

NOTICE

Notice is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Shareholders of HISAR SPINNING MILLS LIMITED, will be held on Friday the 30th September, 2011 at 11.00 A.M. at Regd. Office at 9th K.M. Stone, Hisar Bhiwani Road, V.P.O. Dabra (Hisar) to transact the following business :

ORDINARY BUSINESS

1. To review, consider and adopt the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the Year ended on that date along with the report of Auditors and Directors thereon.
2. To appoint a Director in place of Sh. Vikas Gupta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Sh.M.L. Kansal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Place : Chandigarh
Dated : 31.08.2011

For and on Behalf of the Board

**(Gopal
Krishan Gupta)
Managing Director**

NOTES :

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy and vote instead of him/herself and such proxy need not be a member of the company. A Proxy form is attached herewith.
2. The proxy form(s) duly completed and signed should reach the company's registered office at 9th K.M. Stone, Hisar Bhiwani Road, V.P.O. Dabra (Hisar) at least 48 hours before the time fixed for the meeting.
3. The Register of members and share transfer book of the company will remain closed from **Thursday the 29th September, 2011 to Friday the 30th September, 2011 (Both days inclusive)**
4. Members are requested to intimate to the company, change in their addresses, if any, at the registered office of the company.
5. Information as required under Clause 49 of the Listing Agreement with respect to the Directors seeking appointment/ re-appointment is as under :-

a) Brief Particulars of Sh.Vikas Gupta proposed for re-appointment as Director.

Sh.Vikas Gupta retires by rotation at the Annual General Meeting & being eligible offers himself for re-appointment.

- He has joined the Board of Directors as an independent director in the year 2005.
- He is a Practicing Chartered Accountants having more than 17 years experience in Finance & Accounts.
- The re-appointment of Sh.Vikas Gupta would be beneficial to the Company.
- He is a Director in one Company.
- As on 31/03/2011 he holds NIL Equity Shares in the Company.

b) Brief Particulars of Sh. M.L.Kansal proposed for re-appointment as Director.

Sh.M.L.Kansal retires by rotation at the Annual General Meeting & being eligible offers himself for re-appointment.

- He has joined the Board of Directors as a Promoter director in the year 2000.
- He is BVSC & Ph.d in Animal Science.
- He had earlier worked as Head of Deptt. Of Animal Science in Punjab Agricultural University, Ludhiana.
- He has rich experience of Textile Industry. He is associated with the company for the last Nine Years.
- The re-appointment of Sh.M.L.Kansal would be beneficial to the Company.
- He is not a Director in any other Company.
- As on 31/03/2011 he holds 1,63,867 Equity Shares in the Company.

Place : Chandigarh
Dated : 31.08.2011

For and on Behalf of the Board

(Gopal Krishan Gupta)
Managing Director

DIRECTOR'S REPORT

To the Members

Your Directors have great pleasure in presenting the 19th Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March, 2011.

FINANCIAL RESULTS :

(Rs. in Lacs)

	Current Year (2010-2011)	Previous Year (2009-2010)
Sales & Other Income	1311.84	1171.92
Profit Before Intt. & Depreciation	124.92	107.02
Less Interest & Financial Exp.	16.78	22.14
Less Depreciation	43.49	53.44
Profit Before Tax	64.65	31.44
Prov. For Income Tax/ FBT	12.19	4.87
Profit After Tax	52.46	26.57

PAST PERFORMANCE

The Turnover of the Company has increased by 12% as compared to previous year. The profit before tax has taken a quantum jump by 106% the previous year. This has been possible due to favorable market condition. The company expects even better results in the ensuing year.

MANAGEMENT DISCUSSION & ANALYSIS

The Spinning Yarn Industry is a lifeline in Textile Business of India. The majority of employment in India is absorbed by Textile Industry. Keeping in view of its importance the Govt. has constituted a separate Department under Textile Ministry. The Govt. has also constituted a Technology upgradation Fund (TUF) by which concessional Loan/subsidy is granted by Govt. through its various nodal agencies for upgradation in technology.

The Govt. of India has abolished the Quota Regime in Textile Sector which has generated further demand of the product in International as well as National Market, which will certainly improve the profitability of company.

The main Raw Material is cotton, which is based on Agricultural production of Cotton. The production is dependent on Monsoon. In Indian climatic condition the monsoon is always an unpredictable factor. Sometimes there is heavy rainfall & sometime the drought situation is created, which affects the production of Cotton to a great extent creating heavy fluctuation in raw material prices. However, the company could maintain the balance in such a situation & earned profit during the year.

PARTICULARS OF EMPLOYEES

During the year there was no employee in respect of whom information as per section 217 (2A) of the Companies Act, 1956 is required to be given in the director's report.

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

As required by the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earning and outgo are given in annexure forming part of this report.

FIXED DEPOSIT :

The company has not accepted any deposit within the meaning of section 58-A of the companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975.

LISTING OF SECURITIES :

The Securities of the Company is listed on Stock Exchange at Mumbai. The Listing Fees have been paid up to 31.03.2011.

INSURANCE :

All the properties and insurable interests of the company including Building, Plant & Machinery and Stock wherever necessary and to the extent required have been properly insured.

AUDITORS REPORT

The points stated in the Auditors Report are self explanatory & needs no comments.

DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Sh.Vikas Gupta & Sh.M.L.Kansal retires by rotation and being eligible offer themselves for re-appointment.

CORPORATE GOVERNANCE

The Corporate Governance Report is annexed herewith alongwith Auditor's Certificate.

AUDITORS

The term of present Auditors of the company M/s. Jain & Anil Sood, Chartered Accountants, Ludhiana expires at the conclusion of the ensuing Annual General Meeting and they are eligible for reappointment.

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed.
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the company for that year :
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities :
- (iv) That the directors had prepared the annual accounts on a going concern basis.

Acknowledgement :

Yours Directors express their sincere appreciation for all around assistance, cooperation and guidance from the Banker Punjab National Bank and State & Central Govt. Authorities.

Place : Chandigarh
Dated : 31.08.2011

For and On Behalf of the Board

(T.N. Goel)
Director

(Gopal Krishan Gupta)
Managing Director

ANNEXURE TO THE DIRECTORS REPORT

The Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 under Section 217(1) (e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY :

- (i) Power factor has been maintained above 0.9 by proper choice of capacitors as per the requirement of load.
- (ii) Motors have been installed of optimum capacity.
- (iii) Power load is distributed on D.G. Sets at optimum level.

B. TECHNOLOGY ABSORPTION : NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Foreign Exchange used	:	16,02,190
Foreign Exchange earned	:	NIL

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year (2010-2011)	Previous Year (2009-2010)
A) Power & Fuel Consumption :		
1. Power		
a. Purchased		
i) Units (KWH)	2958770	2870054
ii) Total Amount (Rs.)	14957936	12917996
iii) Rate/Unit Rs. KWH	5.06	4.50
b. Through Diesel Generator		
i) Units (KWH)	143500	235550
ii) Total Amount	1448223	2041766
iii) Cost/Unit	10.09	8.67
Steam Coal	NIL	NIL
Furnace Oil	NIL	NIL
Others/Internal Generators	NIL	NIL
2. Fuel	NIL	NIL
B) Consumption Per Unit of Production		
Cotton Yarn / M.T.	1342 Units	1287 Units

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2010-2011

1. Company's Philosophy on code of Corporate Governance :

Your Company's philosophy on corporate governance envisages the alignment of the highest levels of transparency, accountability and equity, in all facts of its operations and in all its interactions with its stakeholders including shareholders, employees, government and lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value, over a sustained period of time.

2. Board of Directors :

The Board of Hisar Spinning Mills Limited consists of Six Directors during the financial year 2010-11. Sh. Gopal Krishan Gupta is Executive Chairman of the Company. As per listing Agreement the Company should have at least one half independent Directors.

The detail of Composition and Categories of Directors are given in table below :-

Sr.No.	Name of the Director	Category
1.	Sh. Gopal Krishan Gupta	Chairman Cum Managing Director
2.	Sh. T.N. Goel	Independent and Non-Executive Director
3.	Sh. M.L. Kansal	Non-Executive Director
4.	Sh. Anurag Gupta	Executive Director
5.	Sh. Vikas Gupta	Independent and Non-Executive Director
6.	Sh. Rajesh Gupta	Independent and Non-Executive Director

BOARD PROCEDURE :

The details of the meetings of the Board and Audit Committee held during the financial year 2010-2011 are given in Table below :-

(i) Board of Directors Meeting :

Date of Meeting	Total Members	Attendance by No. of Members
29.04.2010	6	3
30.07.2010	6	3
03.09.2010	6	5
30.10.2010	6	3
29.01.2011	6	3

(ii) Audit Committee Meetings :

29.06.2010	3	3
26.08.2010	3	3
06.11.2010	3	3
15.02.2011	3	3

The details of attendance of each Director at the Board and Audit Committee Meetings held during the Financial Year 2010-11 and details of number of outside directorship held by each of the Directors are given in Table below :-

Sr. No.	Name of Director	Attendance at Board Meetings	Attendance at Audit Committee Meeting	Attendance at Last AGM	Outside Directorship
1.	Sh. Gopal Krishan Gupta	5	4	Yes	1
2.	Sh. T.N. Goel	1	-	Yes	4
3.	Sh. M.L. Kansal	5	-	Yes	-
4.	Sh. Anurag Gupta		5	-	No
5.	Sh. Vikas Gupta	1	4	No	1
6.	Sh. Rajesh Gupta	-	4	No	1

3. AUDIT COMMITTEE

The current Audit Committee has following members viz. Sh. Vikas Gupta as Chairman, Sh. Gopal Krishan Gupta And Sh. Rajesh Gupta as Members. The terms of reference of the Audit Committee, covers the area mentioned in clause 49 of the Listing Agreement of the Stock Exchange and Section 292 A of the Companies Act, 1956.

4. REMUNERATION COMMITTEE

The Remuneration Committee has three members viz. Sh. T.N. Goel, as Chairman, Sh. Rajesh Gupta, as Member & Sh. Vikas Gupta, as Member. Details of the remuneration paid to Executive Director during the financial year ending 31st March 2011 is given below :

	Salary Paid	Service Tenure
1. Sh. Anurag Gupta	360000	up to 31.01.2012

The Company does not have any Stock Option Scheme.

5. Share Transfer & Shareholders/Investors Grievances Committee :

The Board of Directors has delegated the power of approving transfer of securities and other related formalities to the Registrar & Share Transfer Agent M/s Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi - 110015. The Committee under consideration comprises of Sh. Anurag Gupta as Chairman, Sh. Vikas Gupta as Member & Sh. Rajesh Gupta as Member. The committee looks into the grievances of the shareholders concerning transfer of shares and non receipt of annual report and recommend measure for expeditious and effective investor services. The total number of letters received and replied to the shareholders during the year 2010-2011 were 4 and no complaint was outstanding as on 31st March, 2011.

6. GENERAL BODY MEETINGS :

Last Three Annual General Meeting of the Company were held at the Registered Office of the Company at 9th KM Stone, Hisar Bhiwani Road, V.P.O. Dabra (Hisar) – 125 005 (Haryana) as detailed below :-

Year	Date	Time	Details of Special Resolution
2007-08	Monday 29/09/2008	11.00 A.M.	Nil
2008-09	Wednesday 30/09/2009	11.00 A.M.	Nil
2009-10	Thursday 30/09/2010	11.00 A.M.	Nil

No Special Resolution was put through postal ballot last year.

7. DISCLOSURES :

(a) Disclosures regarding materially significant related party transactions

None of the transaction with any of the related parties were in conflict with the interest of the company.

(b) Disclosures of non-compliance by the Company

The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets. During the last three years no penalties or strictures have been imposed on the Company by the stock exchanges or SEBI or any other statutory authorities relating to the above.

8. MEANS OF COMMUNICATION :

The quarterly results of the company were published during the year under review in National Newspaper in English & Hindi Language. Management Discussion and Analysis Report forms part of this annual Report.

9. GENERAL SHAREHOLDER INFORMATION :

a) Annual General Meeting

Date : Friday September 30, 2011
Time : 11.00 A.M.
Venue : 9th K.M. Stone, Hisar Bhiwani Road, VPO Dabra (Hisar) 125 005.

b) Financial Year :

The financial year of the company is 1st April to 31st March.

c) Book Closure :

The Dates of Book Closure is from 29th September, 2011 to 30th September, 2011 (Both days inclusive)

d) Listing on Stock Exchanges & Stock Code :

The securities of the company are listed on under mentioned Stock Exchanges given in table below:

Name of the Stock Exchange	Stock code
Bombay Stock Exchange Limited, Mumbai	521068

e) Share Transfer System :

The company's shares are traded in Stock Exchange compulsorily in demat mode. The Company has Transferred 2,44,782 shares in F.Y. 2010-2011 and no shares are pending for transfer.

f) Distribution of Shareholding :

The Distribution of Shareholding as on 31st March, 2011 given in table below :-

No. of equity shares held	Total Holders	% of share holder	No. of share held	% of share holding
Up to 5000	10495	99.64	2234420	59.82
5001 to 10000	7	0.07	56700	1.52
10001 to 20000	6	0.06	105218	2.82
20001 to 30000	10	0.09	264430	7.08
30001 to 40000	4	0.04	145350	3.89
40001 to 50000	2	0.02	93900	2.51
50001 to 100000	7	0.07	556115	14.89
100000 and above	2	0.01	278867	7.47
TOTAL	10533	100.00	3735000	100.00

Categories of Shareholders as on 31st March, 2011 given in table below :-

Category	No. of share	% of Shareholdings
Indian Promoters	1797700	48.13
Private Corporate Bodies	112500	3.01
Indian Public	1824800	48.86
Others	—	—
TOTAL	3735000	100.00

g) Dematerialisation of Shares and Liquidity :

The company's shares are traded in Stock Exchange compulsorily in Demat mode. CDSL have allotted ISIN No. INE689E01014 for Dematerialisation of Shares. Total 6,71,190 Shares are in Electronic Form and 30,63,810 Shares are in Physical Form as on 31.03.2011.

h) Plant Location :

Hisar Unit

9th K.M. Stone, Hisar Bhiwani Road,
VPO. Dabra (Hisar) 125 005. (Haryana)

i) Address for Correspondence :

Regd. Office and Works :

Hisar Spinning Mills Limited, 9th K.M. Stone, Hisar Bhiwani Road,
VPO. Dabra (Hisar) 125 005. (Haryana)

Registrar and Transfer Agent :

Indus Portfolio Private Limited, G-65, Bali Nagar, New Delhi-110 015.

j) Compliance Officer :

The name and designation of the compliance officer of the Company is Mr. Sharad Goel (Manager).

k) Compliance :

Compliance certificate obtained from the Auditors is attached to this report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of Hisar Spinning Mills Limited

We have examined the compliance of conditions of corporate governance by Hisar Spinning Mills Limited (the Company) for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the company with the Stock Exchanges. 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 conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share Transfer cum Investors 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 JAIN & ANIL SOOD
Chartered Accountants

Place : Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

AUDITOR'S REPORT

To
The Members,
Hisar Spinning Mills Limited

1. We have audited the attached balance sheet of **Hisar Spinning Mills Limited**, as at **31st March 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 mis-statement. 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, 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, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

v) On the basis of written representations received from the directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

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(2)

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the balance sheet, of the state of affairs of the company as at 31st March 2011;
- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) in the case of the cash flow statement of the cash flows for the year ended on that date.

for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

Place: Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

ANNEXURE TO THE AUDITOR'S REPORT

(referred to in our report of even date to the members of **Hisar Spinning Mills Limited** on accounts for the year ended **31st March 2011**)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The company has a program for the physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its fixed assets. No significant discrepancies were noticed on such verification.

(c) Based on our scrutiny of the records of the company and the information and explanations given to us, we report that there was sale of fixed assets during the year but the fixed assets disposed of did not constitute a substantial part of the fixed assets of the company. Hence, the question of reporting whether the sale of any substantial part of fixed assets has affected the going concern of the company does not arise.
2. (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) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) The company has taken unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year from the said party was Rs. 11000/- and the year end balance of loan taken from such party was Rs. 11000/-. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(b) In our opinion, the rate of interest and other terms and conditions on which unsecured loan has been taken from party covered in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest wherever applicable.

(d) There is no overdue amount of loan taken from party covered in the register maintained under section 301 of the Companies Act, 1956.

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4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. Based on our scrutiny of the company's records and according to the information and explanations given to us, in our opinion, the company has not accepted any deposits from public which are 'deposits' within the meaning of the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the information and explanations given to us and records of the company examined by us, the company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax and other material statutory dues applicable to it. Further according to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax and other material statutory dues were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax/income-tax/ custom duty/wealth-tax/ excise duty/ cess which have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the company are not more than fifty per cent of its net worth as on 31st March 2011. The company also has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year. In arriving at the accumulated losses, net worth and cash losses as above, we have considered the qualifications, if any, which are quantifiable in the audit reports of the years to which these pertain.

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11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank. Further according to records of the company, the company has not issued any debentures till 31st March 2011.
12. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the records of the company, the company has not obtained any fresh term loan during the financial year covered by our report. Hence, comments under the clause are not called for.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on 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.
18. According to the records of the company and the information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the records of the company, the company has not issued any debentures.
20. The company has not raised any money by public issues during the period covered by our audit report.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

Place: Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner
Membership No. 088447

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCHEDULE	AS AT		AS AT	
		31.03.2011		31.03.2010	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	I	43850000		43850000	
Reserves and Surplus	II	<u>3342000</u>	47192000	<u>3342000</u>	47192000
LOAN FUNDS					
Secured Loans	III	10578143		12559184	
Unsecured Loans	IV	<u>6011000</u>	16589143	<u>6011000</u>	18570184
Total			<u>63781143</u>		<u>65762184</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	V	89957172		88947388	
Less: Depreciation up to date		<u>66396490</u>		<u>62164682</u>	
Net Block			23560682		26782706
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	VI	19115905		13692881	
Sundry Debtors	VII	5676675		6373434	
Cash and Bank Balances	VIII	1063085		1120254	
Loans and Advances	IX	<u>4989115</u>		<u>2619453</u>	
Total (a)		<u>30844780</u>		<u>23806022</u>	
LESS: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	X	8101867		7671312	
Provision for Current Tax		<u>139421</u>		<u>17617</u>	
Total (b)		<u>8241288</u>		<u>7688929</u>	
Net Current Assets (a) - (b)			22603492		16117093
Profit and Loss Account			<u>17616969</u>		<u>22862385</u>
Total			<u>63781143</u>		<u>65762184</u>

Notes on Accounts

XX

As per our report of even date attached

for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

for and on behalf of the Board

Place: Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner

(GOPAL KRISHAN GUPTA) (T.N. GOEL)
Managing Director Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2011 Rs.	FOR THE YEAR ENDED 31.03.2010 Rs.
INCOME			
Sales	XI	128813348	116471380
Other Income	XII	2370655	721237
Increase/(-) Decrease in stock of finished goods and wastage	XIII	4528834	-1127382
Total		135712837	116065235
EXPENDITURE			
Raw Material Consumed	XIV	94788344	78016918
Manufacturing and Other Expenses	XV	23265212	21587232
Personnel Expenses	XVI	2684103	3264886
Administrative and General Expenses	XVII	1769786	1653219
Financial Expenses	XVIII	1678373	2213806
Selling Expenses	XIX	713075	841000
Depreciation		4349088	5344267
Total		129247981	112921328
Profit before tax		6464856	3143907
Less: Provision for Current Tax		1219357	486897
Profit after tax		5245499	2657010
Less: Provision for tax for earlier years		83	-
Add: Surplus/(-)Deficit brought forward from last year		-22862385	-25519395
Surplus/(-)Deficit carried to Balance Sheet		-17616969	-22862385
Notes on Accounts	XX		

As per our report of even date attached

for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

for and on behalf of the Board

Place: Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner

(GOPAL KRISHAN GUPTA) (T.N. GOEL)
Managing Director Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	FOR THE	FOR THE
		YEAR ENDED	YEAR ENDED
		31.03.2011	31.03.2010
		(Rs.)	(Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items		6464856	3143907
Adjustments for:			
Depreciation		4349088	5344267
Profit on sale of fixed assets		-4780	-
Interest received		-232889	-120161
Interest paid		1605193	1663336
Operating profit before working capital changes		12181468	10031349
Decrease/ (-) Increase in trade and other receivables		-1759925	-1980817
Decrease/ (-) Increase in inventories		-5423024	-2382781
Increase/ (-) Decrease in trade payables and other liabilities		568555	-1517154
Cash generation from operation		5567074	4150597
Income tax / Fringe benefit tax paid		-896086	-461242
Net cash from Operating Activities		4670988	3689355
B. CASH FLOW FROM INVESTING ACTIVITIES			
Sale/ (-) Purchase of fixed assets (including capital work in progress)		-1122284	-2206967
Investment in fixed deposits pledged with banks as margin money		0	953614
Interest received		187208	92149
Net cash from Investing Activities		-935076	-1161204
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase/ (-) Decrease in Term Loan Facilities from Bank		-2272000	-1940786
Increase/ (-) Decrease in Working Capital Facilities from Bank		303856	1396005
Interest paid		-1870618	-2160928
Net cash from Financing Activities		-3838762	-2705709
Net Increase/ (-) Decrease in Cash and Cash Equivalents		-102850	-177558
Opening Cash and Cash Equivalents		539899	717457
Closing Cash and Cash Equivalents		437049	539899

Notes on Accounts

XX

As per our report of even date attached
for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

for and on behalf of the Board

Place: Chandigarh
Date : 31.08.2011

(RAJESH KUMAR JAIN)
Partner

(GOPAL KRISHAN GUPTA)
Managing Director

(T.N. GOEL)
Director

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - I		
SHARE CAPITAL		
Authorised		
80,00,000 (Previous Year 80,00,000) Equity Shares of of Rs. 10/- each	80000000	80000000
20,00,000 (Previous Year 20,00,000) Preference Shares of Rs. 10/- each	20000000	20000000
	100000000	100000000
Issued, Subscribed and Paid-up		
37,35,000 (Previous Year 37,35,000) Equity Shares of Rs. 10/- each fully paid up	37350000	37350000
6,50,000 (Previous Year 6,50,000) 5% Redeemable Non Cumulative Preference Shares of Rs. 10/- each fully paid up (liable to be redeemed in four quarterly installments beginning from 01.01.2024)	6500000	6500000
Total	43850000	43850000

SCHEDULE - II
RESERVES AND SURPLUS

Capital Reserves	3342000	3342000
Total	3342000	3342000

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - III		
SECURED LOANS		
Working Capital Facilities from Punjab National Bank	2074099	1770243
Term Loan Facilities from Punjab National Bank (*)	8504044	10788941
Total	10578143	12559184

(*) Amount due for repayment out of term loans from banks with in one year is Rs. 2272000/- (previous year - 2272000/-).

Working capital facilities from Punjab National Bank are secured by hypothecation of stock of all kind of raw material, stock in process, finished goods, store and spares of cotton and all other item acceptable to bank and book debts. The said facility is further secured by equitable mortgage of land measuring 34 Kanal and 14 Marla and building constructed thereon situated at Village Dabra Distt. Hissar and hypothecation of plant and machinery.

Term Loan facilities from Punjab National Bank are secured by first charge on existing as well as future block assets and mortgage of land on which the unit is constructed along with the building constructed thereon located at village Dabra, Hissar.

SCHEDULE - IV
UNSECURED LOANS

From Directors	11000	11000
From Others	6000000	6000000
Total	6011000	6011000

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK		
	Balance as on 1.4.2010	Additions	Sales	Balance as on 31.3.2011	Balance as on 1.4.2010	For the Year	Written Back	Balance as on 31.3.2011	Balance as on 31.3.2011	Balance as on 31.3.2010
SCHEDULE - V										
FIXED ASSETS										
Land and Site Development	1387964	-	-	1387964	-	-	-	-	1387964	1387964
Building										
- Factory	12332839	-	-	12332839	7611983	472086	-	8084069	4248770	4720856
- Office and Others	3643630	1155732	-	4799362	1123705	150219	-	1273924	3525438	2519925
Plant and Machinery	59473711	-	225000	59248711	46949016	2907097	117280	49738833	9509878	12524695
Weighing Scales	112536	-	-	112536	62449	6967	-	69416	43120	50087
Electric Installations	5408577	-	-	5408577	3372104	283273	-	3655377	1753200	2036473
Generating Sets	4662998	-	-	4662998	1846999	391705	-	2238704	2424294	2815999
Furniture and Fixtures	401011	9137	-	410148	373797	14063	-	387860	22288	27214
Office Equipments	653097	30800	-	683897	484428	37507	-	521935	161962	168669
Fire Fighting Equipments	819375	-	-	819375	307202	71243	-	378445	440930	512173
Vehicles	51650	39115	-	90765	32999	14928	-	47927	42838	18651
Total	88947388	1234784	225000	89957172	62164682	4349088	117280	66396490	23560682	26782706
Previous Year	85611866	3335522	-	88947388	56820415	5344267	-	62164682	26782706	28791451

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - VI		
INVENTORIES		
(as taken, valued and certified by the management)		
Raw Material	10128930	8712523
Finished Goods	3710248	1349125
Wastage	199560	319832
Work in Process	3046487	758504
Stores, Spares, Diesel and Packing Material	2030680	2552897
Total	19115905	13692881

SCHEDULE - VII
SUNDRY DEBTORS

(unsecured considered good)

Debtors outstanding for a period exceeding six months	669070	1226442
Other Debtors	5007605	5146992
Total	5676675	6373434

SCHEDULE - VIII
CASH AND BANK BALANCES

Cash in Hand (including imprest)	271534	225224
Balance with Scheduled Banks		
- in Current Accounts	18305	117380
- in Fixed Deposit Accounts (including interest receivable)	626036	580355
(held as margin money against bank guarantees/letter of credit)		
Cheques in Hand	147210	197295
Total	1063085	1120254

	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
SCHEDULE - IX		
LOANS AND ADVANCES		
(unsecured considered good)		
Advances recoverable in cash or kind or for the value to be received	825620	384411
Advance to Suppliers	2493437	191574
Advance Income Tax and Fringe Benefit Tax (net) (including tax deducted/collected at source)	52310	253860
Security Deposits	1617748	1789608
Total	4989115	2619453

SCHEDULE - X
CURRENT LIABILITIES

Sundry Creditors		
- Due to Micro, Small and Medium Enterprises (See Schedule - XX, Note 3)	-	-
- Due to Others	4309324	3917527
Advance from Customers	847560	667288
Other Liabilities	2873347	2671519
Cheques Issued Liability	71636	414978
Total	8101867	7671312

	FOR THE YEAR ENDED 31.03.2011 Rs.	FOR THE YEAR ENDED 31.03.2010 Rs.
SCHEDULE - XI		
SALES		
Cotton Yarn	126973284	114682539
Cotton Wastage	1810589	1709401
Scrap	29475	79440
Total	<u>128813348</u>	<u>116471380</u>
 SCHEDULE - XII		
OTHER INCOME		
Interest Received (Tax deducted at source - Rs. 5076/- previous year - Rs. 12071/-)	232889	120161
Transfer of Hank Yarn Obligation	1543709	456734
Insurance Claim Received	516362	54800
Miscellaneous Income	72915	89542
Profit on Sale of Fixed Assets	4780	-
Total	<u>2370655</u>	<u>721237</u>
 SCHEDULE - XIII		
INCREASE/ (-) DECREASE IN STOCK OF FINISHED GOODS AND WASTAGE		
Closing Stock of Finished Goods and Wastage	3909808	1668957
Closing Stock of Work in Process	3046487	758504
	<u>6956295</u>	<u>2427461</u>
Less:		
Opening Stock of Finished Goods and Wastage	1668957	2188878
Opening Stock of Work in Process	758504	1365965
	<u>2427461</u>	<u>3554843</u>
Total	<u>4528834</u>	<u>-1127382</u>

	FOR THE YEAR ENDED 31.03.2011 Rs.	FOR THE YEAR ENDED 31.03.2010 Rs.
SCHEDULE - XIV		
RAW MATERIAL CONSUMED		
Opening stock of Raw Material	8712523	5628230
Add : Purchases	96204751	81101211
	104917274	86729441
Less: Closing stock of Raw Material	10128930	8712523
Total	94788344	78016918

SCHEDULE - XV
MANUFACTURING AND OTHER EXPENSES

Stores and Spares Consumed	4869813	4570422
Diesel Consumed	1448223	2041766
Packing Material Consumed	1063960	1079713
Electric Stores Consumed	573819	666888
Power and Fuel	14957936	12917996
Plant and Machinery Repair and Maintenance	351461	310447
Total	23265212	21587232

SCHEDULE - XVI
PERSONNEL EXPENSES

Salaries and Wages	1590407	1988576
House Rent Allowance	-	134613
Staff and Labour Welfare	12048	7517
Employers' Contribution to Provident Fund and Other Funds	134722	173156
Employers' Contribution to E.S.I	57852	64020
Recruitment Expenses	1350	250
Labour Charges	807146	813073
Bonus	80578	83681
Total	2684103	3264886

	FOR THE YEAR ENDED 31.03.2011 Rs.	FOR THE YEAR ENDED 31.03.2010 Rs.
SCHEDULE - XVII		
ADMINISTRATIVE AND GENERAL EXPENSES		
Fees and Subscription	93005	79096
Building Repair and Maintenance	294098	-
General Repair and Maintenance	7708	11650
Director's Remuneration	360000	360000
Insurance Charges	138838	136132
Legal and Professional Charges	61290	66446
<u>Auditor's Remuneration</u>		
- for Audit Fees	44120	44120
- for Tax Audit Fees	11030	11030
Printing and Stationery	115716	131246
Postage Expenses	79090	80787
Telephone Expenses	102336	113415
Scooter/Motorcycle Petrol and Maintenance	61356	68506
Rent	100000	276264
Computer Processing Charges	54000	51000
Advertisement	69416	62236
Weighment Charges	14400	14800
Miscellaneous Expenses	24527	17610
Travelling Expenses (other than directors)	-	16015
Electricity and Water Charges	138856	112866
Total	1769786	1653219
SCHEDULE - XVIII		
FINANCIAL EXPENSES		
Interest paid to Banks	884874	1094051
Interest paid to Others	720319	569285
Bank Charges	73180	550470
Total	1678373	2213806
SCHEDULE - XIX		
SELLING EXPENSES		
Freight and Cartage Outward	648620	596260
Commission on Sales	-	182528
Value Added Tax and Central Sales Tax	32760	26197
Rebate and Discount	31695	36015
Total	713075	841000

SCHEDULE - XX
NOTES ON ACCOUNTS

1. **Significant Accounting Policies**

a) **Basis of preparation and presentation of financial statements**

The accounts are prepared on accrual basis under the historical cost convention in accordance with generally accepted accounting principles and the accounting standards referred to in section 211(3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

b) **Inventories**

Inventories have been valued at lower of cost and net realisable value. The cost in respect of various items of inventory is computed as under:

- in case of raw material, stores, spares, diesel and packing material at first in first out (FIFO) cost method plus direct expenses.

- in case of work in process at raw material cost plus conversion cost depending upon the stage of completion.

- in case of finished goods at raw material cost plus conversion cost, packing cost and other overheads incurred to bring the goods up to their present condition and location.

c) **Revenue Recognition**

Sales of goods is recognised at the point of dispatch of goods to the customers and is disclosed net of returns, if any.

d) **Fixed Assets**

The Fixed assets have been stated at original cost including inward freight, other incidental costs relating to acquisition and installation thereof and duties and taxes less modvat/cenvat credit and value added tax credit, if any, and less depreciation up to date.

e) **Depreciation**

Depreciation on fixed assets has been provided on written down value method at the rates and in the manner specified in Schedule - XIV to the Companies Act, 1956.

f) **Effects of changes in foreign exchange rates**

Transactions in foreign currency are recorded on initial recognition in the reporting currency amount based on the exchange rate between the reporting currency and foreign currency at the date of transaction. At each balance sheet date foreign currency monetary items are reported at closing rates. Exchange differences arising on restatement of monetary items at closing rates have been provided during the year under consideration.

g) **Government Grants**

Government grants related to revenue have been deducted from related expense which they are intended to compensate. Government grants of the nature of promoters' contribution have been credited to Capital Reserve.

Contd./P/2

(2)

h) Employee Benefits

(i) Provident Fund and Pension Fund

All eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employee and the company make monthly contributions to the fund, which is equal to a specified percentage of the covered employee's basic salary and the contribution made by the company to such fund is charged to the profit and loss account. The company has no further obligations under this plan beyond its monthly contributions.

(ii) Leave with Wages

Provision for leaves, if any, is made on the basis of leaves accrued to the employees during the year.

(iii) Gratuity

Liability for gratuity is provided through a policy taken from Life Insurance Corporation of India (LIC) by a trust formed for the purpose. The liability is provided on the basis of actuarial valuation made by LIC as at the close of the year to cover the year's liability and such liability is charged to the profit and loss account.

i) Borrowing Costs

Borrowing costs that are directly attributable to qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j) Accounting for Taxes on Income

Provision for current income tax is made in accordance with the provisions of Income-tax Act, 1961. In accordance with Accounting Standard (AS) - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, deferred tax resulting from timing differences between book and tax profit is accounted for at the tax rates substantively enacted by the Balance Sheet date to the extent that the timing differences are expected to crystallise. Deferred tax assets are recognised only when there is virtual certainty of sufficient future profits available to realise such assets.

k) Impairment of Assets

The Company has considered all the external sources of information and internal sources of information indicating whether an individual asset or a cash-generating unit of the company has impaired. On the basis of those sources of information, no indication of a potential impairment loss is present, as such no formal estimate of recoverable amount has been made at the balance sheet date.

l) Provisions and Contingent Liabilities

Provisions are recognised for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

Contd./P/3

(3)

2. **Contingent Liabilities not provided for:**

Counter guarantees issued to Punjab National Bank against guarantees issued by the said bank in favour of The President of India for Rs. 502000/- covered by 100% margin in the shape of fixed deposits (previous year - Rs. 502000/-).

Performance bond of Rs. 8343306/- (previous year - Rs. 8343306/-) issued in favour of The President of India under an export obligation against purchase of capital goods under export performance credit guarantee scheme.

3. The Company has not received any communication from any of its suppliers/ service providers in response to letters issued by the Company, confirming whether or not they are registered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of any positive confirmation from the suppliers/ service providers, the information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 could not be determined.

4. The transactions with related parties as required to be disclosed according to Accounting Standard - 18 issued by The Institute of Chartered Accountants of India are as under:

(Amount in Rs.)

Particulars	Key management personnel		Enterprises over which key management personnel or relative of such personnel exercise significant influence		Total	
	For the year ended 31.03.2011	For the year ended 31.03.2010	For the year ended 31.03.2011	For the year ended 31.03.2010	For the year ended 31.03.2011	For the year ended 31.03.2010
a) Director Remuneration	360000	360000	-	-	360000	360000
b) Opening balance of Loans taken or accepted	11000	11000	-	-	11000	11000
c) Closing balance of Loans taken or accepted	11000	11000	-	-	11000	11000
d) Purchase of Raw Material	-	-	979351	1780438	979351	1780438

Key Management Personnel : Sh. Gopal Krishan Gupta
: Sh. Anurag Gupta

Enterprises over which key management personnel or : M/s Usha Yarns Limited
relative of such personnel exercise significant influence

Contd./P/4

(4)

5. Details of gratuity plan taken by the Company from Life Insurance Corporation of India (LIC) through a trust formed for this purpose is as under:

Opening and closing balance of obligations	<u>Amount (Rs.)</u>
a) Present value of obligation as at 01.04.2010	383406
b) Interest cost	30672
c) Current service cost	64521
d) Actuarial gain (-) / loss on obligations	-121571
e) Present value of obligation as at 31.03.2011	357028

Opening and closing balance of fund with LIC

a) Balance in gratuity fund with LIC against opening obligation	440382
b) Income credited during the year	46537
c) Annual contribution made to the fund during the year	86130
d) Balance in gratuity fund with LIC against closing obligation	573049
e) Amount of funded assets recognised in the balance sheet	216021

Expenses recognised during the year

a) Current service cost	64521
b) Interest cost	30672
c) Income credited during the year	46537
d) Actuarial gain (-) / loss on obligations	-121571
e) Expenses recognised during the year	-72915

Assumptions

a) Discount rate (per annum)	8%
b) Rate of escalation in salary (per annum)	7%

6. Previous year's figures have been re-grouped / re-arranged wherever considered necessary to make them comparable with figures of the current year.

7. Figures have been rounded off to the nearest rupee.

8. Additional information required under paragraph 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956:

A. Licenced and Installed Capacity (per annum)

Particulars	Unit	* Licenced Capacity		** Installed Capacity	
		As at	As at	As at	As at
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
Cotton Yarn	M.T.	4500	4500	4000	4000

* As per acknowledgement no. 3803/SIA/IMO/97 dated 22.12.1997 from Entrepreneurial Assistance Unit, Secretariat for Industrial Assistance, Ministry of Industry, Govt. of India.

** Installed capacity is certified by the Management and not verified by the Auditors being a technical matter.

B. Actual Production

Particulars	Unit	for the	for the
		year ended	year ended
		31.03.2011	31.03.2010
Cotton Yarn	M.T.	2310.836	2413.150
Wastage	M.T.	491.729	468.138

Contd./P/5

(5)

C. Sales

Particulars	Unit	For the year ended 31.03.2011		For the year ended 31.03.2010	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Cotton Yarn	M.T.	2289.486	126973284	2437.790	114682539
Wastage	M.T.	514.670	1810589	432.995	1709401

D. Opening Stock of Finished Goods

Particulars	Unit	As at 01.04.2010		As at 01.04.2009	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Cotton Yarn	M.T.	27.560	1349125	52.200	1961618
Wastage	M.T.	79.958	319832	56.815	227260

E. Closing Stock of Finished Goods

Particulars	Unit	As at 31.03.2011		As at 31.03.2010	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Cotton Yarn	M.T.	48.910	3710248	27.560	1349125
Wastage	M.T.	57.017	199560	79.958	319832

F. Raw Material Consumed

Particulars	Unit	For the year ended 31.03.2011		For the year ended 31.03.2010	
		Qty.	Amount (Rs.)	Qty.	Amount (Rs.)
Cotton and Cotton/Textile Waste	M.T.	2887.695	94788344	2892.755	78016918

G. Other Additional Information

Particulars	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Amount (Rs.)		Amount (Rs.)	
(a) CIF value of Imports				
- Stores, Spares and Components	1121301		1606548	
(b) Value of Raw Material, Stores and Spares consumed during the year				
	Value	%	Value	%
i) Raw Material				
- Imported	-	-	-	-
- Indigenous	94788344	100.00%	78016918	100.00%
ii) Stores, Spares and Components				
- Imported	1766193	27.14%	1387349	21.96%
- Indigenous	4741399	72.86%	4929674	78.04%

Contd./P/6

(6)

9. The information pursuant to Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS

Registration Number	31621
State Code	05
Balance Sheet Date	31.03.2011

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSAND)

Public Issue	-
Rights Issue	-
Bonus Issue	-
Private Placement	-

III POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities	54405
Total Assets	54405

Sources of Funds

Paid up Capital	43850
Reserves and Surplus	3342
Secured Loans	10578
Unsecured Loans	6011
	<u>63781</u>

Application of Funds

Net Fixed Assets	23561
Net Current Assets	22603
Accumulated Losses	17617
	<u>63781</u>

IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSAND)

Turnover and other income	131184
Total Expenditure	124718
Profit before Tax	6465
Profit after Tax	5245
Earnings per Share (in Rs.)	1.40
Dividend Rate (%)	-

**V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF THE COMPANY
(AS PER MONETARY TERMS)**

Item Code No. (ITC Code)	52.05
Product Description	Cotton Yarn

As per our report of even date attached

for JAIN & ANIL SOOD
Chartered Accountants
Firm Registration No. 010505N

for and on behalf of the Board

Place: Chandigarh (RAJESH KUMAR JAIN) (GOPAL KRISHAN GUPTA) (T.N. GOEL)
Date : 31.08.2011 Partner Managing Director Director