

**BOARD OF DIRECTORS**

SRI LALIT KUMAR GUPTA : Managing Director
SRI GAJANAND GUPTA : Director
SRI RITESH KUMAR GUPTA : Director

AUDITORS

: M/s Lakshminivas & Jain
Chartered Accountants
Hyderabad

REGISTERED OFFICE

: D.No:4-1-969/1-2, 3rd Floor,
B.Shankarlal Building, Abids,
Hyderabad.

FACTORY

: Survey No.46/A,
Balanagar Village,
Balanagar Mandal,
Mahaboobnagar Dist.,
Andhra Pradesh.

**REGISTRARS AND
TRANSFER AGENTS**

: Venture Capital and Corporate Investments Pvt. Ltd.
12-10-167
Bharatnagar Colony,
Hyderabad – 500 004.



NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Tirumala Seung Han Textiles Limited will be held on **SATURDAY, 20TH SEPTEMBER, 2008 at 2.00 P.M.** at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad to transact the following items of business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008 and the Profit and Loss Account for the Financial Year ended on that date and the Report of Directors and the Auditors thereon.
2. To appoint a Director in place of Sri Ritesh Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD

Sd/-

LALIT KUMAR GUPTA

Chairman & Managing Director

Place: Hyderabad

Date : 20-08-2008

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND TO VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from **WEDNESDAY, 17TH SEPTEMBER, 2008 To SATURDAY, 20TH SEPTEMBER, 2008** (both days inclusive).
3. Members are requested to quote their Ledger Folio No in all their correspondence to avoid delay in communication.

**DIRECTOR'S REPORT**

To
The Members,

Your Directors have pleasure in presenting the **TWENTY FOURTH ANNUAL REPORT** together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2008.

FINANCIAL RESULTS:

(Rs In Lakhs)

	For the Year ended 2007-2008	For the Year ended 2006-2007
Sales	5.56	4.55
Other Income	32.69	18.80
Extraordinary Item	-	846.53
Expenditure	(27.98)	(32.24)
Gross Profit / (Loss)	10.27	837.64
Less: Depreciation	(80.15)	(80.22)
Less: Interest	(0.05)	(1.30)
Profit for the year	(69.93)	756.12
Less: Prior Period Expenses	-	(1.28)
Add: Income / (Expenses)		
Extraordinary Items	-	727.34
Profit/ (Loss) for the year before tax (69.93)		1482.18
Income tax	-	-
Deferred Tax	18.22	18.34
Profit / (Loss) after tax	(51.71)	1500.52
Balance of profit / (Loss) brought forward	(508.53)	(2009.05)
Surplus (Loss) transferred to Balance Sheet	(560.24)	(508.53)

OPERATIONS:

The Company has achieved sales turnover of Rs. 5.56 Lakhs compared to previous year sales turnover of Rs. 4.55 Lakhs and recorded net loss before tax of Rs. 69.93 Lakhs.

FUTURE OUTLOOK:

The Board of Directors are considering various options to carryout the operations, keeping in

mind the changes happened in the industry of manufacturing of Acrylic Mink Blankets.

DIVIDEND:

Due to absence of profits your Directors do not recommend any dividend for the Financial Year 2007-08.

CORPORATE GOVERNANCE:

As your Company has come out from BIFR recently, efforts are on to implement Corporate Governance in terms of Clause 49 of the Listing Agreement. Your Director's are hopeful to implement the Corporate Governance Code by end of this Financial Year.

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

Information as required pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

The company has not carried out any operation during the financial year so there is no Conservation of Energy and technology absorption in the company.

Foreign Exchange Earnings & Outgo:

Foreign Exchange earnings : Nil

Foreign Exchange outgo : Rs. 4, 79,217/-

PARTICULARS OF EMPLOYEES:

There are no employees drawing remuneration exceeding the limits as specified under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- (i) that in the preparation of Annual Accounts for the Financial Year ended 31st March,



2008, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any, there from;

- (ii) that the Directors have selected such 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 at the end of the Financial Year ended 31st March, 2008 and of the profit and loss of the Company for that period;
- (iii) that the Directors have 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 have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 from the public during the Financial Year.

DIRECTORS

Sri Ritesh Kumar Gupta, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS:

M/s. Lakshminivas & Jain, Chartered Accountants, the auditors of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

EXPLANATION TO AUDITORS' OBSERVATIONS:

The Directors of your Company give the following explanations in respect of the qualifications made in the Auditor's Report.

1. With regard to Clause f (i) and f (ii) regarding non provision of amounts for long pending debtors and loans and advances, Directors are hopeful of recovering the same and hence no provision is made.
2. With regard to Clause f (iii) of the Auditors' Report, the members may note that gratuity is accounted for and paid as and when the liability arises i.e. it is accounted for on cash basis hence the same has not been provided for.
3. With regard to Clause f (iv), the Note No 7 in Schedule 16 is self explanatory.
4. With regard to interest on Unsecured Loans in Clause f (v) of the Auditors Report, attention of members is drawn to point no: 9 respectively in the Notes to Accounts which are self explanatory.
5. With regard to Impairment loss on the assets in Clause f (vi) of the Auditors Report, attention of members is drawn to point no: 13 respectively in the Notes to Accounts which are self explanatory.
6. With regard to point no (1) (a) in the annexure to Auditor's Report, attention of members is drawn to the fact that due to inadequate staff the fixed assets register was not updated.
7. With regard to point no (7) in the annexure to Auditors Report, attention of members is drawn to the fact that due to continuous financial crisis the Company could not appoint internal auditors.
8. With regard to point no (9) (a) in the annexure to Auditors Report, attention of members is drawn to the fact that due to the subsisting financial crisis the Company was not in a position to clear the same.

**LISTING FEE:**

Your Company's shares are presently listed on the Hyderabad Stock Exchange, Ahmedabad Stock Exchange Limited, Kolkata Stock Exchange Limited and Bombay Stock Exchange Limited. Company is regular in paying the listing fee to the Bombay Stock Exchange Limited.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation and gratitude for the continuous support and assistance extended by all the Statutory Authorities. The Board also extends its heartfelt gratitude to the Creditors, Customers, Suppliers and Shareholders for the confidence reposed by them in the Company. Your Directors also place on record their appreciation for the continued contributions made by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(LALIT KUMAR GUPTA)

Chairman & Managing Director

Date : 20-08-2008

Place: Hyderabad



AUDITOR'S REPORT

To
THE MEMBERS,
TIRUMALA SEUNG HAN TEXTILES LIMITED,
HYDERABAD

1. We have audited the attached Balance Sheet of M/s. TIRUMALA SEUNG HAN TEXTILES LIMITED, Hyderabad, as at 31st March, 2008 and 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 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 misstatements. An audit included examining on test basis evidence supporting the amounts and disclosures in the financial statement. An audit also include 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 Section 227 (4A) 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 state that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statements dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956 *except accounting of gratuity, interest on unsecured loan.*
 - e) On the basis of written representations received from the Directors as on 31.03.2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2008 from being appointed as a Director of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f)
 - i) *Debtors include Rs. 21.29 Lakhs Long pending for which no provision is made in the accounts.*
 - ii) *Loan and advances included Rs.8 Lakhs Long pending for which no provision is made in the account*
 - iii) *Due to non-provision of liability for gratuity in earlier years, liabilities are under stated by Rs. 30000/- Refnote No 1 in Sch 16.*



- iv) *Non confirmation / reconciliation of Balances of Creditors, Debtors, Bank Balances, other Liabilities, Unsecured Loan and Loan and Advances, refer Note No 7 In Sch 16, the impact of which is unascertained.*
- v) *The provisions for interest on unsecured loan is not made, as the request for waiver of interest / reduction in the rate of interest is made - Ref Note No 9 in Sch 16, the impact of which could not be ascertained.*
- vi) *Impairment loss, if any on assets of the company which could not be ascertain in absence of technical evaluation from experts Ref Note No. 13 in Sch.16.*
- g. In our opinion and to the best of our information and according to the explanations given to us, the said account read with the Accounting Policies and Notes forming part of accounts appearing in Schedule no. 16 and subject to matters referred in Para (d) and (f) above, gives the information required by the Companies

Act 1956 in the manner so required and give the true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008.
- ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LAKSHMINIWAS & JAIN**
CHARTERED ACCOUNTANTS

Sd/-
(SURESH KUMAR JAIN)
PARTNER
MEMBERSHIP NO. 018465

Place : Hyderabad
Date : 20-08-2008



ANNEXURE TO THE AUDITOR'S REPORT
TIRUMALA SEUNG HAN TEXTILES LIMITED

[Referred to in paragraph 3 of our report of even date]

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of all Fixed Assets. **Which requires to be updated for some particulars, which are to be gathered from financial books.**
 - (b) These assets have been physically verified by the management during the year through a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year the Company has not disposed off any fixed assets, except land and structure acquired by Joint-Collector National Highways (Ref Note No. 12 of Sch No. 16)
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) 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) According to the information and explanations given to us, during the year the Company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence clause (a) to (d) are not applicable.
 - b) The Company has taken unsecured loan from six parties covered in the registered maintained under Section 301 of the Companies Act, 1956 and the balance payable to them as at 31.03.2008 is Rs. 33.82 lakhs.
 - (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies, firms, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (d) As the terms and conditions for repayment of loans taken are not stipulated, we are unable to comment whether the Company is regular in payment or otherwise.
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 the 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.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to enter in the registers 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, there are no transactions made during the year, in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five Lakhs in respect of each party.

6. During the year, the Company has not accepted any deposits from the public within the meaning of Section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.

7. According to the information and explanations given to us, *in our opinion, the Company does not have any internal audit system during the year.*

8. During the year the Company has not carried any manufacturing operations. Hence it is informed to us that the cost records maintenance requirement is not applicable for this year.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, and Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it **except for a sum of Rs. 119262/- towards sales tax, Rs. 93792/- towards TDS is due for more than 6 months as on 31.03.2008.**

(b) According to the information and explanations given to us, there are

dues of sales tax, income tax, wealth tax, custom duty, central excise duty and cess which are not deposited on account of dispute are as follows:

Name of The Statute	Amount	Forum
The A P General Sales Tax	462,454	C T O Sec'bad
The Central Sales Tax Act	756,519	C T O Sec'bad.
The Central Excise Act, 1944	27,884,662	Appellate Authorities of Customs & Central Excise.

10. The Company's accumulated losses are more than fifty percent of its net worth as on 31.3.2008 and it has incurred cash losses in the financial year ended on that date. The Company did not incurred cash losses in the immediately preceding financial year i.e. year ending 31.03.2007.

11. According to the information and explanations given to us, the Company has not defaulted in repayment of its dues to any debenture holders / financial institution / bank during the year.

12. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of Clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



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 information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. During the year the Company has not taken any term loan and hence the provisions of Clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
17. According to the information and explanations given to us and on the 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 investments.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly the provisions of Clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. According to the information and explanations given to us, the Company has not issued any secured debentures during the year.
20. According to the information and explanations given to us, the Company has not raised any money by public issue during the year. Accordingly the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
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 LAKSHMINIWAS & JAIN
CHARTERED ACCOUNTANTS

Sd/-
(SURESH KUMAR JAIN)
PARTNER
MEMBERSHIP NO. 018465

Place: Hyderabad
Date : 20-08-2008

**BALANCE SHEET AS ON 31ST MARCH, 2008**

Particulars	Sch. No.	As at 31.03.2008		As at 31.03.2007	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS					
1. Share Holders Funds					
Share Capital	1	7,77,31,100		7,77,31,100	
Reserves and Surplus	2	<u>99,82,700</u>	87,713,800	<u>99,82,700</u>	87,713,800
2. Loan Funds					
Unsecured Loans	3	<u>2,52,42,059</u>	<u>25,242,059</u>	<u>2,82,32,186</u>	<u>2,82,32,186</u>
			<u>112,955,859</u>		<u>11,59,45,986</u>
II APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	4	16,19,14,066		16,18,79,611	
Less : Depreciation		<u>(9,51,08,737)</u>		<u>(8,70,93,491)</u>	
Net Block			6,68,05,329		7,47,86,120
Capital Work-in-progress			4,75,871		4,75,871
2. Current Assets, Loans and Advances					
Inventories	5	67,01,001		67,01,001	
Sundry Debtors	6	49,22,941		49,22,941	
Cash and Bank balances	7	15,16,945		31,37,969	
Loans and Advances	8	<u>51,87,782</u>		<u>57,18,297</u>	
		<u>1,83,28,669</u>		<u>2,04,80,208</u>	
Less : Current Liabilities and Provisions	9	<u>(1,34,02,321)</u>		<u>(1,35,51,491)</u>	
Net Current Assets			49,26,348		69,28,717
3. Deffered Tax (Net)			(1,52,75,777)		(1,70,98,057)
4. Miscellaneous Expenditure (to the extent not written-off or adjusted)					
Profit and Loss Account			<u>56,024,088</u>		<u>5,08,53,335</u>
			<u>11,29,55,859</u>		<u>11,59,45,986</u>
Contingent Liabilities	10		8,17,56,454		81,210,231
Accounting Policies and Notes on Accounts	16				
As per the report of evendate attached					
For LAKSHMINIWAS & JAIN			For and on behalf of the Board		
Chartered Accountants					
Sd/-			Sd/-		Sd/-
(SURESH KUMAR JAIN)		LALIT KUMAR GUPTA		GAJANAND GUPTA	
Partner		Managing Director		Director	
Membership No. 018465					
Place : Hyderabad					
Date : 20-08-2008					

**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2008**

Particulars	Sch. No.	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
INCOME			
Sales		5,56,794	4,55,965
Other Income	11	32,69,843	19,12,813
Increase / (Decrease) in Finished Goods / Work-in-Process	12	-	(32,800)
Profit on sale of fixed assets		-	8,46,53,537
		<u>38,26,637</u>	<u>8,69,89,515</u>
EXPENDITURE			
Raw Material Consumption	13	-	-
Purchase of Cloth		4,56,790	3,71,670
Manufacturing, Selling, Administrative and other Expenses	14	23,42,178	28,52,449
Interest & Finance Charges	15	5,456	1,30,555
Depreciation	4	80,15,246	80,22,818
		<u>1,08,19,670</u>	<u>1,13,77,492</u>
Profit / (Loss) for the year before extraordinary items		(69,93,033)	7,56,12,023
LESS : Prior Period adjustments		-	(1,28,577)
ADD : Income/ (Expenses) Extraordinary Items		-	7,27,33,642
		<u>(69,93,033)</u>	<u>14,82,17,088</u>
Profit / (Loss) for the year before tax		(69,93,033)	14,82,17,088
Provision for Taxation			
a) Current Tax			
b) Deferred Tax		18,22,280	18,34,073
Profit / (Loss) for the year after tax		(51,70,753)	15,00,51,161
Balance of Profit / (Loss) brought forward from earlier years		(5,08,53,335)	(20,09,04,496)
Profit / (Loss) Balance carried to Balance Sheet		<u>(5,60,24,088)</u>	<u>(5,08,53,335)</u>
Basic and diluted Earnings per Share		(1)	19.30
Accounting Policies and Notes on Accounts	16		

As per the report of evendate attached

For and on behalf of the Board

For LAKSHMINIWAS & JAIN

Chartered Accountants

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 20-08-2008

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2008

S.No	PARTICULARS	AMOUNT RS
I CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax & extraordinary items	(69,93,033)
	Adjustments for:	
	Add: 1. Depreciation(Net)	80,15,246
	2. Loss on sale of assets	-
	Cash Profit/(Loss) before Working Capital Changes	10,22,213
	Adjustments for Working Capital	
	1. Inventories	-
	2. Debtors	-
	3. Loans & Advances	5,30,515
	4. Creditors & Other liabilities	(1,49,171)
	Cash generated from operating activities	14,03,557
II CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(34,455)
	Cash generated from investment activities	(34,455)
III CASH FLOW FROM FINANCING ACTIVITIES		
	1. Secured Loans	-
	2. Unsecured Loans	(29,90,127)
	Cash generated from financing activities	(29,90,127)
	NET FLOW OF CASH(I+II+III)	(16,21,025)
	CASH FUNDS AND CASH EQUIVALENT AS ON 01.04.2007	31,37,969
	CASH FUNDS AND CASH EQUIVALENT AS ON 31.03.2008	15,16,944

As per our report of even date attached
For **LAKSHMINIWAS & JAIN**
Chartered Accountants

For and on behalf of the Board

Sd/-
(SURESH KUMAR JAIN)
Partner
Membership No. 018465

Sd/-
LALIT KUMAR GUPTA
Managing Director

Sd/-
GAJANAND GUPTA
Director

Place: Hyderabad
Date : 20-08-2008

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs.10/- each	<u>10,00,00,000</u> <u>10,00,00,000</u>	<u>10,00,00,000</u> <u>10,00,00,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :		
77,73,110 Equity Shares of Rs.10/- each Fully paid-up	<u>7,77,31,100</u> <u>7,77,31,100</u>	<u>7,77,31,100</u> <u>7,77,31,100</u>
SCHEDULE - 2 : RESERVES AND SURPLUS		
Capital Reserve - Investment Subsidy	20,00,000	20,00,000
Share Premium	57,02,700	57,02,700
Investment Allowance Reserve	22,80,000	22,80,000
	<u>99,82,700</u> <u>99,82,700</u>	<u>99,82,700</u> <u>99,82,700</u>
SCHEDULE - 3 : UNSECURED LOANS		
Directors	1,68,535	68,535
Others	2,50,73,524	2,81,63,651
	<u>2,52,42,059</u> <u>2,52,42,059</u>	<u>2,82,32,186</u> <u>2,82,32,186</u>
SCHEDULE - 5 : INVENTORIES		
Stock in trade (as taken, valued and certified by the Management		
- Yarn	5,94,459	594,459
- Colours, Chemicals & Nylon	25,674	25,674
- Work in progress	5,28,534	5,28,534
- Packing Material	5,09,512	5,09,512
- Finished Goods	9,96,159	9,96,159
- Stores & Spares	1,82,963	1,82,963
- Designing Material	38,63,700	38,63,700
	<u>67,01,001</u> <u>67,01,001</u>	<u>67,01,001</u> <u>67,01,001</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 6 : SUNDRY DEBTORS		
(Unsecured - considered good)		
Debts outstanding for a period exceeding six months		
Sundry Debtors	49,22,941	49,22,941
	<u>49,22,941</u>	<u>49,22,941</u>
SCHEDULE - 7 : CASH AND BANK BALANCES		
Cash in hand	2,32,396	6,02,044
Balance with Schedule Banks		
- Current Accounts	7,55,900	20,07,276
- Other Deposit Accounts	5,28,649	5,28,649
	<u>15,16,945</u>	<u>31,37,969</u>
SCHEDULE - 8 : LOANS AND ADVANCE		
(Unsecured - considered good)		
Advances recoverable in cash or kind or for the value to be received.	15,59,363	19,75,418
Sundry Deposits	<u>36,28,419</u>	<u>37,42,879</u>
	<u>51,87,782</u>	<u>57,18,297</u>
SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	59,32,909	60,78,272
Other Liabilities	8,85,747	8,66,453
Provisions	65,83,665	66,06,766
	<u>1,34,02,321</u>	<u>1,35,51,491</u>
SCHEDULE - 10 : CONTINGENT LIABILITIES #		
- In respect of guarantees given to bankers for clearance of imported and indigenous goods	35,10,000	35,10,000
- In respect of bond executed in favour of Collector of Customs	5,00,00,000	5,00,00,000
- Disputed claims of Excise Duty, where proceedings are pending with various authorities	2,52,52,534	2,52,52,534
- Disputed Claims with Sales Tax Vigilance & Enforce Department	12,18,973	1,21,576
- Labour Court	2,56,134	2,56,134
- APCPDC	15,18,813	15,18,813
- Other claims against the Company not acknowledged as debts	-	5,51,174
	<u>8,17,56,454</u>	<u>8,12,10,231</u>

Intrest, Penalties etc. on the cases filed against and by the company cannot be **Quantified**



SCHEDULE - 4 FIXED ASSETS

S.No.	Name of the Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 1.04.2007	Addition	Deletion	As at 31.03.2008	Up to 31.03.2007	for the Year 01.04.2008	Adjustment 31.03.2008	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
1	Land	24,27,014		0	24,27,014	0	0	0	0	24,27,014	24,27,014
2	Building	204,64,131	34,455	0	2,04,98,586	74,45,511	683,502	0	81,29,013	1,23,69,573	1,30,18,620
3	Plant & Machinery	13,53,54,177			13,53,54,177	7,64,07,516	7,146,701		8,35,54,217	5,17,99,960	5,89,46,661
4	Furnitures	29,23,265			29,23,265	25,29,440	185,043		27,14,483	2,08,782	3,93,825
5	Vehicle	7,11,024		0	7,11,024	7,11,024	0		7,11,024	0	0
	TOTAL	16,18,79,611	34,455	0	16,19,14,066	8,70,93,491	8,015,246	0	9,51,08,737	6,68,05,329	7,47,86,120
	Capital Work-in-progress	4,75,871			4,75,871					4,75,871	4,75,871

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE - 11 : OTHER INCOME		
Interest Received	-	22,196
Provisions & Balances Written back	<u>32,69,843</u>	<u>18,90,617</u>
	<u>32,69,843</u>	<u>19,12,813</u>
SCHEDULE - 12 : INCREASE / (DECREASE) IN STOCKS		
Closing Stock :		
Finished Goods	9,96,159	9,96,159
Work in process	5,28,534	5,28,534
	<u>15,24,693</u>	<u>15,24,693</u>
Opening Stock :		
Finished Goods	9,96,159	9,96,159
Work in process	5,28,534	5,28,534
Stock of Cloth	-	32,800
	<u>15,24,693</u>	<u>15,57,493</u>
Increase / (Decrease) in Stocks	-	(32,800)
SCHEDULE - 13 : RAW MATERIALS AND CHEMICALS CONSUMED		
Opening Stock		
Yarn	5,94,459	5,94,459
Colours, Consumables and Packing Materials	7,18,149	7,18,149
Add : Purchases		
Yarn	-	-
Colours, Consumables and Packing Materials	-	-
	<u>13,12,608</u>	<u>13,12,608</u>
Less : Closing Stock		
Yarn	5,94,459	5,94,459
Colours, Consumables and Packing Materials	7,18,149	7,18,149
Consumption	-	-
	<u>-</u>	<u>-</u>
SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Payments and Benefits to Employees		
Salaries, Wages and Bonus, Gratuity	45,000	91,128
Power and Fuel	-	16,13,838
Watch & Ward Expenses	2,28,000	2,28,000
Legal and Professional Charges	2,06,995	1,46,000
Secretarial Expenses	5,66,155	5,06,219

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
Bad Debts	70,028	-
Travelling & Conveyance Expenses	9,50,461	1,71,932
Office Maintenance	2,21,009	46,538
Selling and Distribution Expenses	9,586	3,850
Auditors Remuneration		
Statutory Audit Fee	44,944	44,944
	<u>23,42,178</u>	<u>28,52,449</u>

SCHEDULE - 15 : FINANCE CHARGES

Bank Charges - Others	5,456	1,30,555
	<u>5,456</u>	<u>1,30,555</u>



SCHEDULE 16: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

I. ACCOUNTING POLICIES

Basis of Accounting:

The Financial Statements are prepared under historical cost convention on an accrual basis, except as stated otherwise and are in accordance with the requirements of the Companies Act, 1956.

Fixed Assets:

Fixed Assets are valued at cost of acquisition inclusive of Inward Freight, Duties, Taxes and Incidental and trail run expenses relating to acquisition. Exchange fluctuation on conversion of Outstanding Foreign Currency Loans for acquisition of Fixed Assets are adjusted to the Cost of Assets.

Depreciation:

Depreciation on fixed assets is provided on straight line method at the rates specified from time to time in Schedule XIV to the Companies Act, 1956.

Inventories:

The raw materials, stores and spares, packing material, consumables and finished goods are valued at cost or net realizable value whichever is lower. Work-in-progress is valued at cost. Scrap is valued at realizable value.

Sales:

Sales have been accounted net of Excise Duty and discount and purchases have been accounted net of discounts.

Foreign Exchange:

Gain/Loss arising out of fluctuations in the exchange rates relating to Export Sales and Import Purchases are accounted for in the Profit and Loss Account on realization.

Retirement Benefits for Employees:

Contribution to Provident Fund is accounted on actual liability basis. Gratuity is accounted on cash basis.

Prior Period and Extraordinary items:

Income and Expenditure pertaining to prior period as well as extraordinary items, where materials, are disclosed separately.

**State investment subsidy:**

State investment subsidy is shown under Capital Reserve.

Segment Reporting:

Segments are identified having regard to the dominant source and nature of risks and returns and the internal organization and management structure. Revenues, Expenses and Assets and Liabilities, which relate to the enterprise as a whole and are not attributable to segments, are included under "Un-allocable Corporate Expenses/Revenues and Assets/Liabilities".

Taxes on Income:

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred Tax Assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

II. NOTES ON ACCOUNTS

1. Estimated gratuity liability not provided in Books of Accounts amounts to Rs. 30000/- (previous year: Rs. 75000/-).
2. Segment Reporting (Accounting Standard – 17) Nil
Primary Segment Information (Geographical Segments) Nil



3. Related Party Transactions (Accounting Standard- 18)

Name of the Party	Relationship	Nature of Transactions	Transactions Rs.	Outstanding As on 31.03.2008
Aksharalaya Enterprises Ltd.	Controlled by MD's Son	Unsecured Loans Advances	Nil Nil	30,20,290 22,016
Ritesh Kumar Gupta	Relative MD	Unsecured Loans	Nil	13,621
Lalit Kumar Gupta	MD	Remuneration Unsecured Loans	Nil 4,00,000	154,914
Adarsh Kumar Gupta	Relative MD	Unsecured Loan	Nil	67,503
Akshay Kumar Gupta	Relative MD	Unsecured Loan	Nil	39,636
Lakshmi Gupta	Relative MD	Unsecured Loan	Nil	85,669

4. Earnings Per Share (Accounting Standard -20)

Earning Per Share has been computed as under		2007-2008	2006-2007
a.	Profit/ (Loss) After Taxation	-51,70,753	15,00,51,161
b.	Number of ordinary Shares outstanding	77,73,110	77,73,110
c.	Earning per share (Face Value Rs. 10/-) Basic and Diluted	-1	19.30

5. Deffered Tax

The break up of the net deferred tax liability as on 31-03-2008

S.No.	Particulars	Deffered Tax Assets	Deffered Tax Liability
1.	Difference between Book and Tax Depreciation	NIL	1,53,24,336
2.	Others	48,559	NIL
Net deferred Tax Liability			15,275,777

6. Remuneration to Directors

	Year ended 31.03.2008 Rupees	Year ended 31.03.2007 Rupees
Salaries	Nil	Nil



7. The Balances shown under Debtors, Creditors, Unsecured loans and Loans and Advances, Bank balances and other Liabilities are subject to confirmation / reconciliation
8. In view of insufficient information from the Suppliers regarding their status as SSI Unit, amount overdue to Small-Scale Industrial undertaking as on 31st March 2008, cannot be ascertained. "The Micro, Small and Medium Enterprises Development Act, 2006" has come into effect from October 2, 2006 which has repealed the provisions of interest on delayed payment to small scale and ancillary industrial undertaking Act, 1993.
- The Company is in communication with its suppliers to ascertain the applicability of this Act. As on the date of this Balance Sheet, the Company has not received any communications from any of its suppliers regarding the applicability of this Act to them. This has been relied upon by the Auditors.
9. In view of continuous incurring of losses and consequent inability to pay interest on unsecured loans, the company has requested some of the unsecured loan creditors for waiver of interest payment / reduction in rate of interest due to them. Pending consideration of the request by the Unsecured Loan Creditors, the same is not provided in the books of accounts.
10. Excise Duty estimated at Rs. 1.61 lakhs approx. payable on finished goods lying at the factory has not been provided for and hence not included in the inventory valuation. However there is no effect on the loss for the year on account of the above treatment of excise duty.
11. The Company was the sick company & filed the application before the BIFR, which was admitted. The Application is disposed of during the year discharging the company out of the purview of BIFR.
12. During the year, Joint Collector National Highways acquired Companies Land out of Sy. No. 47/2 admeasuring Ac. 1.02 Gts. and out of Sy. No. 96/2 admeasuring Ac. 0.20 Gts. along with Structures, Compound Wall Thatchered roof, RCC foundation etc. and the Hon' able Court awarded Rs. 11,83,802/- compensation for the same. The Company filed the petition before Joint Collector and Competent Authority for Land Acquisition National Highways of India, Mahaboob Nagar, Mahaboob Nagar Dist. for enhancement of land compensation and structures which is yet to be disposed off.
13. The Company expects substantial reduction in value of its assets than the carrying amount but in absence of technical reports from experts no provision is made on account of such impairment in value of assets.
14. Information pursuant to the provision of part II of Schedule VI of the Companies Act, 1956 relating to the processing Blanket Unit of the company.

	Pieces	Pieces
a) Lincensed Capacity	876000	876000
b) Installed Capacity	876000	876000
c) Actual Production	NIL	NIL

The production and other quantitative details for the Company are Nil as the unit is not working.



15. Earning in foreign currency Rs. Nil (Previous year Rs. Nil.)
16. Expenditure in foreign currency Rs. 4,79,217 (Previous year Rs. Nil)
17. Previous year figures have been regrouped, arranged and recast wherever considered necessary.

As per the report of evendate attached

For and on behalf of the Board

For LAKSHMINIWAS & JAIN

Chartered Accountants

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 20-08-2008

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. Registration Details**

Registration Number

01 - 4777

State Code

01

Balance Sheet Date

31032008

II. Capital Raised During the Year (Amount Rs. in thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation And Deployment of Funds : (Amount Rs. in thousands)**Sources of Funds**

Total Liabilities

112956

Total Assets

112956

Paid up Capital

77731

Reserves and Surplus

9983

Secured Loans

NIL

Unsecured Loans

25242

Application of Funds

Net Fixed Assets

67281

Investments

NIL

Net Current Assets

4926

Misc. Expenditure

NIL

Accumulated losses

56024

Deffered Tax

-15275

IV Performance of the Company (Amount Rs. in thousands)

Turnover

38261

+/- Profit / (Loss) Before Tax

(6993)

+/- Profit / (Loss) After Tax

(5170)

Earning per share

-1.00

Dividend

NIL

V. Generic Names of Three Principal Products/Services of the company (As per monetary terms)

Item Code No. (ITC Code)

63014000

Product Description

ACRYLICBLANKETS

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director

Place : Hyderabad

Date : 20-08-2008



TIRUMALA SEUNG HAN TEXTILES LIMITED

(FORMERLY KNOWN AS TIRUMALA TEXTILE PROCESS LIMITED)
D. No. 4-1-969/ 1-2, 3rd Floor, B. Shankarlal Building, Abids, Hyderabad.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)
24th Annual General Meeting 20th September 2008

I/We hereby record/my/our presence at the 24th Annual General Meeting of the Company held on SATURDAY, 20TH SEPTEMBER, 2008 at 2.00 P.M. at Madhav Reddy Community Hall, near Victoria Anglo School, Chaytaniyapuri, Hyderabad

Full Name of the Member :
(In Block Letters)

Regd. Folio No. : No of Shares held.....
Full Name of Proxy :

Full Name of Proxy :
(In block Lettrs)

SIGNATURE(S) OF THE MEMBER(S) OR PROXY / PROXIES PRESENT

PROXY FORM

Regd. Folio No. : No of Shares held.....

I/We..... of.....
being a Member/Members of TIRUMALA SEUNG HAN TEXTILES LIMITED (FORMERLY KNOWN AS TIRUMALA TEXTILE PROCESS LIMITED) here by appoint.....

..... of..... failing him/her
..... of..... of

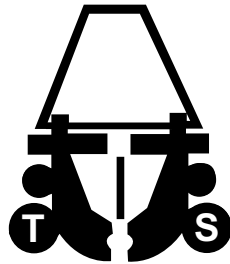
..... as my/our proxy to attend and vote for me/us and on my /our behalf on SATURDAY, 20TH SEPTEMBER, 2008 at 2.00 P.M. at Madhav Reddy Community Hall, near Victoria Anglo School, Chaytaniyapuri, Hyderabad and at any adjournment thereof.

As Witnessed my hand / our hands this..... day of..... 2008

Signature.....

Signature
across
Re. 1
Revenue
Stamp

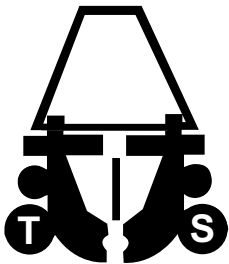
Note : The form order to be effective should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company 48 hours before the meeting.



TIRUMALA SEUNG HAN TEXTILES LIMITED

**24th
ANNUAL REPORT 2008**

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M/s. TIRUMALA SEIGN HAN TEXTILES LIMITED
D. No. 4-1-969/ 1-2, 3rd Floor, B. Shankarlal Building,
Abids, Hyderabad.



