597	3,64,31,562	1,93,377	1,97,51,099
Closing	1,72,522	1,93,81,916	3,08,597	3,64,31,562
iii) Waste				
Opening	48,874	5,37,614	16,571	82,853
Closing	23,919	2,63,104	48,874	5,37,614
iv) Semi finished goods				
Opening	1,01,506	1,12,14,611	31,330	37,62,638
Closing	44,029	45,96,567	1,01,506	1,12,14,611
f) i) CONSUMPTION OF RAW MATERIALS				
Indigenous	100.00%	31,76,82,632	100.00%	24,94,46,520
ii) CONSUMPTION OF STORES & SPARES				
Indigenous	99.84%	74,79,582	100%	45,42,124
Imported	0.16%	12,312	0.00%	-



		31.03.2009	31.03.2008
12. VALUE OF IMPORTS ON CIF BASIS			
i) Raw Material	Rs.	Nil	Nil
ii) Stores & Spare Parts	Rs.	12312	Nil
iii) Capital Goods	Rs.	10113200	300402
13. EXPENDITURE IN FOREIGN CURRENCY			
On Foreign travel	Rs.	166300	Nil
14. MANAGERIAL REMUNERATION			
Paid to Mr.Santossh.R Managing Director			
Salary	Rs.	780000	780000
Allowance	Rs.	120000	120000
Club payments	Rs.	7405	7143
Paid to Ms. Vimala.R. - Whole Time Director			
Salary	Rs.	120000	Nil
Paid to Ms. Giulia Bosco - Whole Time Director	Rs.	120000	Nil
15. Break up of Audit Fees			
For Audit	Rs.	60000	60000
For Taxation services	Rs.	25,000	25,000
For Other Services & Expenses	Rs.	16,555	26,087

16. Vehicles in the Fixed Assets of the Company include, two Trax Jeeps, One car and a Tractor purchased in the name of a director valuing Rs. 24,46,804/-
17. In the opinion of the Board, Current Assets, Loans and Advances will fetch the amount stated, if realised in the normal course of the business.
18. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2009. This information as required to be disclosed under the MSMED Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
19. Previous year's figures have been regrouped wherever considered necessary.

Vide Our Report of even date
for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R. MOHAN**
Partner
Membership No.201229

(Sd/-) **SANTOSSH.R**
Managing Director

(Sd/-) **VIMALA.R**
Whole Time Director

Place : Coimbatore
Date : 27.08.2009



CASH FLOW STATEMENT

(A) CASH FROM OPERATING ACTIVITY	(Rs. in Lakhs)			
	2008-2009	2007-2008		
Net Profit before Tax and extraordinary items	128.81	111.55		
Adjustment for :				
Depreciation	142.20	103.00		
Prior year income	0.00	1.41		
Prior year expenses	(0.00)	(0.09)		
Interest Income	(2.90)	(3.29)		
Interest Payments	228.24	171.04		
Profit / (Loss) on Sale of Machinery	0.00	1.90		
Profit / Loss on conversion of real Estate stock to fixed assets	769.01	1136.56	0.00	273.96
Operating Profit before working Capital Changes	1265.36	385.52		
Adjustment for :				
Trade and other receivables	(259.58)	(163.64)		
Inventories	226.37	(221.82)		
Trade Payable	(36.78)	(69.98)	(220.32)	(605.78)
	1195.38	(220.26)		
Cash Generated from operation				
Direct Taxes paid	(12.86)	(15.34)		
Interest Paid	(228.24)	(171.04)		
Cash Flow before Extra Ordinary Items	954.27	(406.63)		
Extra Ordinary Item :				
Preliminary Exp/Deferred Revenue	0.05	1.01		
Net Cash from Operating Activities	954.33	(405.62)		
(B) CASH FROM INVESTMENT ACTIVITIES				
Purchase of fixed Assets	(1082.01)	(435.42)		
Sale of Fixed Assets	0.00	4.66		
Interest Received	2.90	3.29		
Net Cash from Investment Activities	(1079.11)	(427.48)		



(C) CASH FROM FINANCIAL ACTIVITIES	(Rs. in Lakhs)	
	2008-2009	2007-2008
Proceeds from Borrowings	93.61	334.78
Net Cash from Financial Activities	93.61	334.78
Net Increase in Cash and Cash Equivalents	(31.17)	(498.32)
Cash and Cash Equivalents Opening Balance :		
Cash and Bank Balance	37.28	54.76
Cash Credit Account	(953.21)	(472.37)
	(915.93)	(417.61)
Cash and Cash Equivalents Closing Balance :		
Cash and Bank Balances	9.98	37.28
Cash Credit Account	(957.09)	(953.21)
	(947.10)	(915.93)
	(31.18)	(498.32)

For and on Behalf of the Board
(Sd/-) **SANTOSSH.R**
Managing Director

We have verified the above cash flow statements of M/s. Lambodhara Textiles Limited from the audited Annual Financial Statements for the year ended 31.03.2009 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the Listing Agreements with Stock Exchanges.

Vide Our Report of even date
for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R.MOHAN**
Partner
Membership No.201229

(Sd/-) **SANTOSSH.R**
Managing Director

(Sd/-) **VIMALA.R**
Whole Time Director

Place : Coimbatore
Date : 27.08.2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE

PART IV - SCHEDULE VI OF COMPANIES ACT

A) Registration Details

Registration Number : 181-4929 of 1994
State Code : 18
Balance Sheet Date : 31.03.2009

B) Capital Raised during the Year (Amount in Rs.Thousands)

Public Issue : Nil
Right Issue : Nil
Bonus Issue : Nil
Private Placement : Nil

C) Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities	: 385,482	Total Assets	385,482
Sources of Funds		Application of Funds	
Paid up Capital	: 43,798	Net Fixed Assets	229,258
Reserves and Surplus	: 128,543	Work in progress	367,964
Secured Loans	: 181,210	Net Current Assets	154,527
Unsecured Loans	: 19,733	Miscellaneous Expenses	1,329
Deferred Tax Liability	: 12,197		

D) Performance of the Company (Amount in Rs.Thousands)

Turnover : 479813
Total Expenditure : 444443
Profit Before Tax : 12816
Profit After Tax : 11212
Earnings per Share : 2.56
Dividend Rate : Nil

E) Generic Name of Three Principle Products / Services of the Company

1. Item Code No.
(ITC Code) : 520511.03
Product Description : Synthetic Yarn

Vide Our Report of even date
for **MOHAN & VENKATARAMANAN**
Chartered Accountants
(Sd/-) **R.MOHAN**
Partner

(Sd/-) **SANTOSSH.R**
Managing Director

(Sd/-) **VIMALA.R**
Whole Time Director

Place : Coimbatore
Date : 27.08.2009



Lambodhara Textiles Limited

ATTENDANCE SLIP

I hereby record my presence at the 15th Annual General Meeting of the Company held on Friday the 25th September 2009 at 1.00 p.m. at the Coimbatore Club, East Club Road, Coimbatore - 641 018.

.....
Full name of Shareholder (in Block Letters) Signature of Shareholder

Folio No: No. of Shares held

.....
Full name of the Proxy (in Block Letters) Signature of Proxy

Note : Shareholders attending the Meeting in Person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall. Only Members or their Proxies are entitled to be present at the Meeting.



Lambodhara Textiles Limited

PROXY FORM

Folio No.

I / We of

.....being a member/ members

of Lambodhara Textiles Limited do hereby appoint.....

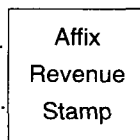
..... or failing him of

as my/our proxy and to vote for me/us on my / our behalf at the 15th Annual General Meeting

of the company to be held on Friday the 25th day of September 2009 and at any adjournment thereof.

Signed

Date

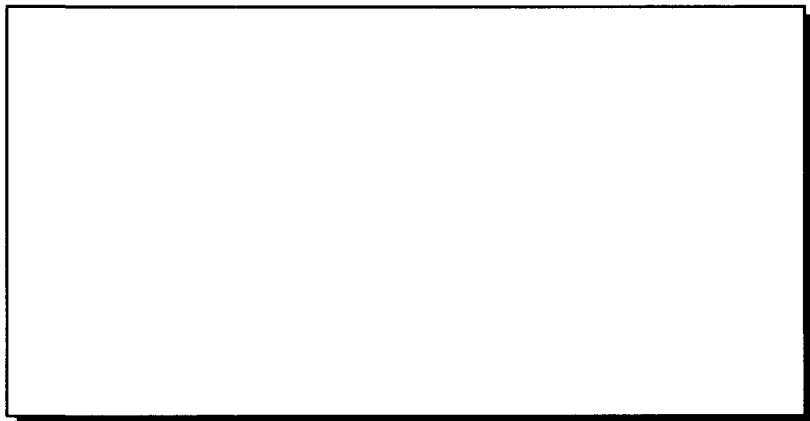


Note : Proxy Form duly Stamped must reach the Company's Registered Office not less than 48 hours before Commencement of the Meeting. The Proxy need not be a member of the Company.

PRINTED - MATTER

BOOK POST

To



If undelivered please return to :

Lambodhara Textiles Limited

3A, 3rd Floor, Pioneer Apartments,
1075-B, Avinashi Road,
Coimbatore - 641 018.