

**BOARD OF DIRECTORS**

SRI GAJANAND GUPTA	:	Chairman
SRI LALIT KUMAR GUPTA	:	Managing Director
SRI RITESH KUMAR GUPTA	:	Director
SRI Y MALLIKHARJUNA RAO	:	Director
SRI Y SHYAM SINGH MATHUR	:	Director

**STATUTORY AUDITORS**

: M/S LAXMINIWAS & JAIN  
Chartered Accountants  
Hyderabad

**REGISTERED OFFICE**

: D.No: 4-1-969 / 1-2, 3rd Floor,  
B. Shankarlal Building, Abids,  
Hyderabad-500001

**REGISTRARS AND  
TRANSFER AGENTS**

: **Bigshares Services Private Limited**  
G-10, Left Wing, Amrutha Ville,  
Opp. Yashoda Hospital, Somajiguda,  
Rajbhavan Road, Hyderabad – 500 082

**FACTORY**

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

**LISTING AT**

: Ahmedabad Stock Exchange Limited  
Bombay Stock Exchange Limited  
Calcutta Stock Exchange Association Limited



## NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the members of Tirumala Seung Han Textiles Limited will be held on **TUESDAY, 7th SEPTEMBER, 2010 at 11.00 A.M.** at Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri 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, 2010 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 M/s Laxshminiwas & Jain Chartered Accountants, as Statutory Auditors of the Company to hold the office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix the remuneration.

BY ORDER OF THE BOARD

Sd/-  
LALIT KUMAR GUPTA  
MANAGING DIRECTOR

PLACE : Hyderabad  
Date : 05-08-2010

### 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.
2. The Proxy form duly completed must be lodged at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.
3. The Register of Members and the Share Transfer Books will remain closed from FRIDAY, 3RD SEPTEMBER, 2010 TO TUESDAY, 7TH SEPTEMBER, 2010 (both days inclusive).
4. 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 SIXTH ANNUAL REPORT together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2010.

### FINANCIAL RESULTS:

(Rs In Lakhs)

Particulars	For the Year ended 2009-2010	For the Year ended 2008-2009
Sales	7.06	1.64
Other Income	91.80	21.84
Extraordinary Item	-	-
Increase/(decrease) in finished goods/WIP	(7.06)	(6.14)
Expenditure	(14.81)	(32.52)
Gross Profit / (Loss)	76.99	(15.18)
Less: Depreciation	(78.62)	(80.17)
Less: Interest	--	(0.03)
Profit for the year	(1.63)	(95.38)
Less: Prior Period Expenses	--	-
Profit/ (Loss) for the year before tax	(1.63)	(95.38)
Income tax	-	-
Deferred Tax	20.58	8.59
Profit / (Loss) after tax	18.94	(86.79)
Balance of profit / (Loss) brought forward	(647.03)	(560.24)
Surplus (Loss) transferred to Balance Sheet	(628.09)	(647.03)

### REVIEW OF OPERATIONS:

During the financial year under review the Company has not carried out the commercial production.

### INDUSTRY OUT LOOK:

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 2009-10.

### 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 reappointment.

### 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, 2010, 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, 2010 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.

#### **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.

#### **AUDITORS:**

M/s. Laxshminiwas & Jain, Chartered Accountants, the statutory 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 gives 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), the Note No II (6) in Schedule 16 is self explanatory.
3. With regard to interest on Unsecured Loans in Clause f (iv) of the Auditors Report, attention of members is drawn to point no: II (8) respectively in the Notes to Accounts which are self explanatory.
4. With regard to Impairment loss on the assets in Clause f (v) of the Auditors Report, attention of members is drawn to point no: II (10) respectively in the Notes to Accounts which are self explanatory.
5. 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.
6. 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.
7. 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.

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

A Statement of particulars of the Conservation of energy, Technology Absorption and Foreign Exchange Earnings and Out go is given as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in the **Annexure—A**



## **MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to the provision of clause 49 of the listing agreement a report on Management Discussion & Analysis is set out as an **Annexure-B**

## **CORPORATE GOVERNANCE:**

Report on Corporate Governance including Auditor's Certificate on Compliance with the code of Corporate Governance under Clause 49 of the listing agreement is enclosed as **Annexure - C** to this report.

## **LISTING FEE:**

Your Company's shares are presently listed on the Ahmedabad Stock Exchange Limited, Bombay Stock Exchange Limited, Calcutta Stock Exchange Association Limited your 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 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/-  
GAJANAND GUPTA  
Chairman

PLACE : Hyderabad  
Date : 05-08-2010



## ANNEXURE A

**CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO**

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

**A) CONSERVATION OF ENERGY**

- a) Energy conservation measures taken :

Proper control points are set up at all levels to identify the wastage in power & fuel consumption and to take/initiate corrective steps.

- b) Additional investments and proposals, if, any, being implemented for reduction of conservation of energy : NIL
- c) Impact of the clause (1) and (2) above the reduction of energy consumption and consequent impact on the production of goods : N.A

**B) TECHNOLOGY ABSORPTION****Research and Development (R&D)**

1.	Specific areas in which R&D carried out by the Company	NIL
2.	Benefits derived as a result of the above R&D	NIL
3.	Future plans of action	
4.	Expenditure on R&D	
	Capital	NIL
	Recurring	NIL
	Total	NIL
	Total R&D Expenditure as % of total turnover	NIL

**Technology Absorption, Adaptation and Innovation**

1.	Efforts made towards technology absorption adaptation and innovation	NIL
2.	Benefits derived as a result of above efforts	NIL
3.	Information about imported technology	
a.	Technology imported	: NIL
b.	Year of Import	:
c.	Whether Technology fully absorbed :	
d.	If not fully absorbed, areas and reasons for future plans actions	

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign exchange earnings and outgo:	2009-10
Foreign exchange earnings	NIL
Foreign exchange outgo	Rs. 1,84,875



## MANAGEMENT DISCUSSION ANALYSIS REPORT

### TEXTILE INDUSTRY OVERVIEW:

Global textile industry stands at US\$ 4,395 billion and the total global trade for textile and clothing is of US\$ 360 billion. The Indian textile industry is expected to be at US\$ 36 billion, which makes 27% of total foreign exchange earned by India. Out of this the export from textile is US\$17 billion. The Indian textile industry at global level has many products as cotton yarn and fabrics, synthetic yarns, man-made yarn, man-made fabrics, wool and silk fabrics and variety of garments.

### GOVERNMENT INITIATIVES:

1. According to the Ministry of Textiles, investment under the Technology Upgradation Fund Schemes (TUFS) has been increasing steadily. During the year 2009-10, 1896 applications have been sanctioned at a project cost of US\$ 5.23 billion.
2. The cumulative progress as on December 31, 2009, includes 27,477 applications sanctioned, which has triggered investment of US\$ 45.5 billion and amount sanctioned under TUFS is US\$ 18.9 billion of which US\$ 16.4 billion has been disbursed so far till the end of April, 2010.
3. Moreover, in May 2010, the Ministry of Textiles informed a parliamentary panel that it proposes to allocate US\$ 785.2 million for the modernization of the textile industry.

### INDUSTRY OUTLOOK:

The textile industry is mainly a labor intensive industry as it provides livelihood to the huge population, mainly consist of unskilled workers, and thus plays a pivotal role in the development of any economy. As this particular industry also comes under the

## ANNEXURE B

basic necessities of human beings, it impacts a lot to the society as a whole. There has been increase in demand of textile products in last few decades globally, mainly due to rapidly changing social and economic structure of the countries worldwide.

### Opportunities & Threats

Your Company is engaged in the business of manufacturing of the Acrylic Blankets which is seasonal product and has enormous demand during the seasons and it is a part of a growing sector that has potential to sustain in the market even during the economic depression that is prevailing in the global economy. The management of your company is making all efforts in restarting the commercial productions and finding new strategic investor and markets for the Company's products.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The control system of the Company consists of standard practices and processes, appropriate audit program and risk monitoring system. The various initiatives taken by the Company has led to further improvement in the control systems of the Company.

The Board of Directors has been entrusted with the responsibility of reviewing the findings and to take necessary actions wherever required.

### FUTURE OUTLOOK

The Commercial Production of the Company has been stopped for the last several years due to unfavorable market condition. As Company has repaid all the secured loans, the Board of Directors are working out the various options for re-commencement of the Commercial Production.

**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company's philosophy of Corporate Governance is to maximize the shareholder value by adopting the principles of good Corporate Governance in line with the provisions stipulated in the Listing Agreement. Accordingly accurate disclosure of information regarding the financial situation, performance, ownership, and governance of the Company, is an important part of Corporate Governance.

**2. BOARD OF DIRECTORS:**

- Composition of Board of Directors

At present, the strength of the Board is Five Directors. The Board comprises of 2 Executive and 3 Non-Executive Directors.

- Board meeting and attendance

Six Board Meetings were held during the Financial Year and the gap between two board meetings did not exceed four months.

The dates on which meeting were held are as follows:

01.04.2009	30.04.2009	28.07.2009	10.08.2009	30.10.2009	22.01.2010
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 10.09.2009	Attendance in Board Meeting		Other Boards		
				He ld	Atte nded	Direct orship	Comm ittee	Committee member ship
1	Lalit Kumar Gupta	Managing Director Promoter	Yes	6	6	1	Nil	Nil
2	Ritesh Kumar Gupta	Executive Director Promoter	Yes	6	3	Nil	Nil	Nil
3	Gajanand Gupta	Non Executive-Non Independent Director	Yes	6	5	Nil	Nil	Nil
4	Y Mallikharjuna Rao	Non Executive Independent Director	Yes	6	5	1	Nil	Nil
5	Y Shyam Singh Mathur	Non Executive Independent Director	No	6	5	Nil	Nil	Nil





### 3. AUDIT COMMITTEE:

#### ❖ Terms of Reference:

- Review the un-audited quarterly results, half yearly and annual accounts of the company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of Statutory auditors, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
  - (i) Any changes in accounting policies and practices
  - (ii) Major accounting entries based on exercise of judgment by management
  - (iii) Qualifications in draft audit reports
  - (iv) Significant adjustments arising out of the audit
  - (v) The going concern assumption
  - (vi) Compliance with accounting standards
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relative etc.; that may have potential conflict with the interests of the company at large
- Reviewing with management, external and internal auditor's, the adequacy of internal control systems
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected of fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with external auditors before the audit commences, on the nature and scope of audit as well as have post- audit discussion to ascertain any areas of concern
- Reviewing the company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;



## COMPOSITION OF AUDIT COMMITTEE

The Committee comprises of the following members:

NAME OF THE DIRECTORS	DESIGNATION
SRI Y MALLIKHARJUNA RAO	Chairman
SRI Y SHYAM SINGH MATHUR	Member
SRI GAJANAND GUPTA	Member

❖ Meetings and Attendance during the Financial Year:

The committee met 5 times during the financial year 2009-10 on 30.04.2009, 28.07.2009, 10.08.2009, 30.10.2009 and 22.01.2010 attendance of each Member of Committee is as follows.

S. No.	Name of the Member	Designation	No of Meetings held during the Year	No of Meetings Attended
1	SRI Y MALLIKHARJUNA RAO	Chairman	5	5
2	SRI Y SHYAM SINGH MATHUR	Member	5	5
3	SRI GAJANAND GUPTA	Member	5	5

**The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, and fixation of audit fee and also approval of payment of fees for any other services.**

#### 4. REMUNERATION COMMITTEE:

❖ Terms of Reference:

The terms of reference of the Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors / non-executive directors
- Framing and implementing on behalf of the Board and on behalf of the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in deeming the remuneration package while striking a balance between the interest of our Company and the shareholders.

**Composition**

The Committee comprises of the following members:

NAME OF THE DIRECTORS	DESIGNATION
SRI Y MALLIKHARJUNA RAO	Chairman
SRI Y SHYAM SINGH MATHUR	Member
SRI GAJANAND GUPTA	Member

Remuneration paid to Directors during the Financial Year

During the Financial Year, no remuneration is paid to Managing Director or any Directors of the Company:

Attendance During The Year

*No meeting was held during the financial year 2009-10.*

**5. INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE:**

Terms of Reference:

The terms of reference of the Investor Grievance & Share Transfer Committee are as follows:

To supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- (ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (iii) Issue of duplicate / split / consolidated share certificates;
- (iv) Allotment and listing of shares;
- (v) Review of cases for refusal of transfer / transmission of shares and debentures;
- (vi) Reference to statutory and regulatory authorities regarding investor grievances;
- (vii) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

**Composition**

The Committee comprises of the following members:

NAME OF THE DIRECTORS	DESIGNATION
SRI Y MALLIKHARJUNA RAO	Chairman
SRI Y SHYAM SINGH MATHUR	Member
SRI GAJANAND GUPTA	Member

Name & Designation of the Compliance Officer : SRI LALIT KUMAR GUPTA  
Managing Director

No. of shareholders complaints received during the Financial Year: : 29

No. of complaints solved to the satisfaction of the share holders : 29

No. of pending complaints : ---

**6. LOCATION AND TIME WHERE THE LAST THREE AGMS HELD:**

Year	Date	Location	Time
2008-09	10-09-2009	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	2.00 p.m.
2007-08	20-09-2008	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	2.00 p.m.
2006-07	06-09-2007	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	2.00 p.m.

**SPECIAL RESOLUTION: No Special Resolution is passed in the Previous three Annual General Meeting.**

**POSTAL BALLOT:**

No special Resolution is passed through Postal Ballot during the Financial Year under Review

No Special Resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

**7. DISCLOSURES:**

- a. Materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large. – NIL –
- b. Details on non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.: - NIL -

**8. MEANS OF COMMUNICATION:**

Quarterly Results and Annual Results of the Company are normally published in The Business Standard and Andhra Prabha

As required by Clause 49 of the Listing Agreement, Management Discussion and Analysis report is a part of the Annual Report.

**9. GENERAL SHAREHOLDER INFORMATION:**

- ANNUAL GENERAL MEETING:

Day, Date & Time	Tuesday, 7th September, 2010 at 11.00 am
Venue	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri Hyderabad



- **FINANCIAL YEAR:** 1st April 2010 to 31st March 2011

**CALENDER OF EVENTS:**

EVENT	DATES
First Quarter un-audited Financial Results	Last Week of July, 2010
Second Quarter un-audited Financial Results	Last Week of October, 2010
Third Quarter un-audited Financial Results	Last Week of January, 2011
Fourth Quarter Un audited Financial Results	Last Week of April, 2011

- **BOOK CLOSURE DATE:**

Friday, 3rd September, 2010 to Tuesday 7th September 2010 (both days inclusive)

- **DIVIDEND PAYMENT DATE:** NA
- **LISTING ON STOCK EXCHANGES:** The shares of the Company are listed at

Bombay Stock Exchange Limited - 521036  
Ahmedabad stock exchange - 61340  
Calcutta stock Exchange Association Limited - 30108

The company has paid the listing fees to Bombay Stock Exchange Limited

- **MARKET PRICE DATA:** Not available (the script is suspended)

- **REGISTRAR AND TRANSFER AGENTS:**

Bigshares Services Private Limited  
G-10, Left Wing, Amrutha Ville,  
Opp. Yashoda Hospital, Somajiguda,  
Rajbhavan Road, Hyderabad – 500 082

- **SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. Bigshares Services Private Limited Hyderabad. The Company has entered into agreement with both NSDL and CDSL to dematerialize its shares, which enable the Company's shares to be transferred electronically through Depositories System

- **DEMAT ISIN NUMBER**

Under the Depository System the International Securities Identification Number (ISIN) allotted to the Company's Equity Shares by NSDL & CDSL

INE695C01015



• **SHAREHOLDING PATTERN AS ON 31ST MARCH 2010:**

SI No	Category	No. of Shares Held	% of Shareholding
<b>SHAREHOLDING OF PROMOTERS &amp; PROMOTER GROUP</b>			
<b>INDIAN</b>			
A1	Individuals/Hindu Undivided Family	2482710	31.94
	Central Government /State Government(s)		-
	Bodies Corporate		-
	Financial Institutions/Banks		-
	<b>Sub Total of A1</b>	<b>2482710</b>	<b>31.94</b>
<b>FOREIGN</b>			
A2	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	<b>Sub Total of A2</b>		
<b>TOTAL PROMOTERS SHAREHOLDING ( A1 +A2)</b>		<b>2482710</b>	<b>31.94</b>
<b>B</b>	<b>Public Shareholdings</b>		
<b>1</b>	<b>Institutions</b>		
	Mutual Funds and UTI	239300	3.08
	Banks/Financial Institutions		
	Central Government/State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institution Investor	-	-
	Foreign Venture Capital Investors		
	Any Other (Specify)		
	<b>Sub Total B1</b>	<b>239300</b>	<b>3.08</b>
<b>B</b>	<b>Non Institutions</b>		
<b>2</b>	<b>Bodies Corporate</b>	54,000	0.68
	Individuals share holders holdings	39,52,000	50.85
	Any Other (Specify)		
	NRIs/OCBs	1045100	13.45
	Foreign Collaborators	-	-
	Clearing Members	-	-
	<b>Sub Total B2</b>	<b>5051100</b>	<b>64.98</b>
<b>TOTAL OF PUBLIC SHAREHOLDING (B1+B2)</b>		<b>5290400</b>	<b>68.06</b>
C	Shares held by Custodian and against which Depository Receipts have been issued		
<b>TOTAL A+B+C</b>		<b>7773110</b>	<b>100</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2010**

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	30076	99.85	3781310	48.65
2	5001 - 10000	18	0.06	131700	1.69
3	10001 - 20000	5	0.02	75000	0.96
4	20001 - 30000	2	0.01	51400	0.66
5	30001 - 40000	2	0.01	71100	0.91
6	40001 - 50000	1	-	48900	0.63
7	50001 - 100000	1	-	81900	1.05
8	100001 and above	15	0.05	3531800	45.44
	<b>TOTAL</b>	<b>30,120</b>	<b>100.00</b>	<b>7773110</b>	<b>100.00</b>

- **DEMATERIALIZATION OF SHARES AND LIQUIDITY:** Since the Company has already entered into agreement with both the depositories, viz., NSDL and CDSL for dematerialization of its shares, the shareholders are free to dematerialize their shares and keep them in dematerialized form with any Depository Participant.

- Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: **Not Issued**

- **PLANT LOCATION:**

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

- **ADDRESS FOR CORRESPONDENCE:**

**SRI LALIT KUMAR GUPTA**

Managing Director

Tirumala Seung Han Textiles Limited

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

Hyderabad.

Phone : 040 - 24761134

**CEO & CFO CERTIFICATION:**

The Managing Director of the Company gave annual certificates on financial reporting and internal controls to the Board in terms of Clause 49 copy enclosed as annexure



**DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH CODE OF CONDUCT AND ETHICS**

TIRUMALA SEUNG HAN TEXTILES LIMITED has adopted Code of Business Conduct and Ethics ("the code") which applied to all the employees and Director of the Company. Under the Code, it is responsibility of all employees and Directors to familiarize themselves with the Code and comply with its Standards.

I hereby certify that the Board members and senior management personnel of TIRUMALA SEUNG HAN TEXTILES LIMITED have affirmed compliance with the Code for Financial year 2009-10

FOR AND ON BEHALF OF THE BOARD

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Place: Hyderabad

Date: 05.08.2010



**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificates:**

I, Lalit Kumar Gupta, Managing Director of M/s Tirumala Seung Han Textiles Limited to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its schedules and notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2010
2. To the best of my knowledge and belief:
  - a) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
  - b) The financial statements and other financial information included in this report present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.
3. To the best of my knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
4. I accept the responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
5.
  - a) There has not been any significant change in internal control over financial reporting during the year under reference;
  - b) There has not been any significant changes in accounting policies during the year under reference; and
  - c) I am not aware of any instances during the year of significant fraud, with involvement there in of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad  
Date: 05.08.2010

Sd/-  
Lalit Kumar Gupta  
Managing Director



## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,  
The Members  
Tirumala Seung Han Textiles Limited  
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Tirumala Seung Han Textiles Limited for the Financial Year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for insuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2010 no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by Company. 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 LAXMINIWAS & JAIN  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 001859 S

Sd/-  
(SURESH KUMAR JAIN)  
PARTNER  
M. NO. 18465

Place: Hyderabad  
Date: 05-08.2010



## 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 2010 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed there to. 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 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 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.
  - e) On the basis of written representations received from the Directors as on 31.03.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
  - f) Our comments on financial statements:
    - i) ***Debtors include Rs. 13.87 Lakhs Long pending for which no provision is made in the accounts;***



- ii) *Loans and advances included Rs.7 Lakhs Long pending for which no provision is made in the accounts;*
- iii) *Non confirmation / reconciliation of Balances of Creditors, Debtors, Bank Balances, other Liabilities, Unsecured loans and Loan and advances, refer Note No II(6) in Schedule 16, the impact of which is unascertained.*
- iv) *The provisions for interest on unsecured loans is not made, as the request for waiver of interest / reduction in the rate of interest is made - Ref Note No II(8) in Schedule 16, the impact of which could not be ascertained.*
- v) *Impairment loss, if any on assets of the company which could not be ascertained in absence of technical evaluation from experts, refer Note no. II(10) in Schedule 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 ((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 2010.
- ii) In the case of the Profit and Loss Account, of the Profit 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 **LAXMINIWAS & JAIN**  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 001859 S

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

Place : Hyderabad  
Date : 05-08-2010



**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 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.
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) During the year the company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs. 3.50 lakhs. The maximum amount involved during the year and year end balance amounts to Rs. 63.82 lakhs payable to eleven parties.
  - (c) In our opinion, the rate of interest and other terms and conditions on which loan 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 explanation 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 which are exceeding the value of Rs. Five Lakhs in respect of each party.

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

Name of The Statute	Amount(Rs.)	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	2,14,69,042	Appellate Authorities of Customs & Central Excise.

6. During the year, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA 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 Company has not carried any manufacturing operations. Hence it is informed to us that the cost records maintenance required 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.

(b) According to the information and explanations given to us, there are dues of sales tax, income tax,

10. The Company's accumulated losses are more than fifty percent of its net worth as on 31.3.2010 and it has incurred cash losses in the financial year ended on that date and immediately in preceding year

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 institutions / 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.
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.
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.
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.
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.

**For LAXMINIWAS & JAIN**  
**CHARTERED ACCOUNTANTS**  
Firm Reg. No. 001859 S

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

Place: Hyderabad  
Date :05-08-2010

**BALANCE SHEET AS ON 31ST MARCH, 2010**

Particulars	Sch. No.	As at 31.03.2010		As at 31.03.2009	
		Rs.	Rs.	Rs.	Rs.
<b>I SOURCES OF FUNDS</b>					
1. Share Holders Funds					
Share Capital	1	77731100		77731100	
Reserves and Surplus	2	<u>9982700</u>	87,713,800	<u>9982700</u>	87,713,800
2. Loan Funds					
Unsecured Loans	3	<u>24442059</u>	24,442,059	<u>27892059</u>	27,892,059
3. Deffered Tax Liability			<u>12,358,312</u>		<u>14,416,769</u>
			<u><b>124,514,171</b></u>		<u><b>130,022,628</b></u>
<b>APPLICATION OF FUNDS</b>					
1. Fixed Assets					
Gross Block	4	161921555		161921555	
Less : Depreciation		<u>110987716</u>		103125569	
Net Block			50,933,839		58,795,986
Capital Work-in-progress			475,871		475,871
2. Current Assets, Loans and Advances					
Inventories	5	4331579		5038142	
Sundry Debtors	6	3879550		4796946	
Cash and Bank balances	7	1188986		1784132	
Loans and Advances	8	<u>3698746</u>		<u>4710236</u>	
		13098861		16329456	
Less : Current Liabilities and Provisions	9	<u>2803514</u>		<u>10282191</u>	
Net Current Assets			10,295,347		6,047,265
4. Miscellaneous Expenditure ( to the extent not written-off or adjusted )					
Profit and Loss Account			<u>62,809,114</u>		<u>64,703,506</u>
			<u><b>124,514,171</b></u>		<u><b>130,022,628</b></u>
Contingent Liabilities	10		76,198,015		77,716,828
Accounting Policies and Notes on Accounts	16				
As per the report of evendate attached					
<b>For LAXMINIWAS &amp; JAIN</b>		<b>For and on behalf of the Board</b>			
Chartered Accountants					
Firm Reg. No. 001859 S					
Sd/-		Sd/-		Sd/-	
<b>(SURESH KUMAR JAIN)</b>		<b>LALIT KUMAR GUPTA</b>		<b>GAJANAND GUPTA</b>	
Partner		Managing Director		Chairman	
Membership No. 018465					
Place : Hyderabad					
Date : 05-08-2010					



**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010**

Particulars	Sch. No.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>INCOME</b>			
Sales		706,563	163,572
Other Income	11	9,180,148	2,184,100
Increase / (Decrease) in Finished Goods / WIP	12	(706,563)	(614,016)
		<u>9,180,148</u>	<u>1,733,656</u>
<b>EXPENDITURE</b>			
Raw Material Consumption/ written off	13	-	547,563
Manufacturing, Selling, Administrative and other Expenses	14	1,481,410	2,704,652
Interest/ Finance Charges	15	656	3,035
Depreciation	4	7,862,147	8,016,832
		<u>9,344,212</u>	<u>11,272,082</u>
Profit / (Loss) for the year before tax		(164,065)	(9,538,426)
Less: Provision for Taxation			
a) Current Tax		-	-
b) Deferred Tax		2,058,457	859,008
Profit / (Loss) for the year after tax		1,894,392	(8,679,418)
Balance of Profit / (Loss) brought forwarded from earlier years		(64,703,506)	(56,024,088)
Profit / (Loss) Balance carried to Balance Sheet		<u>(62,809,114)</u>	<u>(64,703,506)</u>
Basic and diluted Earnings per Share		0.24	(1.12)
Accounting Policies and Notes on Accounts	16		

As per the report of evendate attached

For and on behalf of the Board

**For LAXMINIWAS & JAIN**  
Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

**(SURESH KUMAR JAIN)**

Partner

Membership No. 018465

Place : Hyderabad

Date : 05-08-2010

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Sd/-

**GAJANAND GUPTA**

Chairman



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2010

S.No	PARTICULARS	AMOUNT RS	
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(164,065)	
	Adjustments for:		
	Less: 1. Depreciation(Net)	7,862,147	
	2. Raw Material written off	-	
	Cash Profit/(Loss) before Working Capital Changes	7,698,082	
	Adjustments for Working Capital		
	1. Inventories	706,563	
	2. Debtors	917,396	
	3. Loans & Advances	1,011,490	
	4. Creditors & Other liabilities	(7,478,677)	2,854,854
	Cash Generated from Operating activities		
<b>II</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Addition to Fixed Assets	-	-
<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	1. Unsecured Loans	(3,450,000)	(3,450,000)
	<b>NET FLOW OF CASH(I+II+III)</b>		<b>(595,146)</b>
	<b>CASH FUNDS AND CASH EQUIVALENT AS ON 01.04.2009</b>		<b>1,784,132</b>
	<b>CASH FUNDS AND CASH EQUIVALENT AS ON 31.03.2010</b>		<b>1,188,986</b>

As per our report of even date attached  
For **LAXMINIWAS & JAIN**  
Chartered Accountants  
Firm Reg. No. 001859 S

For and on behalf of the Board

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

Sd/-  
**LALIT KUMAR GUPTA**  
Managing Director

Sd/-  
**GAJANAND GUPTA**  
Chairman

Place: Hyderabad  
Date : 05-08-2010

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,00,00,000 Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
	<u><b>100,000,000</b></u>	<u><b>100,000,000</b></u>
<b>ISSUED, SUBSCRIBED AND PAID-UP :</b>		
77,73,110 Equity Shares of Rs.10/- each Fully paid-up	77,731,100	77,731,100
	<u><b>77,731,100</b></u>	<u><b>77,731,100</b></u>
<b>SCHEDULE - 2 : RESERVES AND SURPLUS</b>		
Capital Reserve - Investment Subsidy	2,000,000	2,000,000
Share Premium	5,702,700	5,702,700
Investment Allowance Reserve	2,280,000	2,280,000
	<u><b>9,982,700</b></u>	<u><b>9,982,700</b></u>
<b>SCHEDULE - 3 : UNSECURED LOANS</b>		
From Directors	743,535	493,535
From Others	23,698,524	27,398,524
	<u><b>24,442,059</b></u>	<u><b>27,892,059</b></u>
<b>SCHEDULE - 5 : INVENTORIES</b>		
Stock in trade (as taken, valued and certified by the Management		
- Yarn	46,896	46,896
- Colours, Chemicals & Nylon	25,674	25,674
- Work in progress	19,738	368,268
- Packing Material	509,512	509,512
- Finished Goods	184,376	542,409
- Stores & Spares	182,963	182,963
- Designing Material	3,362,420	3,362,420
	<u><b>4,331,579</b></u>	<u><b>5,038,142</b></u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

<b>Particulars</b>	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>SCHEDULE - 6 : SUNDRY DEBTORS</b>		
( Unsecured - considered good )		
Debts outstanding for a period exceeding six months	3,879,550	4,796,946
Others	-	-
	<u><b>3,879,550</b></u>	<u><b>4,796,946</b></u>
<b>SCHEDULE - 7 : CASH AND BANK BALANCES</b>		
Cash in hand	51,884	97,244
Balance with Schedule Banks		
- Current Accounts	608,453	1,158,239
- Other Deposit Accounts	528,649	528,649
	<u><b>1,188,986</b></u>	<u><b>1,784,132</b></u>
<b>SCHEDULE - 8 : LOANS AND ADVANCE</b>		
( Unsecured - considered good )		
Advances recoverable in cash or kind or for the value to be received.)	1,022,791	955,390
Sundry Deposits	2,675,955	3,754,846
	<u><b>3,698,746</b></u>	<u><b>4,710,236</b></u>
<b>SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS</b>		
Sundry creditors Covered by MSMED Act	-	-
Sundry creditors - Others	2,694,762	3,399,383
Other Liabilities	81,496	604,459
Provisions	27,256	6,278,349
	<u><b>2,803,514</b></u>	<u><b>10,282,191</b></u>
<b>SCHEDULE - 10 : CONTINGENT LIABILITIES</b>		
- In respect of guarantees given to bankers for clearance of imported and indigeous goods	3,510,000	3,510,000
- In respect of bond executed in favour of Collector of Customs	50,000,000	50,000,000
- Disputed claims of Excise Duty, where proceedings are pending with various authorities	21,469,042	21,469,042
- Disputed Claims with Sales Tax Vigilece & Enforce Department	1,218,973	1,218,973
- APCPDC	-	1,518,813
	<u><b>76,198,015</b></u>	<u><b>77,716,828</b></u>

# Interest, 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 1.04.2009	Addition	Deletion	As at 31.03.2010	Up to 31.03.2009	for the Year Adjustment	Up to 31.03.2010	As at 31.03.2010	As at 31.03.2009	
1	Land	2,427,014	-	-	2,427,014	-	-	-	2,427,014	2,427,014	
2	Building	20,498,585	-	-	20,498,585	8,813,666	684,653	9,498,319	11,000,266	11,684,919	
3	Plant & Machinery	135,354,178	-	-	135,354,178	90,700,918	7,146,701	97,847,619	37,506,559	44,653,260	
4	Furnitures	2,930,754	-	-	2,930,754	2,899,961	30,793	2,930,754	0	30,793	
5	Vehicle	711,024	-	-	711,024	711,024	-	711,024	0	-	
	<b>TOTAL</b>	<b>161,921,555</b>	<b>-</b>	<b>-</b>	<b>161,921,555</b>	<b>103,125,569</b>	<b>7,862,147</b>	<b>110,987,716</b>	<b>50,933,839</b>	<b>58,795,986</b>	
	Previous Year Figures	161,914,065	7,490	-	161,921,556	95,108,737	8,016,832	103,125,569	58,795,986	66,805,329	

**SCHEDULES FORMING PART OF BALANCE SHEET**

<b>Particulars</b>	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>SCHEDULE - 11 : OTHER INCOME</b>		
Interest Received	-	475
Provisions & Balances Written back	9,180,148	2,183,625
	<u>9,180,148</u>	<u>2,184,100</u>
<b>SCHEDULE - 12 : INCREASE / (DECREASE) IN STOCK</b>		
Closing Stock		
Finished Goods	184,376	542,409
Work in process	19,738	368,268
	<u>204,114</u>	<u>910,677</u>
Opening Stock		
Finished Goods	542,409	996,159
Work in process	368,268	528,534
Stock of Cloth	-	-
	<u>910,677</u>	<u>1,524,693</u>
Increase / (Decrease) in Stocks	(706,563)	(614,016)
<b>SCHEDULE - 13 : RAW MATERIALS AND CHEMICALS CONSUMED / WRITTEN OFF</b>		
Opening Stock		
Yarn	46,896	594,459
Colours, Consumables and Packing Materials	718,149	718,149
Add : Purchases		
Yarn	-	-
Colours, Consumables and Packing Materials	-	-
	<u>765,045</u>	<u>1,312,608</u>
Less : Closing Stock		
Yarn	46,896	46,896
Colours, Consumables and Packing Materials	718,149	718,149
Raw Material W/off	<u>-</u>	<u>547,563</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

<b>Particulars</b>	<b>As at 31.03.2010 Rs.</b>	<b>As at 31.03.2009 Rs.</b>
<b>SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE SELLING AND OTHER EXPENSES</b>		
Watch & Ward Expenses	243,677	228,000
Legal and Professional Charges	-	100,585
Secretarial Expenses	580,582	1,054,830
Bad Debts	-	-
Excise Duty & Custom duty Paid	51,350	142,347
Travelling & Conveyance Expenses	475,415	547,064
Office Maintenance	75,940	69,947
Selling and Distribution Expenses	10,325	8,055
Write off of stock of Design Material	-	501,280
Auditors Remuneration		
Statutory Audit Fee	44,120	44,944
Other Expenses	-	7,600
	<b>1,481,410</b>	<b>2,704,652</b>
<b>Financial Charges</b>		
Bank Charges - Others	656	3,035
	<b>656</b>	<b>3,035</b>



## SCHEDULE 16: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### I. ACCOUNTING POLICIES

#### 1. **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.

#### 2. **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.

#### 3. **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.

#### 4. **Inventories:**

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

#### 5. **Sales:**

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

#### 6. **Foreign Exchange:**

Foreign currency transactions are recorded at the rates prevailing on the date of the transactions. Monetary assets and liabilities in foreign currency are translated at year end rate or at the rates of exchange fixed under contractual arrangements. Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense.

#### 7. **Retirement Benefits for Employees:**

Company does not have any employees.





**8. Prior Period and Extraordinary items;**

Income and Expenditure pertaining to prior period as well as extraordinary items wherever material are disclosed separately.

**9. State investment subsidy:**

State investment subsidy is shown under Capital Reserve.

**10. 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".

**11. Taxes on Income: Deferred Tax is recognized,**

Subject to the consideration of prudence, on timing differences, being the difference between taxable incomes 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. Segment Reporting (Accounting Standard – 17) : The company's operations consists mainly of Acrylic and Blended Blankets, hence figures relate to that segment only and also, the company operates only in Domestic area.



## 2. Related Party Transactions (Accounting Standard- 18)

Name of the Party	Relationship	Nature of Transactions	Transactions Rs.	Outstanding As on 31.03.2010(Rs.)
Aksharalaya Enterprises Ltd.	Controlled by MD's Son	Unsecured Loans Advances	Nil Nil	30,20,290 22,016
Ritesh Kumar Gupta	Relative of MD	Unsecured Loans	Nil	88,621
Lalit Kumar Gupta	MD	Remuneration Unsecured Loans	Nil 250,000	6,54,914
Adarsh Kumar Gupta	Relative of MD	Unsecured Loan	Nil	142,503
Akshay Kumar Gupta	Relative of MD	Unsecured Loan	Nil	39,636
Babita Rani	Relative of MD	Unsecured Loan	Nil	150,000
Lakshmi Gupta	Relative of MD	Unsecured Loan	100,000	2,60,669
Madhulika Gupta	Relative of MD	Unsecured Loan	Nil	500,000
Akshay Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	Nil	275,000
Lalit Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	Nil	1100,000
Ritesh Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	Nil	150,000

## 3. Earnings Per Share (Accounting Standard -20)

Earning Per Share has been computed as under		2009-2010	2008-2009
a.	Profit/ (Loss) After Taxation	18,94,392	-86,79,418
b.	Number of ordinary Shares outstanding	77,73,110	77,73,110
c.	Earning per share (Face Value Rs. 10/-) Basic and Diluted	0.24	-1.12

## 4. Deffered Tax

The break up of the net deferred tax liability as on 31-03-2010

S.No.	Particulars	Deferred Tax Assets	Deffered Tax Liability
1.	Difference between Book and Tax Depreciation	NIL	123,58,312
2.	Others	NIL	NIL
Net deferred Tax Liability			123,58,312



## 5. Remuneration to Directors

	Year ended 31.03.2010 Rupees	Year ended 31.03.2009 Rupees
Salaries	Nil	Nil

6. The Balances shown under Debtors, Creditors, Secured, Unsecured loans and Loans and advances, Bank balances and other Liabilities are subject to confirmation / reconciliation
7. The Company is in communication with its suppliers to ascertain the applicability of the MSMED Act, 2006. 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.
8. 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.
9. During the Financial year 2007-08, 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 Thatched 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 Nager, Mahaboob Nager Dist. for enhancement of Land Compensation and structures which is yet to be disposed off.
10. 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.
11. Information pursuant to the provision of part II of Schedule VI of the Companies Act, 1956 relating to the processing Unit of the company situated at Nandigaon. Licensed capacity, installed capacity (per annum) and actual production of processed cloth.

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

The quantitative details as required under Schedule VI of the Companies Act, 1956 cannot be ascertained due to closure of the business activity since long and the unit of measurement not being common.



Earning in foreign currency Rs. Nil (Previous year Rs. Nil.)

Expenditure in foreign currency(traveling, etc) Rs. 184,875 (Previous year Rs.155,820)

12. Previous year figures have been regrouped, arranged and recast wherever considered necessary.

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As per the report of evendate attached

**For LAXMINIWAS & JAIN**

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

**(SURESH KUMAR JAIN)**

Partner

Membership No. 018465

Place : Hyderabad

Date : 05-08-2010

**For and on behalf of the Board**

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Sd/-

**GAJANAND GUPTA**

Chairman

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

Registration Number

01 - 4777

State Code

01

Balance Sheet Date

31032010

**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

124514

Total Assets

124514

Paid up Capital

77731

Reserves and Surplus

9983

Secured Loans

NIL

Unsecured Loans

24442

**Application of Funds**

Net Fixed Assets

51410

Investments

NIL

Current Assets

10295

Misc. Expenditure

NIL

Accumulated losses

62809

Deffered Tax

-12358

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

Turnover

9180

+/- Profit / (Loss) Before Tax

164

+/- Profit / (Loss) After Tax

1894

Earning per share

0.24

Dividend Rate %

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**

Chairman

Place : Hyderabad

Date :05-08-2010



# TIRUMALA SEUNG HAN TEXTILES 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)  
26th Annual General Meeting 7th September 2010

I/We hereby record/ my / our presence at the 26th Annual General Meeting of the Company held on TUESDAY, 7th SEPTEMBER, 2010 at 11.00 A.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 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 TUESDAY, 7th SEPTEMBER, 2010 at 11.00 A.M. at Madhav Reddy Community Hall,  
near Victoria Anglo School, Chaytaniyapuri, Hyderabad and at any adjournment thereof.

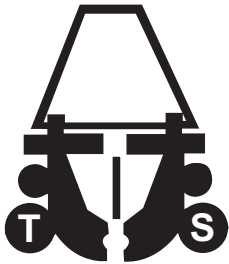
As Witnessed my hand / our hands this.....day of.....2010

Signature.....

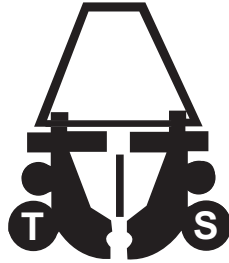
Signature  
across  
Re. 1  
Revenue  
Stamp

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.

**PRINTED MATTER BOOK POST**



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



**TIRUMALA SEUNG HAN  
TEXTILES LIMITED**

**26th  
ANNUAL REPORT 2010**