

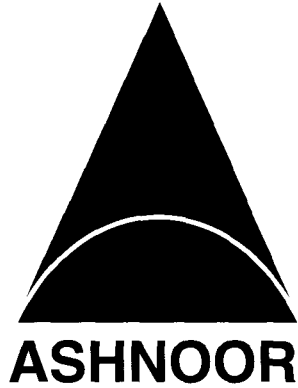
**ASHNOOR**

**Annual Report**  

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**2010-2011**

**Ashnoor Textile Mills Limited**



### **Board of Directors**

- |                              |                                |
|------------------------------|--------------------------------|
| 1. Mr. Suneel Kumar Gupta    | Chairman-cum-Managing Director |
| 2. Dr. (Mrs.) Sangeeta Gupta | Whole-time Director            |
| 3. Mr. Abhinav Gupta         | Director                       |
| 4. Mr. Inder Mohan Agarwala  | Director                       |
| 5. Ms. Pallavi Agarwal       | Director                       |
| 6. Mr. Piyush Gupta          | Director                       |

### **Registered Office and Factory**

Behrampur Road  
Village Khandsa  
District Gurgaon  
Haryana - 122 001

### **Auditors**

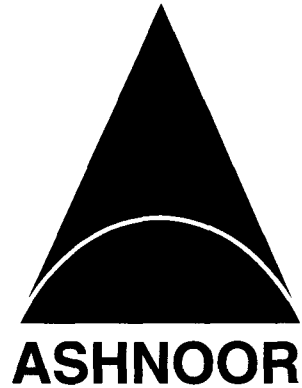
Messrs KSA & Co.,  
Chartered Accountants  
New Delhi - 110014

### **Bankers**

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

### **Registrar**

Messrs Intime Link India Priavate Limited  
A-40, 2<sup>nd</sup> Floor  
Naraina Industrial Area, Phase-II  
New Delhi - 110 028



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# ASHNOOR TEXTILE MILLS LIMITED

## NOTICE

NOTICE is hereby given that 28<sup>th</sup> Annual General Meeting of members of Ashnoor Textile Mills Limited will be held on Friday, September 30, 2011, at 9.30 a.m. at the Registered Office of the Company at Behrampur Road, Village Khandsa, District Gurgaon, Haryana-122 001, to transact the following businesses:-

### **ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mrs. Sangeeta Gupta, who retires by rotation and, being eligible, offers her for re-appointment.
3. To appoint a Director in place of Mr. Abhinav Gupta who retires by rotation and, being eligible, offers him for re-appointment.
4. To appoint Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, Mr. Suneel Kumar Gupta, Managing Director, be and is hereby re-appointed for a period of three years effective from January 10, 2011 at the remuneration, allowances/perquisites and other terms and conditions as detailed below:

**Basic Salary:** Rs. 2,50,000/- per month

**Perquisites:** In addition to the above salary the Managing Director shall be entitled to the following perquisites

- a. **By Contribution to provident fund, superannuation or annuity fund:** To the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. **Gratuity:** As per the provisions of Payment of Gratuity Act, 1972.
- c. **Leave encashment:** At the end of tenure.

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

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

RESOLVED FURTHER THAT the above remuneration, allowance/ perquisite shall be payable to the Managing Director even in cases where during the currency of his tenure, if in any financial year the Company has no profits or its profits are inadequate.

RESOLVED FURTHER THAT the Board of Directors or any other Committee thereof be and is hereby authorized, in its absolute discretion, to decide/determine, fix and/or vary within the limit specified in the Schedule-XIII, the Companies Act, 1956 and any statutory modifications(s) or re-enactment(s) thereof and that the Remuneration (including minimum remuneration in the event of absence of inadequacy of profits in any financial year) payable to the Managing Director from time to time.

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

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as SPECIAL RESOLUTION:

# ASHNOOR TEXTILE MILLS LIMITED

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications(s) or re-enactment(s) thereof for the time being in force, Dr. (Mrs.) Sangeeta Gupta, Whole Time Director, be and is hereby re-appointed for a period of three years effective from May 1, 2011 at the remuneration, allowances/perquisites and other terms and conditions as detailed below:

**Basic Salary:** Rs. 2,50,000/- per month

**Perquisites:** In addition to the above salary the Whole Time Director shall be entitled to the following perquisites:

- a. **By Contribution to provident fund, superannuation or annuity fund:** To the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. **Gratuity:** As per the provisions of Payment of Gratuity Act, 1972.
- c. **Leave encashment:** At the end of tenure.

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

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

RESOLVED FURTHER THAT the above remuneration, allowance/ perquisite shall be payable to the Whole Time Director even in cases where during the currency of his tenure, if in any financial year the Company has no profits or its profits are inadequate.

RESOLVED FURTHER THAT the Board of Directors or any other Committee thereof be and is hereby authorized, in its absolute discretion, to decide/determine, fix and/or vary within the limit specified in the Schedule-XIII,

The Companies Act, 1956 and any statutory modifications(s) or re-enactment(s) thereof and that the Remuneration (including minimum remuneration in the event of absence of inadequacy of profits in any financial year) payable to the Whole Time Director from time to time.

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

**By the order of the Board  
For Ashnoor Textile Mills Limited**

**Place : Gurgaon  
Date : August 12, 2011**

**Suneel Kumar Gupta  
Chairman and Managing Director**

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

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## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURN, DULY COMPLETED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the above business is annexed hereto and forms part of the notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 26, 2011 to Friday, September 30, 2011 (both days inclusive).
4. Members holding shares in physical form are requested to notify change in address, if any, to the Company at it

## **ASHNOOR TEXTILE MILLS LIMITED**

- s registered office or to the Registrar and Share Transfer Agent – Messrs Link Intime India Private Limited, A-40, 2<sup>nd</sup> Floor, Nariana Industrial Area-II, Near Batra Banquet Hall, New Delhi-110 028.
5. Members holding shares in electronic/demat form are requested to notify change in their address, if any, to their Depository Participant.
  6. Members are requested to register their e-mail address and charges therein from time to time with the company and the concerned depository.
  7. Members are requested to kindly bring their copies of Annual Report alongwith duly filled admission slips for attending the meeting.
  8. Members are requested to kindly quote share folio number/Client ID no. in all their correspondence.
  9. In case of joint holds attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
  10. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.

### **EXPLANATORY STATEMENTS**

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

#### **Item Number-5**

Mr. Suneel Kumar Gupta, Managing Director, was re-appointed for a period of three years effective from January 10, 2011 by the Board of Directors of the Company in its meeting held on February 8, 2011 and his remuneration was fixed for a period of three years subject to your approval. The remuneration is in conformity with the provisions and requirements of Schedule XIII of the Companies Act, 1956. The remuneration committee comprised of three independent directors has approved his remuneration. Accordingly, no approval of the Central Government is required to fix his remuneration. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of his appointment. Mr. Gupta, aged 50 years, is a MBA and has associated with the Company since its inception and holds 38.32% of paid-up equity share capital. This explanatory statement may be treated as abstract of the terms of appointment of Mr. Suneel Kumar Gupta as Managing Director and the memorandum of concern or interest under section 302 of the Companies Act, 1956. The disclosure as required under Section of Part II of Schedule XIII of the Companies Act, 1956 has been enclosed separately to the Annual report and forms part of the explanatory statement.

The Board recommends the special resolution as set out at item number 5 for your approval.

None of the Directors except Mr. Suneel Kumar Gupta, himself and Dr. (Mrs.) Sangeeta Gupta and Mr. Abhinav Gupta, being his relatives, are concerned or interested in the resolution.

#### **Item Number-6**

Dr. (Mrs.) Sangeeta Gupta was re-appointed as Whole Time Director by the Board of Directors in its meeting held on May 8, 2011, subject to approval of members by passing of special resolution, for a period of three years effective from May 01, 2011 and her remuneration was fixed for a period of three years subject to your approval. Further, The Board of Directors in its meeting held on August 12, 2011, increased her remuneration from Rs.1,20,000/- per month to Rs.2,50,000/- per month, subject to approval of members by passing of special resolution, effective from May 1, 2011. There is no change in any other terms and conditions of remuneration. Her appointment and remuneration is in conformity with the provisions and requirements of Schedule XIII of the Companies Act, 1956. The remuneration committee comprised of three independent directors has approved his remuneration. Accordingly, no approval of the Central Government is required for increase of remuneration. The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of thirty days in the preceding financial year before the date of his appointment. Mrs. Gupta, aged 50 years, is a MBBS Doctor and has been associated with the Company since 1994 and holds 20.25% of paid-up equity share capital. This explanatory statement may be treated as an abstract of the terms of appointment of Dr. (Mrs.) Sangeeta Gupta as Whole Time Director and the memorandum of concern or interest under section 302 of the Companies Act, 1956. The disclosure as required under Section of Part II of Schedule XIII of the Companies Act, 1956 has been enclosed separately to the Annual report and forms part of the explanatory statement.

The Board recommends the special resolution as set out at item number 6 by passing of special resolution.

None of the Directors except Dr. (Mrs.) Sangeeta Gupta, herself and Mr. Suneel Kumar Gupta and Mr. Abhinav Gupta, being her relatives, are concerned or interested in the resolution.

**Place: Gurgaon**

**Date: August 12, 2011**

**Regd Office:**

Village Khandsa, Behrampur Road,  
Gurgaon, Haryana - 122001

**By the order of the Board  
For Ashnoor Textile Mills Limited**

**Suneel Kumar Gupta  
Chairman and Managing Director**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present their 28<sup>th</sup> Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2011.

### **FINANCIAL PERFORMANCE**

**(Rupees in lakhs)**

<b>PARTICULARS</b>	<b>2010-2011</b>	<b>2009-2010</b>
Turnover	<b>6090.20</b>	2861.47
Gross Profit prior to financial overheads and depreciation	<b>343.50</b>	408.07
Financial Overheads	<b>129.68</b>	182.59
Depreciation	<b>138.12</b>	133.90
Profit before Tax and Extra-ordinary Items	<b>75.70</b>	91.58
Extra-ordinary Items	<b>30.53</b>	18.44
Profit before Tax	<b>106.23</b>	110.02
FBT, Wealth Tax and Deferred Tax (Liability)/Assets	<b>(15.83)</b>	(11.40)
Profit after Tax-available for appropriation	<b>90.40</b>	98.62
Profit/(Loss) Brought Forward	<b>449.80</b>	352.41
Reduction in calls in Arrears	<b>0.00</b>	(1.23)
Transferred to Balance Sheet in Reserve and Surplus	<b>540.21</b>	449.80
Basic Earning Per Share	<b>1.08</b>	1.18

During the year under review, income from operations of the Company increased by 112.83% from 2,861.47 lakhs in previous year to 6,090.20 lakhs in current year. But, due to higher manufacturing cost due to increase in price of raw material profit after tax declined by 8.34% from 98.62 lakhs in previous year to 90.40 lakhs in the current year.

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

### **DIVIDEND**

In view of decline in profits, your Directors do not recommend any dividend for the year under review.

### **FIXED DEPOSITS**

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

### **DIRECTORS**

Mrs. Sangeeta Gupta and Mr. Abhinav Gupta retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

During the year, Mr. Suneel Kumar Gupta, Managing Director and Mrs. Sangeeta Gupta, Whole Time Director, were re-appointed effective from January 10, 2011 and May 1, 2011 respectively for a period of three years. Both were re-appointed by the Board of Directors in its meeting held on February 8, 2011 and May 12, 2011 respectively subject to your approval by passing of special resolutions.

### **CORPORATE GOVERNANCE**

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

Disclosures as per Schedule XIII, Part-II, (B) (IV) (2) relating to remuneration payable to Managing Director and Whole Time Director:

- I. Both the Directors are getting consolidated monthly remuneration of Rs.2,50,000/- each. They are getting perquisites which can not be included in the computation of the ceiling of remuneration. They will not get any other benefits, bonuses, stock options, pension etc.;
- II. They are not entitled to any fixed or performance based incentives;
- III. Both are appointed on the terms and conditions contained in the resolution and explanatory statement given in the notice of 28<sup>th</sup> Annual General Meeting; and
- IV. Both are not entitled to get any stock options. Hence, no detail is available.

### **AUDITORS**

Messrs KSA & Co., Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. They have confirmed their eligibility under Section 224(1-B) of the Companies Act,

# **ASHNOOR TEXTILE MILLS LIMITED**

1956 and willingness to accept the office as Statutory Auditors, if so re-appointed. The Peer Review certificate dated May 4, 2010 has been issued to them by Institute of Chartered Accountants of India (ICAI).

## **AUDITORS' OBSERVATIONS**

The observations of the Auditors include that *"speculative loss of Rs.8,541,620.63 on Trading of Foreign Currency treated as Current Assets in Balance Sheet, Due to non charging of speculative loss in the Profit and Loss Account, profit has been overstated by Rs.8,541,620.63. Refer paragraph 2 of Part-B of Schedule-K."*

*As per accounting policy of the Company, this loss will be amortized in five years in equal installments.*

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

## **STATUTORY DISCLOSURES**

The information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, (as amended) is annexed with this report as annexure-B and forms the part of this report.

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

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

- a) in preparation of the annual accounts for the financial year 2010-2011, the applicable accounting standards have been followed along with the explanations relating to material departures;
- b) the Directors had selected such appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2011 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguard of the assets of the Company for preventing and detecting fraud and other irregularities; and
- d) the Directors had prepared the annual accounts for the financial year ended March 31, 2011 on a going concern basis.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to thank the Banks, Central and State Government Authorities, Stock Exchange, Regulatory Authorities and stakeholders for their continued co-operation and support to the Company. The Board also wish to record its appreciation for the contribution made by employees of the Company customer, clients, vendors and other business associates for their continued support.

By the order of the Board

Place: Gurgaon  
Date : August 12, 2011

Suneel Kumar Gupta  
Chairman and Managing Director

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## **ANNEXURES-A TO THE DIRECTORS' REPORT**

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

### **I. CONSERVATION OF ENERGY**

#### **a) Energy Conservation Measures Taken**

- To control potential areas of energy loss
- To maintain Power Factor

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

- Continuously maintain CFL lights

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

- Savings in power and fuel cost

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



# ASHNOOR TEXTILE MILLS LIMITED

## Form "A"

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

### PARTICULARS RELATING TO CONSERVATION OF ENERGY

Particulars	Unit	2010-2011	2009-2010
<b>A. Power and Fuel Consumption:</b>			
<b>1) Electricity</b>			
a) Purchased	(KWH in Lakhs)	48.57	25.53
Total Amount	(Rs. In Lakhs)	224.23	116.86
Rate per unit	(Rs. Per KWH)	4.62	4.58
b) Own Generation through Diesel			
Generator	(KWH in Lakhs)	14.24	7.26
Unit/Ltr of Oil	KWH	3.00	3.00
Cost per unit	(Rs. Per KWH)	10.75	9.83
<b>2. Used in Boiler</b>			
a) Furnance Oil			
Quantity	KL	-	-
Total cost	(Rs. In Lakh)	-	-
Average cost	(Rs. Per KL)	-	-
b) Petcoke			
Quantity	TON	2,287.68	1,123.44
Total cost	(Rs. In Lakh)	185.65	63.77
Average cost	(Rs. Per MT)	8,115.21	5,676.32
<b>B. Consumption per unit of production</b>			
I) Electricity	(KWH per KG)	2.66	2.67
ii) Furnace oil	(Ltr per KG)	-	-
iii) Petcoke	(Ltr per KG)	0.97	0.92

## Form "B"

### II. Technology Absorption

#### A. Research and Development

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

- Replacement of conventional chemicals with effective and efficient chemicals
- Recovery of heat from diesel generator exhaust

**b) Benefits derived as a result of R&D**

- Cost Reduction

**c) Future Plan of Action**

- To find out more ways to improve quality of products and reduction in cost.

**d) Expenditure on R&D**

- Research and Development being an integral part of production is carried out in a continuous manner. Therefore, the Company does not maintain separate record on the expenditure incurred on Research and development.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **B. Technology absorption, adaptation and innovation**

- Continuous efforts to improve the quality of finished goods

## **III. Foreign Exchange Earnings and Outgo**

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

- The Company is continuously trying to increase exports in existing markets and also trying to find out new markets.

### **b) Total foreign exchange earned and used**

(Rs. in lakhs)

	<b>2010-2011</b>	<b>2009-2010</b>
FOB value of Export of Terry Towels	<b>4,282.94</b>	2,550.13
Foreign exchange used	<b>40.83</b>	15.10
Net foreign exchange earned	<b>4,242.11</b>	2,535.03

## **ANNEXURES-B TO THE DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the directors' report for the year ended March 31, 2011

<b>Name of Employee</b>	<b>Suneel Kumar Gupta</b>	<b>Sangeeta Gupta</b>
<b>Designation</b>	Chairman and Managing Director	Whole Time Director
<b>Qualification</b>	MBA	MBBS
<b>Age</b>	50 years	50 Years
<b>Date of Joining</b>	January 21, 1984	March 9, 1994
<b>Experience</b>	27 years	17 Years
<b>Remuneration</b>	30.00 lakhs	30.00 Lakhs
<b>Previous Employment and Designation</b>	Not Applicable	Not Applicable

By the order of the Board

Place: Gurgaon  
Date : August 12, 2011

**Suneel Kumar Gupta**  
Chairman and Managing Director

**Sangeeta Gupta**  
Director

# **ASHNOOR TEXTILE MILLS LIMITED**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Development**

The textile industry is always one of the most challenging industries in India contributes around 4% of its GDP and holds a prominence place in Indian Industrial Sector. This industry was not unaffected by world global meltdown during last a few years. In this scenario, demand and prices have felt while prices of raw material have increased in last couple of years. This position can further be worsening in view of recent debt crisis in USA and other European countries.

### **Opportunities and threats**

As informed previous year, the Company has taken de-bonding and is no more covered under the status of 100% Export Oriented Unit. Despite of tough competition in domestic market the Company gets benefit of de-bonding. Due to hectic efforts of the top management, the Company's export increased more than 50% in comparison to previous year and overall turnover increased by more than 100%.

### **Segment-wise or product-wise performance**

The Company is carrying its activities only one segment, i. e. is Terry Towels, as defined "Segment" in Accounting Standard 17. The performance for the same has been discussed details in coming para of this report.

### **Outlook**

The Company will continue to tap domestic market to get the benefit of booming domestic market. The Company will also continue to tap export market. The Company is trying to find out cheaper source of raw materials.

### **Risks and concerns**

Due to Global meltdown and recent debt crisis in USA and other European countries, demand is continuously falling in international market and, therefore, fierce completion and low selling prices are prevailing. Further, after debt crisis the value of rupee is continuously declining against the dollar, which may again deteriorate the position. In such environment, it has become difficult to control final price of the products because of high cost of raw material.

### **Internal control systems and their Adequacy**

The Company has adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods and services. The Company has also an internal audit system commensurate with the size and nature of its business. The system ensures safeguard the Company against loss from unauthorized use or disposition. The Company's policies, procedures and guidelines are in place to ensure that all the transactions should be authorized, recorded and reported correctly.

### **Financial and operational performance**

Despite of Global meltdown and falling demand income of the Company from operations, during the year under review, was increased by 112.83% from 2,861.47 lakhs in previous year to 6,090.20 lakhs in current year. But, due to higher manufacturing cost due to steep rise in raw material prices profit after tax declined by 8.34% from 98.62 lakhs in previous year to 90.40 lakhs in the current year. The Company's export turnover was higher by more than 50% over the export turnover of previous year.

### **Material developments in human resources/industrial relations front**

Human resources have continued to be the key for the growth of the Company. In view to achieve the quality, cost effectiveness and proper delivery system, the Company necessitates continuous development of employees. The Company has well established system to attract the talent and identify their strengths and also area of training and improvement. During the financial year, the overall industrial relations remained cordial in the Company.

### **Disclaimer**

*Readers are cautioned that this discussion and analysis contains certain forward looking statements. All these statements always have certain risks and uncertainties. Actual results could differ materially from those expressed or implied and the Company is not bound to publicly update or revise forwarding looking statements. Therefore, readers are cautioned not to place undue reliance on these forwarding looking statements.*

# **ASHNOOR TEXTILE MILLS LIMITED**

## **CORPORATE GOVERNANCE REPORT**

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

### **1. Company's Philosophy on Corporate Governance**

The Company has set itself the objectives of adopting the 'best practices' that are followed in the area of Corporate Governance. In order to protect the interests of its stakeholders the Company emphasizes the need for full transparency and accountability in all its transactions, The Board considers itself as a trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. During the financial year 2010-2011, the Company continues to adopt procedures and practices in conformity with Clause 49 of the Listing Agreement.

### **2. Board of Directors**

#### **(a) Composition of the Board**

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with the Clause 49 of the Listing agreement and it comprised of six Directors. Out of these three Directors are Promoter Directors and remaining three are Independent Directors. Out of three Promoter Directors two are executive Directors (one Chairman cum Managing Director, second is Whole time Director) while third is non executive Director. The detailed composition of the Board including other required information is given in the table below:

Name of	Position	Attendance			Other Directorships		
		No. of Board Meeting held during the year	No. of Board Meeting attended	Last.AGM attended (Yes/No)	Directorships in other public limited companies #	Committee membership \$	Committees' Chairman
Mr. Suneel Kumar Gupta	Chairman-cum-Managing Director (Promoter)	8	8	Yes	—	—	—
Dr. (Mrs.) Sangeeta Gupta	Whole-time Director (Promoter)	8	8	Yes	—	—	—
Mr. Abhinav Gupta	Non Executive Promoter Director	8	6	No	—	—	—
Ms. Pallavi Agarwal	Non Executive (Independent)	8	6	No	—	—	—
Mr. Piyush Gupta	Non Executive (Independent)	8	6	Yes	—	—	—
Mr. Inder Mohan Aggarwala	Non Executive (Independent)	8	5	No	—	—	—

None of the Directors is Director in more than 15 public companies or member of board committees in excess of 10 or chairman in excess of five board committees, as required under clause 49 of the listing agreement and the Companies Act, 1956.

#### **(b) Number of Board Meetings**

During the year, 8 (eight) meetings of the Board of Directors were held. These were held on May 14, 2010; June 08, 2010; July 30, 2010; August 14, 2010; November 12, 2010; December 09, 2010; February 08, 2011; and March 07, 2011.

The gap between two Board Meetings did not exceed four months. During the year, all the relevant information as required to be placed before the Board as per Clause 49 of the Listing Agreement were placed before the Board and discussed/approved by it. These Schedule of the Board meetings were decided in advance and communicated to the Directors. The compliance reports of laws and regulations applicable to the Company were placed before the Board periodically.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **(c) Code of Conduct for Directors and Senior Management Personnel**

The Company has instituted a Code of Conduct for members of the Board and senior Management Personnel of the Company. The Board members and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Directors has given a declaration affirming compliance with them code by them.

## **3. Audit Committee**

### **(a) Composition, name of members and Chairman**

The Company had constituted an Audit Committee. The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee is specified by the Board. The Audit Committee comprised of two independent Directors and one Executive Promoter Director as follows.

<b>Name of Members</b>	<b>Status</b>	<b>Member</b>
Mr. Piyush Gupta	Chairman	Non Executive-Independent
Ms. Pallavi Aggarwal	Member	Non Executive-Independent
Dr. (Mrs.) Sangeeta Gupta	Member	Executive-Promoter

All the above Directors are financially literate as explained in Explanation of Clause 49(II)(A)(ii) of Listing Agreement. Mr. Piyush Gupta and Ms. Pallavi Agarwal are having financial management expertise also. The minutes of Audit Committee Meeting were placed before the Board and discussed in the meetings of the Board of Directors.

### **(b) Brief description of terms of reference**

The Audit Committee performs the functions as listed in Clause 49(II)(D) and have powers as mentioned in Clause 49(II)(C) of the Listing Agreement.

### **(c) Meetings and Attendance during the year**

During the financial year 2010-2011, 05 (five) meetings of the Audit Committee were held on May 14, 2010, June 07, 2010, July 29, 2010; November 12, 2010; February 07, 2011. All the three members attended these meetings.

## **4. Remuneration Committee**

### **(a) Composition, name of members and Chairman**

The Remuneration Committee of the Board of Directors of the Company is consists of following

<b>Name of Members</b>	<b>Status</b>	<b>Member</b>
Mr. Piyush Gupta	Chairman	Non Executive-Independent
Mr. Inder Mohan Aggarwal	Member	Non Executive-Independent
Ms. Pallavi Agarwal	Member	Non Executive-Independent

### **(b) Brief description of terms of reference**

The constitution of Remuneration Committee is to approved/review the remuneration package of the Managing/Whole Time Directors and to formulate a broad policy framework for managerial remuneration.

### **(c) Meetings and Attendance during the year**

During the financial year 2010-2011, 01 (one) meeting of the Remuneration Committee was held on February 05, 2011 and attend by all the members.

### **(d) Detail of Remuneration to all the Directors for the Financial Year 2010 -2011**

The detail of remuneration paid to the Managing Director and Whole Time Directors during the year 2010-2011 is given below:

# ASHNOOR TEXTILE MILLS LIMITED

Amount in Rupees

<i>Name of perquisites</i>	<i>Designation</i>	<i>Salary and monetary value</i>
Mr. Suneel Kumar Gupta	Chairman and Managing Director	30,00,000/-
Dr. (Mrs.) Sangeeta Gupta	Whole Time Director	30,00,000/-

At present, the Non-Executive Directors do not draw any remuneration from the Company. The Company also does not pay any sitting fee for the Board/ Committee meetings attended by them.

## 5. Shareholder / Investor's Grievance Committee

### (a) Composition, name of members and Chairman

At present the Shareholders / Investors Grievance Committee comprises of

<b>Name of Members</b>	<b>Status</b>	<b>Member</b>
Mr. Piyush Gupta	Chairman	Non Executive-Independent
Mr. Suneel Kumar Gupta	Member	Executive-Promoter
Dr. (Mrs.) Sangeeta Gupta	Member	Executive-Promoter

Mr. Suneel Kumar Gupta, Managing Director, is also Compliance Officer.

### (b) Brief description of terms of reference

The Committee has power to approve / reject the transfer / transmission of shares, for issue of duplicate shares, to look into redressal of shareholders / investors grievances and formulate policies for redressal of shareholders / investors grievances.

### (c) Meetings and Attendance during the year

During the financial year 2010-2011 23 (twenty three) meetings of the Shareholders / Investors Grievance Committee were held. These meetings were held on April 17, 2010; April 30, 2010; May 15, 2010; May 31, 2010; June 15, 2010; June 30, 2010; July 31, 2010; August 16, 2010; August 31, 2010; September 15, 2010; September 27, 2010; September 30, 2010; October 15, 2010; October 30, 2010; November 15, 2010; November 30, 2010; December 15, 2010; December 31, 2010, January 17, 2011; January 31, 2011; February 17, 2011; March 15, 2011 and March 31, 2011. All the meetings were attended by Mr. Piyush Gupta while Mr. Suneel Kumar Gupta attended 21 meetings while Dr. (Mrs.) Sangeeta Gupta attended 18 meetings.

During the year, 22 (Twenty two) complaints were received by the Company, which were replied/resolved to the satisfaction of investors. There was no complaint was pending on March 31, 2011.

## 6. General Body Meetings

Location and time for the last three Annual General Meetings

<b>Year</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
2007-2008	September 30, 2008	Beharampur Road, Village Khandsa, District GurgaonHaryana	9:30 A. M.
2008-2009	September 30, 2009	Beharampur Road, Village Khandsa, District GurgaonHaryana	9:30 A. M.
2009-2010	September 30, 2010	Beharampur Road, Village Khandsa, District GurgaonHaryana	9:30 A. M.

## 7. General Body Meetings

Location and time for the last three Annual General Meetings

Two special resolutions relating to re-appointment of Managing Director and appointment of Whole-time Director were passed in the financial year 2007-2008. There was no special resolution in 2008-2009. Two special resolutions relating to increase in remuneration payable to Managing Director and Whole-time Director were passed in the financial year 2009-2010. During the year under review no extra-ordinary general meeting was held. During the financial year 2010-2011 there is proposal to pass two special

# **ASHNOOR TEXTILE MILLS LIMITED**

resolutions in the Annual General Meeting relating to re-appointment of Managing Director and Whole-time Director.

During the year under review, no resolution was passed through postal ballot as required by the Companies (Passing of the resolution by postal ballot) Rules, 2001 and clause 49 of the Listing Agreement.

## **8. Disclosures**

### **(a) Disclosures on materially significant related party transactions, pecuniary or business relationship with the Company**

The Board has received disclosures from Key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. However, a detail disclosure on related party transaction has been made at **Serial number 20** in Notes to Accounts appearing under **Schedule T** (Significant Accounting Policies and Notes to Accounts) and forming part of the Balance Sheet.

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

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

### **(c) Disclosures regarding appointment or re-appointment of Directors**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Dr. (Mrs.) Sangeeta Gupta and Mr. Abhinav Gupta will retire by rotation at the ensuing Annual General Meeting and being eligible both offers for re-appointment.

Mr. Suneel Kumar Gupta was re-appointed as Managing Director by the Board of Directors in its meeting held on February 8, 2011 for a period of three years effective from January 10, 2011 subject to approval of members by passing of special resolution. Mrs. Sangeeta Gupta was re-appointed as whole-time Director by the Board of Directors in its meeting held on May 12, 2011 for a period of three years effective from May 1, 2011 subject to approval of members by passing of special resolution.

#### **Details about Director eligible for appointment/re-appointment:**

Mr. Suneel Kumar Gupta, aged 50 years, Managing Director of the Company, is a MBA and has associated with the Company since its inception and holds 38.32% of paid-up equity share capital.

Dr. (Mrs.) Sangeeta Gupta, aged 50 years, Whole Time Director, is a MBBS Doctor and has been associated with the Company since 1994. She is appointed as a Whole-time Director of the Company effective from May 1, 2008 and will re-appointed as a Whole-time Director at the ensuing Annual General Meeting and holds 20.25% of paid-up equity share capital.

Both do not hold directorship in any other public Company and membership of any Committee of any other public Company.

Mr. Abhinav Gupta, aged 20 years, is doing his under graduation (2<sup>nd</sup> year) from Boston University, USA. He does not hold directorship in any other public Company and membership of any Committee of public Company.

## **8. Means of Communication**

<b>Half-yearly report sent to each shareholders</b>	No
<b>Quarterly Results</b>	Quarterly Results are announced within forty five days from the end of respective quarter, which are normally published in The Pioneer (English) and Veer Arjun (Hindi).
<b>Any Website</b>	No
<b>Whether Management Discussion and Analysis is a part of Annual Report</b>	Yes

# **ASHNOOR TEXTILE MILLS LIMITED**

## **9. General Shareholders Information**

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

The Company will hold its 28<sup>th</sup> Annual General Meeting on September 30, 2011 at 9:30 a.m. Beharampur Road, Village Khandsa, District Gurgaon, Haryana.

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

The Company expects to announce the un-audited quarterly results for the year 2011-2012, as per the following schedule:

First Quarter	:	On or before August 12, 2011
Second Quarter	:	On or before November 15, 2011
Third Quarter	:	On or before February 15, 2012
Fourth Quarter	:	On or before May 15, 2012

The Audited Results of the Company for the year 2011-2012 will expect to be announced on or before September 02, 2012.

### **(c) Date of Book Closure**

The Company's Register of Members and Share Transfer Book will remain closed from Monday, September 26, 2011 to Friday, September 30, 2011.

### **(d) Dividend Payment Date**

The Board of Directors has not recommended any dividend for the financial year 2010-2011.

### **(e) Listing on Stock Exchanges**

The Company's equity shares are listed in the following stock exchanges:

- The Bombay Stock Exchange, Mumbai

The Company has paid the Annual listing fees for the financial year 2011-2012.

### **(f) Stock Code**

The Stock Exchange, Mumbai : 507872

### **(g) Market Information and Performance of Company's stock price in comparison broad based indices to BSE Sensex**

Month	High (In Rupees)	Low (In Rupees)	Monthly Closing Price (In Rupees)
April 2010	8.40	7.99	7.99
May 2010	7.60	6.55	6.55
June 2010	6.54	5.62	5.62
July 2010	5.90	5.14	5.16
August 2010	5.93	4.91	5.39
September 2010	5.77	5.11	5.36
October 2010	7.15	5.11	6.19
November 2010	7.15	5.95	6.47
December 2010	6.79	5.02	5.28
January 2011	5.25	4.76	4.99
February 2011	5.75	5.23	5.47
No trading in March 2011			

Source: bseindia.com

### **(h) Registrar and Share Transfer Agents**

Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Its address is as follows:  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area  
Phase-II, Near Batra Banquet Hall  
New Delhi-110028

### **(i) Share Transfer System**

The Company has a Share Transfer Committee, which normally met twice in a month, if the Company



## ASHNOOR TEXTILE MILLS LIMITED

receives shares for transfer. The shares received usually transferred and returned within a period of 30 days from the date of receipt, if documents are complete with all respects.

Physical shares received for dematerialization are processed and completed within a period of 21 from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

### (j) Distribution and Pattern of Share holding

#### (i) Distribution of Shareholding of the Company as on March 31, 2011

Range of Equity Shares (Rupees)	Shareholders		Share Capital Amount in Rupees			Share Capital Amount in Rupees	
	Number	%	Physical	NSDL Demat	CDSL Demat	Rupees	%
Upto – 2,500	14,968	79.944	1,43,54,030	7,99,240	3,40,370	1,54,93,640	18.523
2,501 – 5,000	2,922	15.606	90,87,000	7,29,780	3,27,140	1,01,43,920	12.127
5,001 – 10,000	605	3.231	36,46,360	3,90,660	1,40,670	41,77,690	4.995
10,001– 20,000	166	0.887	16,57,160	3,76,550	1,28,550	2,16,22,60	2.585
20,001– 30,000	24	0.128	3,99,510	1,02,490	69,100	5,71,100	0.683
30,001– 40,000	23	0.123	6,09,590	68,670	1,01,070	7,79,330	0.932
40,001– 50,000	4	0.021	1,30,200	42,470	-	1,72,670	0.206
50,001–1,00,000	3	0.021	2,25,050	70,700	-	2,95,750	0.354
1,00,001 andAbove	7	0.037	3,31,310	4,91,32,610	3,84,100	4,98,48,020	59.595
<b>Total</b>	<b>18,722</b>	<b>100.00</b>	<b>3,04,40,210</b>	<b>5,17,13,170</b>	<b>14,91,000</b>	<b>8,36,44,380</b>	<b>100.000</b>

#### (ii) Shareholding Pattern of the Company as on March 31, 2011

Category of Shareholders	Number of Shares held	Percentage of holding
Promoters	48,99,051	58.57
Financial Institutions, Mutual Funds and Banks	4,585	00.06
NRI/OCBs	16,535	00.20
Individual holding (nominal share capital) < 1 lakh	33,18,461	39.67
Private Corporate Bodies	81,664	00.98
Individual holding (nominal share capital) > 1 Lakh	38,410	0.46
HUF	4,612	0.05
Trust	1,120	0.01
<b>Total</b>	<b>83,64,438</b>	<b>100.00</b>

### (k) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument

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

- (l) The ISIN No. of the Company is INE372101018. 63.61% of the paid-up share capital had been dematerialized as at March 31, 2011 with the two depositories.

#### Reconciliation of Share Capital:

As stipulated by the SEBI reconciliation of

- i. the total admitted capital with both depositories and the total issued/paid-up capital;
- ii. reconciliation of shares dematerialized in both the depositories and physical form with the total issued/paid-up capital of the Company.

# **ASHNOOR TEXTILE MILLS LIMITED**

for every quarter is placed before the board of Directors and also submitted to BSE and two depositories.

## **(m) Plant Location**

Behrampur Road  
Village Khandsa  
District Gurgaon  
Haryana-122 001

## **(n) Address for Correspondence**

Ashnoor Textile Mills Limited  
Behrampur Road, Village Khandsa  
District Gurgaon, Haryana-122 001  
Phone: 0124 - 22152828-829, 2215831-833  
Fax: 0124 - 2215829  
E-mail: atml\_delhi@yahoo.com

By the order of the Board

**Place : Gurgaon**

**Date : August 12, 2011**

**Suneel Kumar Gupta  
Chairman and Managing Director**

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

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

Further, as provided under Clause 49(I)(D)(i) of the said agreement, it is confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed compliance for the year ended March 31, 2011 with the respective Code of Conduct, as applicable to them.

By the order of the Board

**Place : Gurgaon**

**Date : August 12, 2011**

**Suneel Kumar Gupta  
Chairman and Managing Director**

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

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

We state that in respect of investor grievance received during the year ended March 31, 2011, no investor grievance are pending against the Company for the period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investor Grievance Committee.

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

**For KSA & Co.**

**Chartered Accountants**

**KAMAL PIYUSH**

**Partner**

**Membership Number: 83399**

**Place : New Delhi**

**Date : August 12, 2011**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **AUDITORS REPORT**

### **The Members of Ashnoor Textile Mills Limited**

1. We have audited the attached Balance Sheet of Ashnoor Textile Mills Limited as at March 31, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
  - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - iii) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt from this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v) On the basis of written representations received from the directors, as on March 31, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi) (a) ***Speculative loss of Rs. 8,541,620.63 on Trading of Foreign Currency treated as Current Assets in Balance Sheet. Due to none charging of speculative loss in the Profit and Loss Account, profit has been overstated by Rs. 8,541,620.63. Refer paragraph 2 of Part-B of Schedule-K.***
  - (b) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view conformity with the accounting principles generally accepted in India:
    - i) In the cases of the Balance Sheet, of the state of affairs of the company as at March 31, 2011; and
    - ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date.
    - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Thanking you  
Yours truly  
For KSA & Co.  
Chartered Accountants  
(Registration No. 003822C)**

**KAMAL PIYUSH  
Partner  
Membership Number: 83399  
Place : New Delhi  
Date : August 12, 2011**

# **ASHNOOR TEXTILE MILLS LIMITED**

## **ANNEXTURE TO THE AUDITOR'S REPORT OF THE MEMBERS OF ASHNOOR TEXTILE MILLS LIMITED ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011**

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

***Referred to in paragraph 3 of our report of even date,***

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given, the company has adopted a phased program of physical verification of fixed assets. Under this program all the assets would be verified in phased manner the frequency of which, in our opinion, is reasonable, having regard to the size of the company and nature of its assets. As explained to us no material discrepancies were noticed in respect of assets verified during the year.
- (c) During the year, the company has disposed off Pandora Dying Machine, Old Stenter Parts.
- (ii) (a) The inventory has been physically verified during the year by the management, In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaing proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has not granted or taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As no loans is granted or taken, clauses (b), (c), (d), (e), (f) and (g) of paragraph (iii) of this order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 have been entered in the register required to be maintained under that section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the of the Companies Act, 1956 and the rules framed there under. The Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not passed any order.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed for the maintenance of cost records by the company under Section 209(1)(d) of the Companies Act, 1956 for Cotton Textile Industry. The company has not maintained prescribed cost records.
- (ix) (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities. There is no outstanding statutory liability as at March 31, 2011, which is due for a period of more than six months from the date they became payable.

## ASHNOOR TEXTILE MILLS LIMITED

- (b) According to the information and explanation given to us, out of the arrears of Employees' State Insurance dues on contract labour of Rs. 2,705,536/- pertaining to the years 1997 to 2001 levied by Regional Office of Employees State Insurance Corporation, Gurgaon, only Rs. 563,706/- has been paid under protest and the remaining amount of Rs. 2,141,830/- have not been paid and the appeal is pending with Civil Court, Gurgaon. Haryana Development Tax of Rs. 7,105,146/- levied by the State Government has been disputed and the local association on behalf of all the industries in the region has filed an appeal with Supreme Court of India.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period	From where dispute is pending
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Interest on the late payment	2,186,351	2005-2006	Court
Employees State Insurance Act, 1948	Interest on the late payment	18,725	2005-2006	Court
Employees State Insurance Act, 1948	Arrears of ESI dues on Contract Labour	2,141,830	1997 to 2001	Civil Court Gurgaon
Local Area Development Tax Act, 2000	Haryana Development Tax	918,034	2002-2003	Court
		2,110,645	2003-2004	
		1,966,381	2004-2005	
		1,660,354	2005-2006	
		449,732	2006-2007	
Central Excise Act, 1944	Excise Duty	50,000,000	Various years from 1998-99 onwards	CESTAT

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

## **ASHNOOR TEXTILE MILLS LIMITED**

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised in short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the company had not issued any debentures and has not created any security in respect of debentures.
- (xx) According to the information and explanations given to us, the company has not raised any money from the public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**Thanking you**  
**Yours truly**  
**For KSA & Co.**  
**Chartered Accountants**  
**(Registration No. 003822C)**

**KAMAL PIYUSH**  
**Partner**  
**Membership Number: 83399**  
**Place : New Delhi**  
**Date : August 12, 2011**

**ASHNOOR TEXTILE MILLS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2011**

PARTICULARS	SCHEDULES	31.03.2011 Rupees	31.03.2010 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	A	83,580,926.00	83,580,926.00
Reserves and Surplus	B	57,254,687.16	48,214,384.96
<b>LOAN FUNDS</b>			
Secured Loans	C	187,734,120.00	124,205,364.00
		<b>11,687,550.00</b>	<b>12,853,119.00</b>
<b>DEFERRED TAX LIABILITIES</b>		<b>340,257,283.16</b>	<b>268,853,793.96</b>
<b>TOTAL LIABILITIES</b>			
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	D	461,569,718.52	460,343,972.52
Depreciation		(334,938,209.17)	(323,928,791.17)
<b>Net Block</b>		<b>126,631,509.35</b>	<b>136,415,181.35</b>
<b>INVESTMENTS</b>			
	E	1,500,000.00	8,111,212.00
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	F	109,311,903.83	47,134,952.92
Sundry Debtors	G	115,977,736.00	61,290,925.00
Cash and Bank Balances	H	21,326,473.85	13,886,124.66
Loans and Advances	I	68,370,064.42	36,844,959.17
		<b>314,986,178.10</b>	<b>159,156,961.75</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	J	98,725,964.94	33,630,122.14
Provisions	K	4,134,439.35	1,199,439.00
<b>NET CURRENT ASSETS</b>		<b>212,125,773.81</b>	<b>124,327,400.61</b>
<b>TOTAL ASSETS</b>		<b>340,257,283.16</b>	<b>268,853,793.96</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
T			

Schedules Referred To Above Form An  
Integral Part of the Balance Sheet

As per our report of even date attached

For KSA & Co.  
Chartered Accountants

For Ashnoor Textile Mills Limited

**KAMAL PIYUSH**  
Partner  
Membership Number: 83399  
Place : New Delhi  
Date : August 12, 2011

**SUNEEL KUMAR GUPTA**  
Managing Director

**SANGEETA GUPTA**  
Director

**ASHNOOR TEXTILE MILLS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

PARTICULARS	SCHEDULES	31.03.2011 Rupees	31.03.2010 Rupees
<b>INCOME</b>			
Sales	L	609,020,286.23	286,147,533.00
Other Income	M	55,937,144.58	30,992,209.07
Change in Inventory	N	45,320,504.96	(24,603,240.00)
<b>Total Income</b>		<b>710,277,935.77</b>	<b>292,536,502.07</b>
<b>EXPENDITURE</b>			
Manufacturing Overheads	O	617,260,424.16	215,331,770.73
Administrative Overheads	P	18,873,682.68	15,435,777.12
Selling Overheads	Q	39,793,977.92	20,961,889.36
Financial Overheads	R	12,967,594.15	18,259,040.37
Depreciation	D	13,812,282.00	13,389,707.00
<b>Total Expenditure</b>		<b>702,707,960.91</b>	<b>283,378,184.58</b>
<b>PROFIT BEFORE EXTRA ORDINARY ITEMS AND TAX</b>			
		<b>7,569,974.86</b>	9,158,317.48
Extra Ordinary Items	S	3,052,617.69	1,844,334.88
<b>PROFIT BEFORE TAX</b>		<b>10,622,592.55</b>	11,002,652.36
Deferred Tax (Liability)/Assets		1,165,569.00	(1,078,666.00)
Current Income Tax		(2,679,211.35)	-
Wealth Tax		(68,648.00)	(61,947.00)
<b>PROFIT FOR APPROPRIATION</b>		<b>9,040,302.20</b>	9,862,039.36
Profit Brought Forward		44,980,415.96	35,241,044.60
Reduction in calls in Arrears		-	(122,668.00)
<b>TRANSFERRED TO BALANCE SHEET</b>		<b>54,020,718.16</b>	44,980,415.96
<b>Weighted Average Number of Equity Shares</b>		<b>8,364,438</b>	8,364,438
<b>Basic Earning Per Share</b>		<b>1.08</b>	1.18

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

T

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

**As per our report of even date attached**

**For KSA & Co.**  
Chartered Accountants

**For Ashnoor Textile Mills Limited**

**KAMAL PIYUSH**  
Partner  
Membership Number: 83399  
Place : New Delhi  
Date : August 12, 2011

**SUNEEL KUMAR GUPTA**  
Managing Director

**SANGEETA GUPTA**  
Director



# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET**

<b>PARTICULARS</b>	<b>As at 31-03-2011 Rupees</b>	<b>As at 31-03-2010 Rupees</b>
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED</b>		
10,000,000 (10,000,000) Equity Shares of Rs. 10/- each	<b>100,000,000.00</b>	100,000,000.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
8,364,438 (8,364,438) Equity Shares of Rs. 10/- each	<b>83,644,380.00</b>	83,644,380.00
Calls in Arrear (from other than directors)	<b>(63,454.00)</b>	(63,454.00)
	<b>83,580,926.00</b>	83,580,926.00
<b>SCHEDULE - B</b>		
<b>RESERVES AND SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
State Government Subsidy	<b>3,000,000.00</b>	3,000,000.00
Share Forfeited Account	<b>233,969.00</b>	233,969.00
Surplus in Profit and Loss Account	<b>54,020,718.16</b>	44,980,415.96
	<b>57,254,687.16</b>	48,214,384.96
<b>SCHEDULE - C</b>		
<b>LOANS FUNDS</b>		
<b>SECURED LOANS</b>		
Term Loan from Bank of Baroda for purpose of Plant and Machinery, against security of Immovable and Movable Properties and Assets, and personal guarantees of two Directors and relation of directors. Repayable in 48 monthly installments of Rs. 10,93,750/- from May 2008	<b>6,915,192.00</b>	21,198,741.00
Vehicle loan from Bank of Baroda	-	1,974,958.00
<b>Working Capital Loans from Bank of Baroda</b>		
Packing Credit Limits	<b>82,195,734.00</b>	49,982,665.00
Foreign Bills Discounted	<b>96,504,194.00</b>	48,930,000.00
Overdue Interest - Bank of Maharashtra	<b>2,119,000.00</b>	2,119,000.00
	<b>187,734,120.00</b>	124,205,364.00

**ASHNOOR TEXTILE MILLS LIMITED**  
**SCHEDULES TO BALANCE SHEET**

**SCHEDULE - D**

**FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010 Rupees	Additions during the year Rupees	Adjustments during the year Rupees	As at 31.03.2011 Rupees	As at 01.04.2010 Rupees	For the year Rupees	Adjustments During the year Rupees	As at 31.03.2011 Rupees	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
Land	8,557,120.00	-	-	8,557,120.00	-	-	-	-	8,557,120.00	8,557,120.00
Factory Building	84,081,585.24	-	-	84,081,585.24	37,227,916.24	2,808,325.00	-	40,036,241.24	44,045,344.00	46,853,669.00
Office Building	2,558,130.00	-	-	2,558,130.00	1,107,674.00	85,442.00	-	1,193,116.00	1,365,014.00	1,450,456.00
Electric Installation	587,603.84	-	-	587,603.84	370,929.00	38,231.00	-	409,160.00	178,443.84	216,674.84
Plant and Machinery	339,026,707.44	3,416,398.00	(2,702,652.00)	339,740,453.44	280,108,012.93	8,369,896.00	(2,802,864.00)	285,675,044.93	54,065,408.51	58,918,694.51
Generator Set	9,103,568.00	-	-	9,103,568.00	2,408,549.00	941,310.00	-	3,349,859.00	5,753,709.00	6,695,019.00
Furniture and Fixture	513,423.00	-	-	513,423.00	214,296.00	32,500.00	-	246,796.00	266,627.00	299,127.00
Office Equipment	1,135,748.00	14,000.00	-	1,149,748.00	559,856.00	72,633.00	-	632,489.00	517,259.00	575,892.00
Computers	461,922.00	62,000.00	-	523,922.00	249,628.00	76,036.00	-	325,664.00	198,258.00	212,294.00
Vehicles	14,318,165.00	436,000.00	-	14,754,165.00	1,681,930.00	1,387,909.00	-	3,069,839.00	11,684,326.00	12,636,235.00
<b>Total</b>	<b>460,343,972.52</b>	<b>3,928,398.00</b>	<b>(2,702,652.00)</b>	<b>461,569,718.52</b>	<b>323,928,791.17</b>	<b>13,812,282.00</b>	<b>(2,802,864.00)</b>	<b>334,938,209.17</b>	<b>126,631,508.35</b>	<b>136,415,181.35</b>
Previous year	462,177,860.52	4,786,330.00	(6,620,218.00)	460,343,972.52	317,214,017.17	13,389,707.00	(6,674,933.00)	323,928,791.17	136,415,181.35	144,963,843.35

# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET**

### **PARTICULARS**

**As at  
31-03-2011  
Rupees**

**As at  
31-03-2010  
Rupees**

### **SCHEDULE - E**

#### **INVESTMENTS**

##### **(Fully Paid, Quoted, Traded and valued at cost)**

Bank of Baroda Pionner Fund 113464.448 Units @ Rs. 13.22 each	<b>1,500,000.00</b>	1,500,000.00
NTPC Limited 4,175 equity shares @ Rs. 220.79 each	-	921,789.00
DLF Limited 2,150 equity shares @ Rs. 352 each	-	758,854.00
Bharti Airtel Limited 900 equity shares @ Rs. 317.84 each	-	286,060.00
Religare Enterprise Limited 750 equity shares @ Rs. 389.94 each	-	292,458.00
Hindustan Oil Corporation Limited Limited 1000 equity shares @ Rs. 267.26 each	-	267,257.00
Jaiprakash Asscoiates Limited 1,500 (500) equity shares @ Rs. 137.51 (Rs. 355.13) each	-	206,268.00
Bharat Earth Movers Limited 200 equity shares @ Rs. 1,148.45 each	-	229,691.00
Orbit Corporation Limited 700 equity shares @ Rs. 287.42 each	-	201,192.00
PSL Limited 1,225 equity shares @ Rs. 166.37 each	-	203,799.00
KS Oil Limited 2,000 equity shares @ Rs. 73.82 each	-	147,642.00
Madhucon Projects Limited 800 equity shares @ Rs. 185.26 each	-	148,209.00
ICSA (India) Limited 1,000 equity shares @ Rs. 136.63 each	-	136,631.00
Reliance Industries Limited 100 equity shares @ Rs. 1,104.61 each	-	110,461.00
IVRCL Infrastructure and Projects Limited 600 equity shares @ Rs. 196.39 each	-	117,833.00
Atul Limited 954 equity shares @ Rs. 109.81 each	-	104,755.00
India Cement Limited 500 equity shares @ Rs. 134.13 each	-	67,065.00
Ansal Properties and Infrastructure Limited 764 equity shares @ Rs. 72.88 each	-	55,684.00
Gujrat Fluorochemicals Limited 260 equity shares @ Rs. 156.25 each	-	40,625.00
Jyoti Structures Limited 200 equity shares @ Rs. 168.91 each	-	33,783.00
Future Capital Limited 150 equity shares @ Rs. 226.30 each	-	34,246.00
NIIT Limited 400 equity shares @ Rs. 57.65 each	-	27,847.00
Unitech Limited 254 equity shares @ Rs. 83.58 each	-	21,229.00
HDFC Cash Management Fund 111,124 Units @ 19.78	-	2,197,834.00
	<b>1,500,000.00</b>	<b>8,111,212.00</b>

**Market value of Investments as at March 31, 2011 is  
Rs. 2,807,110/- (2009-2010 - Rs. 8,946,278/-)**

### **SCHEDULE - F**

#### **INVENTORIES**

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

Raw Materials	<b>31,824,753.47</b>	17,240,940.11
Stock in Progress	<b>45,991,966.65</b>	17,324,375.47
Finished Goods	<b>25,178,670.12</b>	8,525,756.34
Stores, Spares and Fuel	<b>6,316,513.59</b>	4,043,881.00
	<b>109,311,903.83</b>	<b>47,134,952.92</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET**

### **PARTICULARS**

**As at  
31-03-2011  
Rupees**

**As at  
31-03-2010  
Rupees**

### **SCHEDULE - G**

#### **SUNDRY DEBTORS**

**(Unsecured and Considered Good)**

Outstanding for less than 6 months

**115,977,736.00** 61,290,925.00

**115,977,736.00** 61,290,925.00

### **SCHEDULE - H**

#### **CASH AND BANK BALANCES**

Cash in Hand including Imprest

**632,087.00** 225,819.00

**Balance With Scheduled Banks in:**

Current Account

**6,144,466.85** 6,973,685.66

Margin Money

**10,160,600.00** 4,893,000.00

Fixed Deposit

**4,389,320.00** 1,793,620.00

**21,326,473.85** 13,886,124.66

### **SCHEDULE - I**

#### **LOANS AND ADVANCES**

**(Unsecured and Considered Good)**

Advances Recoverable in Cash or in Kind  
of for value to be received

**48,872,974.91** 23,911,218.99

Advances to Suppliers

**15,292,050.51** 9,324,387.18

Security Deposit

**1,537,388.00** 1,537,388.00

Advance Tax, TDS and Fringe Benefit Tax

**2,667,651.00** 2,071,965.00

**68,370,064.42** 36,844,959.17

### **SCHEDULE - J**

#### **CURRENT LIABILITIES**

Sundry Creditors

**81,397,848.93** 20,546,677.98

Other Liabilities

**17,328,116.01** 13,083,444.16

**98,725,964.94** 33,630,122.14

### **SCHEDULE - K**

#### **PROVISIONS**

Income Tax

**2,679,211.35** -

Wealth Tax

**68,648.00** 61,947.00

Employees Benefits Schemes

**1,386,580.00** 1,137,492.00

**4,134,439.35** 1,199,439.00

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

<b>PARTICULARS</b>	<b>Year Ended 31-03-2011 Rupees</b>	<b>Year Ended 31-03-2010 Rupees</b>
<b><u>SCHEDULE - L</u></b>		
<b>SALES</b>		
Export	<b>428,294,038.00</b>	255,012,727.00
Excise Duty/Cenvat	-	(722,369.00)
<b>Net Sale</b>	<b>428,294,038.00</b>	254,290,358.00
Other Sale	<b>174,983,839.38</b>	31,857,175.00
Job Work-Weaving	<b>5,742,408.85</b>	-
	<b>609,020,286.23</b>	286,147,533.00
<b><u>SCHEDULE - M</u></b>		
<b>OTHER INCOME</b>		
Export Incentives	<b>37,284,612.00</b>	18,003,271.00
Export Expenses Recovered	<b>16,495,641.00</b>	12,158,687.00
Interest and Dividend	<b>630,332.08</b>	394,372.74
Other Income	<b>1,526,559.50</b>	435,878.33
	<b>55,937,144.58</b>	30,992,209.07
<b>Tax Deducted at Source</b>	<b>150,075.00</b>	17,576.00
<b><u>SCHEDULE - N</u></b>		
<b>CHANGE IN INVENTORY</b>		
<b>Opening Stocks</b>		
Stock in Progress	<b>17,324,375.47</b>	20,651,108.87
Finished Goods	<b>8,525,756.34</b>	29,802,262.94
	<b>25,850,131.81</b>	50,453,371.81
<b>Closing Stocks</b>		
Stock in Progress	<b>45,991,966.65</b>	17,324,375.47
Finished Goods	<b>25,178,670.12</b>	8,525,756.34
	<b>71,170,636.77</b>	25,850,131.81
<b>Change in Inventory</b>	<b>45,320,504.96</b>	(24,603,240.00)
<b><u>SCHEDULE - O</u></b>		
<b>MANUFACTURING OVERHEADS</b>		
Raw Material Consumed	<b>354,407,498.10</b>	135,708,437.26
Packing Material Consumed	<b>32,214,163.87</b>	9,937,553.90
Fuel Consumed	<b>33,968,032.58</b>	13,040,160.79
Dyes and Chemicals Consumed	<b>117,269,706.40</b>	29,661,313.61
Purchase Rugs and Carpets	<b>14,101,708.00</b>	-
Stores and Spares	<b>23,555,497.99</b>	4,827,165.90
Repair and Maintenance (Plant and Machinery)	<b>6,737,650.22</b>	1,185,591.77
Other Manufacturing Expenses	<b>35,006,167.00</b>	20,971,547.50
	<b>617,260,424.16</b>	215,331,770.73

# ASHNOOR TEXTILE MILLS LIMITED

## SCHEDULES TO PROFIT AND LOSS ACCOUNT

<b>PARTICULARS</b>	<b>Year Ended 31-03-2011 Rupees</b>	<b>Year Ended 31-03-2010 Rupees</b>
<b><u>SCHEDULE - P</u></b>		
<b>ADMINISTRATIVE OVERHEADS</b>		
Salaries and Other Benefits	8,050,894.00	6,440,765.00
Company's Contribution to PF and ESI	74,170.00	62,316.00
Rent, Rates and Taxes	325,036.00	3,395,147.00
Insurance	344,581.00	205,346.00
Travelling and Conveyance	4,523,086.00	1,351,840.12
Vehicle Maintenance	391,844.00	559,090.00
Communication Expenditure	612,179.29	709,534.42
Office/Factory Maintenance	698,477.70	74,942.00
Legal and Professional Charges	473,017.00	216,713.00
Auditors' Remuneration	370,000.00	300,000.00
Other Expenses	3,010,397.69	2,120,083.58
	<b>18,873,682.68</b>	<b>15,435,777.12</b>
<b><u>SCHEDULE - Q</u></b>		
<b>SELLING OVERHEADS</b>		
Sales Promotion and Documentation Expenses	3,606,871.92	1,284,640.36
Commission	8,755,974.00	6,300,452.00
Clearing and Forwarding	25,415,612.00	13,073,797.00
Freight and Cartage	2,015,520.00	303,000.00
	<b>39,793,977.92</b>	<b>20,961,889.36</b>
<b><u>SCHEDULE - R</u></b>		
<b>FINANCIAL OVERHEADS</b>		
Bank Charges	2,472,619.14	1,172,561.84
Foreign Exchange Fluctuation	-	8,780,810.00
Interest on Vehicle Loans	55,620.00	384,281.24
Interest on Term Loan	1,274,852.00	2,652,803.00
Interest on Packing Credit Limit	4,362,793.49	2,996,815.41
Interest on Bills Negotiation	4,801,709.52	2,271,768.88
	<b>12,967,594.15</b>	<b>18,259,040.37</b>
<b><u>SCHEDULE - S</u></b>		
<b>EXTRA ORDINARY ITEMS</b>		
Prior Period Income /(Loss)	(402,900.00)	(69,228.65)
Depreciation of Earlier Years Written Back	100,212.00	230,912.00
Income Tax Adjustment Account	2,362,577.00	372,650.00
Profit/(Loss) on Sale of Fixed Assets	960,858.00	416,803.00
Profit/(Loss) on Sale of Investment	31,870.69	893,198.53
	<b>3,052,617.69</b>	<b>1,844,334.88</b>

# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

### **SCHEDULE - T**

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

##### **A. SIGNIFICANT ACCOUNTING POLICIES**

###### **1. System of Accounting**

- a) Financial statements are prepared under the historical cost convention in consonance and accordance with applicable accounting standards, accepted accounting principles and relevant presentational requirements of the Companies Act, 1956.
- b) Company follows accrual basis of accounting in accordance with the provisions of the Companies Act, 1956.
- c) Purchases are booked net of discounts and rebates.
- d) The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

###### **2. Fixed Assets**

- a) Fixed assets are recorded at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attribute cost of bringing the assets to its working condition for its intended use.
- b) Increase/decrease in liability towards creditors for capital goods due to change in foreign exchange rate is added to/reduced from the cost of asset.

###### **3. Depreciation**

- a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition. Depreciation of Plant and Machinery, Generator and Electrical Installation has been provided on triple shift basis.
- c) Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

###### **4. Impairment of Assets**

The Carrying amounts of assets are reviewed at each balance sheet if there is any indication of impairment based on internal/external factors. If any indications exist the recoverable value of assets is estimated. An Impairment loss is recognized whenever the carrying amount of an assets is exceeds its recoverable amount, the latter being greater of net selling price and value in use.

###### **5. Inventories**

- a) Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
- b) Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at half of cost of production.
- c) Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
- d) Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- e) Inventory of waste is valued on net realizable value.

# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

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f) Stores and Spares are charged to expenses on purchase and no inventory is maintained.

### **6. Investments**

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

### **7. Retirement Benefits**

Retirement benefits have been accounted for on accrual basis. Provision of Gratuity is created for the employees who became eligible after completing five years of services under the Payment of Gratuity Act, 1972. Provision of Gratuity has not been provided on the managerial remuneration.

### **8. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### **9. Revenue Recognition**

- a) Sale is recorded on FOB value exclusive of freight, insurance and excise duty recovered from the customers. Sale is recognized on the date of dispatch of goods from factory after verification by the Excise Authorities from the Bonded Warehouse, which is located within the premises of the factory.
- b) Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.
- c) Sales are recorded on invoice value net of discounts and rebates.

### **10. Foreign Currency Transactions**

- a) Expenses and Income in foreign exchange are accounted for at the rates prevailing on the date of transactions and exchange differences on settlement of transaction are taken to the Profit and Loss Account.
- b) Monetary assets and liabilities relating to foreign currency transaction pending for settlement have been restated on the foreign currency conversion rates prevailing on March 31, 2011 in accordance with Accounting Standard-11 on 'Accounting for the Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Resultant loss/gain has been booked as exchange rate fluctuation in the Profit and Loss Account under 'Financial Charges'/'Other Income'.

### **11. Segment Reporting**

The Company is engaged in production of Towels of various sizes and operations are confined only to the factory at Gurgaon. As such there is no other reportable segment as defined by Accounting Standard - 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

### **12. Taxation**

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

## **B. NOTES ON ACCOUNTS**

1. Comparative figures for the previous years have been regrouped, recast and rearranged wherever necessary to conform to current year's classification. Figures in parenthesis represent previous financial year's figures unless stated otherwise. Amounts are mentioned in Rupees and quantity in Kilograms unless stated otherwise.
  2. Speculative loss of Rs. 8,541,620.63 incurred on trading of foreign currency has been shown as current assets instead of charging to Profit and Loss Account. As per accounting policy of the company, this loss will be amortized in five years in equal installments.
  3. Excise demand of Rs. 10,000,000/- (2009-2010- Rs. 10,000,000/-) has been paid in protest to the Excise Department and is shown under 'Excise Demand Paid Under Protest' under 'Other Receivables' in
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# **ASHNOOR TEXTILE MILLS LIMITED**

## **SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

Schedule-I of 'Loans and Advances'. Company has filed an appeal in Central Excise and Service Tax Appellate Tribunal against the order of Commission Adjudication - Excise Department.

4. An Appeal is pending with the Civil Court, Gurgaon for the arrears of Employees State Insurance Scheme amounting to Rs. 2,141,830/- (2009-2010 - Rs. 2,141,830/-) for the years 1997 to 2001 levied by Regional Office of Employees State Insurance Corporation. Provision for this amount has not been created. For filing the appeal, Rs. 563,706/- (2009-2010 - Rs. 563,706/-) has been deposited with the Corporation, which is shown as 'ESI Demand Paid Under Protest' under 'Other Receivables' in Schedule-I of 'Loans and Advances'.
5. Interest on late payment of Rs. 2,684,738/- (2009-2010 - Rs. 2,684,738/-) and Rs. 18,725/- (2009-2010 - Rs. 18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively by the authorities for the years 2000-2005. Appeal has been filed against this demand in the Court. Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest.
6. **Following are the contingent liabilities, which has not been provided for:**
  - a) Employees State Insurance Scheme dues of Rs. 2,141,830/- (2009-2010 - Rs. 2,141,830/-).
  - b) Excise Duty of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid in protest for filing the appeal with the Tribunal (CESTAT).
  - c) Bank Guarantee of Rs. 60,000/- issued to Assistant Commissioner, Central Excise, Delhi-III
  - d) Bank Guarantee of Rs. 4,000,000/- issued to Assistant Commissioner, Central Excise, for deboning of the Unit.
  - e) Bank Guarantee of Rs. 750,000/- issued to Assistant Commissioner, Central Excise, for deboning of the Unit.
  - f) One overseas supplier has filed legal suit for recovery of balance payment of JPY 11,340,000/- along with interest in Japan.
  - g) Wages of Mr. Sukhdev of Rs. 38,000/- out of which Rs. 1,227.07 has been provided for. The case is pending in Labour Court, Gurgaon.
  - h) Foreign Bills of Rs. 96,504,194/- discounted with Bank of Baroda
7. **Secured Loan**
  - a) Outstanding balance amount of Term Loan is Rs. 6,915,192/- (2009-2010- Rs. 21,198,741/-). This term loan was availed from Bank of Baroda, International Business Branch, Sansad Marg, New Delhi for acquiring plant and machinery to increase production capacity, against security of immovable properties and assets, and personal guarantee of two Directors and relation of directors. Term loan is repayable in 48 equal monthly installments of Rs. 10.93 Lakh beginning from May 2008.
  - b) Packing Credit Limit of Rs. 82,195,734/- (2009-2010 Rs. 49,982,665/-) availed from Bank of Baroda, International Business Branch, Sansad Marg, New Delhi.
  - c) Foreign Bill Discounting Limit of Rs. 96,504,194/- (2009-2010 Rs. 48,930,000/-) availed from Bank of Baroda, International Business Branch, Sansad Marg, New Delhi
8. The Profit and Loss Account includes Rs. 6,000,000/- (2009-2010 - Rs. 4,860,000/-) for remuneration to Managing Director and Whole Time Director. For the year ended March 31, 2011 no commission has been paid hence, computation of profit under section 349 of the Companies Act, 1956 is not given.
9. There are no amount due to the suppliers covered under the Micro, Small and Medium Act, 2006. This information takes into account only those suppliers who have responded to the inquiries made by the company for this purpose.
10. Creditors for goods and expense of Rs. 41,010.50 (2009-2010 - Rs. 435,878.33) have been written back being not payable.
11. Confirmation from Debtors, Creditors and advances to and from various parties were not received and their balances are shown as appearing in the accounts.
12. In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet.

# ASHNOOR TEXTILE MILLS LIMITED

## SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### 13. Remuneration to Auditors:

Description	2010-2011	2009-2010
Audit Fees	370,000	300,000
Service Tax	38,110	30,900
<b>Total</b>	<b>408,110</b>	<b>330,900</b>

### 14. Statement of Realized Profit/(Loss) on sale of Investments

Particulars	2010-2011	2009-2010
Sale of investment Unrealized	-	(357,687.19)
Sale of investment (Equity) realized	13,420.69	173,402.47
Sale of Mutual Fund of BOB	18,450.00	-
Sale of investment Currency) realized	(8,541,620.63)	673,903.71
Sale of investment realized	-	403,579.54
<b>Total</b>	<b>(8,509,749.94)</b>	<b>893,198.53</b>

### 15. Investments (Classified as Short Term Investments):

Particulars	Opening Stock		Closing Stock	
	Quantity	Amount	Quantity	Amount
<b>Equity Shares</b>				
Jaiprakash Associates Limited	1,500	206,268	-	-
NTPC Limited	4,175	921,789	-	-
DLF Limited	2,150	758,854	-	-
Bharti Airtel Limited	900	286,060	-	-
Religare Enterprises Limited	750	292,458	-	-
Hindustan Oil Exploration Company Limited	1,000	267,257	-	-
Bharat Earth Movers Limited	200	229,691	-	-
Orbit Corporation Limited	700	201,192	-	-
PSL Limited	1,225	203,799	-	-
KS Oil Ltd	2,000	147,642	-	-
Madhucon Projects Limited	800	148,209	-	-
ICSA (India) Limited	1,000	136,631	-	-
Reliance Industries Limited	100	110,461	-	-
IVRCL Infrastructure and Projects Limited	600	117,833	-	-
Atul Limited	954	104,755	-	-
India Cement Ltd	500	67,065	-	-
Ansal Properties and Infrastructure Limited	764	55,684	-	-
Gujarat Fluorochemicals Limited	260	40,625	-	-
Jyoti Structures Limited	200	33,783	-	-
Future Capital Limited	150	34,246	-	-
NIIT Limited	400	27,847	-	-
Unitech Limited	254	21,229	-	-
<b>Mutual Funds</b>				
HDFC Cash Management	111,124	2197,834	-	-

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

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**16. Value of Imports on CIF basis:**

Particulars	2010-2011	2009-2010
Stores and Spares	<b>1,681,348</b>	916,409

**17. Expenditure/Remittances in Foreign Currency:**

Particulars	2010-2011	2009-2010
Stores and Spares	<b>1,369,329</b>	683,883
Foreign Traveling	<b>2,713,442</b>	397,927
Advances for Spares		427, 813
<b>Total</b>	<b>4,082,771</b>	1,509,623

**18. Earnings in Foreign Currency (Realization Basis):**

Particulars	2010-2011	2009-2010
FOB value of Export of Terry Towels	<b>428,294,038</b>	255,012,727
<b>Total</b>	<b>428,294,038</b>	255,012,727

**19. Earning per Share:**

Particulars	2010-2011	2009-2010
Profit After Tax	<b>9,040,302</b>	9,862,039
Number of Equity Shares	<b>8,364,438</b>	8,364,438
Nominal Value of Each Equity Share	<b>10.00</b>	10.00
Basic Earning Per Share	<b>1.08</b>	1.18

**20. Related Party Disclosures:**

a) **Following are related parties:**

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

b) **Related party transactions:**

Transactions	Key Management Personnel		Significant Influence	
	2010-2011	2009-2010	2010-2011	2009-2010
Salary	<b>60,00,000</b>	48,60,000	-	-

c) There is Nil balance (2009-2010 – Rs. Nil) as on March 31, 2011 of the related parties.

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

**21.** Balance Sheet Abstract and Company's General Business Profile (in terms of amendment of part IV of Schedule VI to the companies Act, 1956) is annexed herewith.

# ASHNOOR TEXTILE MILLS LIMITED

## SCHEDULES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

**22. Particulars in respect of installed capacity and production:**

Class of goods	Unit	Installed Capacity		Production	
		2010-2011	2009-2010	2010-2011	2009-2010
Terry Towel	Tons	2,600	2,600	2,358	1,227

- a) Consequent to revised Government Guidelines, requirements as to licensed capacity are no longer applicable.
- b) The figure of installed capacity is as certified by the management and not verified by the auditors, being a technical matter and has been calculated on triple shift working.

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

Particulars	2010-2011		2009-2010	
	Amount	Percentage	Amount	Percentage
<b>Raw Materials:</b>				
Imported	-	-	-	-
Indigenous	354,407,498.10	100.00%	135,708,437.26	100.00%
<b>Stores and Spares:</b>				
Imported	1,681,348.00	7.16%	916,409.48	19.08%
Indigenous	21,808,142.03	92.84%	3,886,479.42	80.92%

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

Description	Unit	2010-2011		2009-2010	
		Quantity	Amount	Quantity	Amount
Cotton Yarn	Kg.	2,660,109	354,407,498	1,314,570	135,708,437
Dyes, Chemicals and Consumables	-	-	117,269,706	-	29,661,313
HSD	Liter	252,010	33,968,033	223,340	13,040,161
Pet Coke	Kg	1,095,860	-	1,183,100	-
Packing Material	-	-	32,214,164	-	9,937,554
Stores and Spares	-	-	23,555,498	-	4,827,166

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

## ASHNOOR TEXTILE MILLS LIMITED

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

Description	2010-2011		2009-2010	
	Quantity	Amount	Quantity	Amount
<b>Finished Goods</b>				
Opening Stock	32,429	5,983,207	168,430	26,728,470
Production	2,357,792	-	1,226,854	-
Turnover	2,346,381	600,766,694	1,362,855	285,272,445
Closing Stock	43,841	11,423,522	32,429	5,983,207
<b>Stock in Progress</b>				
Opening Stock	103,978	17,324,375	126,679	20,651,109
Input	2,660,109	354,407,498	1,314,570	135,708,437
Consumption	2,569,993	325,739,906	1,337,271	139,035,171
Closing Stock	194,094	45,991,966	103,978	17,324,375

**Notes:**

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

Description	2010-2011		2009-2010	
	Quantity	Amount	Quantity	Amount
<b>Rejected and Waste</b>				
Opening Stock	9,443	62,764	17,908	330,069
Production	69,944	-	34,140	-
Turnover	72,275	1,590,959	42,605	551,341
Closing Stock	7,113	153,785	9,443	62,764

- c) *Particulars in respect of opening stocks, purchase, sales and closing stocks of Carpet:*

Description	2010-2011		2009-2010	
	Quantity	Amount	Quantity	Amount
<b>Finished Goods (Quantity in Square Feet)</b>				
Opening Stock	6,775	2,479,786	7,460	2,743,724
Purchases	25,785	11,108,764	-	-
Turnover	1,662	770,603	685	323,747
Closing Stock	30,897	12,948,316	6,775	2,479,786

# ASHNOOR TEXTILE MILLS LIMITED

**26. Deferred Tax Assets/(Liabilities):**

Description	2010-2011	2009-2010
Difference of WDV of fixed assets between books and income tax	(38,336,359.35)	(38,397,331.35)
Unabsorbed Losses	-	234,099.00
Disallowances under section 43B	512,573.00	348,818.00
<b>Net Temporary Difference</b>	<b>(37,823,786.35)</b>	<b>(37,814,414.35)</b>
Effective Rate of Income Tax	30.90%	33.99%
<b>Deferred Tax Assets (Liability)</b>	<b>(11,687,550.00)</b>	<b>(12,853,119.00)</b>
Less: Charged in Previous Year	(12,853,119.00)	(11,774,453.00)
<b>Net Deferred Tax Assets (Liability)</b>	<b>1,165,569.00</b>	<b>(1,078,666.00)</b>

27. Schedules 'A' to 'T' form an integral part of the Balance Sheet and the Profit and Loss Account and have been duly authenticated.

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*As per our report of even date attached*

**For KSA & Co.**  
**Chartered Accountants**

**For Ashnoor Textile Mills Limited**

**KAMAL PIYUSH**  
**Partner**  
**Membership Number: 83399**  
**Place: New Delhi**  
**Date: August 12, 2011**

**SUNEEL KUMAR GUPTA**  
**Managing Director**

**SANGEETA GUPTA**  
**Director**

# ASHNOOR TEXTILE MILLS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

<b>I. Registration Details :</b>	
Registration No.	33384
Date of Incorporation	January 21, 1984
State Code	05
Balance Sheet Date	March 31, 2011
<b>II. Capital Raised During The Year (Amount in Rs. Thousand)</b>	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	-
<b>III. Position of Mobilization and Deployment of Funds:</b>	
Total Liabilities	340,257.28
Total Assets	340,257.28
<b>Source of Funds :</b>	
Paid-up Capital	83,580.93
Reserves and Surplus	57,257.69
Secured Loans	187,734.12
Unsecured Loans	11,687.55
<b>Application of Funds :</b>	
Net Fixed Assets	126,631.51
Investments	1,500.00
Net Current Assets	212,125.77
Miscellaneous Expenditure	-
Accumulated Losses	-
<b>IV. Performance of the Company (Amount in Rs. Thousand)</b>	
Turnover	609,020.29
Total Expenditure	598,397.69
Profit/(Loss) Before Tax	10,622.59
Profit/(Loss) After Tax	9,040.30
Earnings Per Shares in Rupees	1.08
Dividend Rate %	-
<b>V. Generic Names of Three Principal Products of the Company :</b>	
Items Code No. (ITC Code)	63049251
Product Description	Terry Towel

For Ashnoor Textile Mills Limited

Place: New Delhi  
Date: August 12, 2011

SUNEEL KUMAR GUPTA  
Managing Director

SANGEETA GUPTA  
Director

# ASHNOOR TEXTILE MILLS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

Sr. No.	PARTICULARS	31-03-2011 Rupees	31-03-2010 Rupees
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<i>Net Profit/(Loss) Before Tax and Extraordinary Items</i>	<b>7,569,974.86</b>	<b>9,158,317.48</b>
	<b>Adjustments for :</b>		
	Depreciation	<b>13,812,282.00</b>	13,389,707.00
	Other Income	<b>55,937,144.58</b>	30,992,209.07
	Interest Paid	<b>12,967,594.15</b>	18,259,040.37
	<b>Operating Profit Before Working Capital Changes</b>	<b>(21,587,293.57)</b>	<b>9,814,855.78</b>
	<b>Adjustments for:</b>		
	Trade and Other Receivables	<b>(86,211,916.25)</b>	(5,044,579.84)
	Inventories	<b>(62,176,950.91)</b>	15,510,201.33
	Trade Payments	<b>68,030,843.15</b>	(24,337,101.85)
	<b>Cash Generated from Operations</b>	<b>(101,945,317.58)</b>	<b>(4,056,624.58)</b>
	Interest Paid	<b>12,967,594.15</b>	18,259,040.37
	Income and Fringe Benefit Tax	<b>2,747,859.35</b>	61,947.00
	<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(117,660,771.08)</b>	<b>(22,377,611.95)</b>
	Extraordinary Items	<b>1,991,547.69</b>	1,196,619.88
	<b>Net Cash from Operating Activities</b>	<b>(115,669,223.39)</b>	<b>(21,180,992.07)</b>
<b>B.</b>	<b>CASH FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	<b>3,928,398.00</b>	4,786,330.00
	Sale of Fixed Assets	<b>960,858.00</b>	593,000.00
	Investments	<b>(6,611,212.00)</b>	7,135,772.24
	Interest and Other Income	<b>55,937,144.58</b>	30,992,209.07
	<b>Net Cash from Investing Activities</b>	<b>59,580,816.58</b>	<b>19,663,106.83</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Issue of Share Capital/Share Application	-	-
	Proceeds from Long Term Borrowings	<b>(16,258,507.00)</b>	(17,812,819.76)
	Proceeds from Other Borrowings	<b>79,787,263.00</b>	14,460,524.00
	Public Issue and Other Expenses	-	-
	Capital Subsidy Received	-	3,000,000.00
	<b>Net Cash from Financing Activities</b>	<b>63,528,756.00</b>	<b>(352,295.76)</b>
<b>D.</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>7,440,349.19</b>	<b>(1,870,181.00)</b>
	Cash and Cash Equivalents as at 01.04.2010	<b>13,886,124.66</b>	15,756,305.66
	Cash and Cash Equivalents as at 31.03.2011	<b>21,326,473.85</b>	13,886,124.66

For and on behalf of the Board

Place: New Delhi  
Date: August 12, 2011

**Suneel Kumar Gupta**  
Managing Director

**Sangeeta Gupta**  
Director

### AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2011 and March 31, 2010. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For KSA & Co.**  
**Chartered Accountants**  
**KAMAL PIYUSH**  
**Partner**  
**Membership Number: 83399**  
**Place: New Delhi**  
**Date: August 12, 2011**





# ASHNOOR TEXTILE MILLS LIMITED

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

## FORM OF PROXY

I/ We \_\_\_\_\_  
of \_\_\_\_\_

being Member/Members of the above named company, hereby appoint \_\_\_\_\_  
of or failing him of as my/our proxy to vote for me/ us on my/our behalf at the 28th ANNUAL GENERAL MEETING of the Company to be held at 9.30 A.M. on Friday, September 30, 2011 at the registered office of the Company at BEHRAMPUR ROAD, KHANDSA VILLAGE, DISTRICT GURGAON, HARYANA-122001 and at any adjournment thereof.

Ledger Folio No. / Client ID \_\_\_\_\_ DP ID \_\_\_\_\_  
No. of Shares held \_\_\_\_\_

Re. 1  
Revenue  
Stamp

Witness \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

### Important

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



# ASHNOOR TEXTILE MILLS LIMITED

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

## ATTENDANCE SLIP

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

Name of the attending Member (IN BLOCK LETTER)	Ledger Folio No./ Client ID	I hereby record My presence at the 28th ANNUAL GENERAL MEETING of the Company being held to be held at 9.30 A.M. on Friday, the September 30, 2011 Behrampur Road Khandsa Village, District Gurgaon, Haryana-122001
Name of proxy (IN BLOCK LETTERS) (To be filled if the proxy attends instead of the member)	Number of shares held	

Member's/Proxy's Signature \_\_\_\_\_  
(To be signed at the time of handing over this slip)

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

**Ashnoor Textile Mills Limited**  
Behrampur Road, Village Khandsa  
District Gurgaon, Haryana - 122 001