

**TIRUMALA SEUNG HAN
TEXTILES LIMITED**

**27th
ANNUAL REPORT 2011**

**27th Annual General Meeting***on Tuesday the 27th September 2011**at 11.00 AM*

Madhav Reddy Community Hall,
Near Victoria Anglo School,
Chaytaniyapuri, Hyderabad
ANDHRA PRADESH.

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Akshralay Enterprises Limited.

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**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
SRI Y SURYA NARAYANA	:	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 SEVENTH ANNUAL GENERAL MEETING** of the members of Tirumala Seung Han Textiles Limited will be held on **TUESDAY, 27th SEPTEMBER, 2011 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, 2011 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 Y Mallikharjuna Rao, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint M/s Laxminivas & 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.

SPECIAL BUSINESS

4. APPOINTMENT OF Y.SURYANARAYANA AS DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an "ORDINARY RESOLUTION":

"RESOLVED THAT Pursuant to the provisions of Section 257 and all other applicable provision, if any, of the Companies Act, 1956 Sri. Y. Suryanarayana who was appointed

as an Additional Director on 16th December 2010 and who holds office as such up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received in writing proposing her candidature for the office of Director, be and is hereby appointed as Director of the company who is liable to retire by rotation."

BY ORDER OF THE BOARD

Sd/-

LALIT KUMAR GUPTA
MANAGING DIRECTOR

PLACE : Hyderabad

Date: 13.08.2011

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, 23rd SEPTEMBER, 2011 TO TUESDAY, 27th SEPTEMBER, 2011 (**both days inclusive**)
4. Members are requested to quote their Ledger Folio No in all their correspondence to avoid delay in communication.
5. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of special business is Annexed hereto



EXPLANTORY SATEMENT

(Pursuant to section 173 (2) of the companies Act, 1956)

ITEM NO.4

The Board of Directors of the Company has appointed Sri Y SURYA NARAYANA as Additional Director of the Company at their meeting held on 16th December, 2010.

Sri Y Suryanarayana S/o Sri Y.Venkata ramana is a qualified professional. He is a B.Com graduate and he also holds a degree in law. He is a corporate law consultant for many companies having over 21 years of experience in corporate sector.

Pursuant to the provisions of section 257 of the companies Act, 1956 any appointment of director required the approval of the members at their meeting, hence this resolution commended for your approval.

None of the Directors is interested in this resolution

ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING RE-APPOINTMENT ON RETIRING BY ROTATION AND NEWLY GETTING APPOINTED AT THE ENSUING ANNUAL GENEAL MEETING:

Y MALLIKHARJUNA RAO

Sri Y Mallikharjun Rao, aged about 47 years, Resident of 25-6-11/1, Ganjan Vari Street, Kakinada, Andhra Pradesh Appointed as Non executive & Independent Director, He has more than 19 years of experience in the field of Finance & Secretarial works. He is also the Chairman of the Audit Committee of the Company and holds no shares in the Company

SRI Y SURYANARAYANA

Sri Y Suryanarayana S/o Sri Y.Venkata ramana is a qualified professional. He is a B.Com graduate and he also holds a degree in law. He is a corporate law consultant for many companies having over 21 years of experience in corporate sector. He is also the Member of the Audit Committee of the Company and holds no shares in the Company

**DIRECTOR'S REPORT**

To
The Members,

Your Directors have pleasure in presenting the TWENTY SEVENTH ANNUAL REPORT together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2011.

FINANCIAL RESULTS:

(Rs In Lakhs)

Particulars	For the Year ended 2010-2011	For the Year ended 2009-2010
Sales	665.47	7.06
Other Income	31.98	91.80
Extraordinary Item	--	-
Increase/(decrease) in finished goods/WIP	(1.26)	(7.06)
Expenditure	712.15	(14.81)
Gross Profit / (Loss)	(15.96)	76.99
Less: Depreciation	78.31	(78.62)
Less: Interest	--	--
Profit for the year	(94.27)	(1.63)
Less: Prior Period Expenses	--	--
Profit/ (Loss) for the year before tax	(94.27)	(1.63)
Income tax	--	-
Deferred Tax	21.61	20.58
Profit / (Loss) after tax	(72.66)	(18.94)
Balance of profit / (Loss) brought forward	(628.09)	(647.03)
Surplus (Loss) transferred to Balance Sheet	(700.54)	(628.09)

REVIEW OF OPERATIONS:

During the financial year under review the Company has not carried out the commercial production in the textile segments. Whereas the new segment has recorded a good turnover and has good future in coming years

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.

During the financial year under review the Board of Directors has entered into new segment of business related to infrastructure and construction, the performance of the company was satisfactory in new segment and hopes this financial year will be more beneficial to the Company

DIVIDEND:

Due to absence of profits your Directors do not recommend any dividend for the Financial Year 2010-11

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 Y Malikhharjun Rao, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.



Sri Y Suryanarayana was inducted as Additional Director of the Company w.e.f. 16th December, 2010.

The Company has received notice with a deposit of Rs 500/- from the member of the Company complying with the provisions of the Section 257 of the Companies Act, 1956. proposing his candidature for the office of Director.

Relevant resolution is proposed for your consideration.

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, 2011, 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, 2011 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. Laxsminivas & 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.

The Company has received a certificate from the Auditors to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956. The Board recommends their 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) 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 interest on Unsecured Loans in Clause f (ii) of the Auditors Report, attention of members is drawn to point no: II (8) respectively in the Notes to Accounts which are self explanatory.
3. With regard to Impairment loss on the assets in Clause f (iii) of the Auditors Report, attention of members is drawn to point no: II (10) respectively in the Notes to Accounts which are self explanatory.



4. 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.

SUBSIDIARY COMPANY:

During the Financial year under review your Company has acquired 100% Equity share Capital of M/s Aksharlaya Enterprises Limited, Consequent to which said Aksharlaya Enterprises Limited has become a Wholly Owned Subsidiary of your Company.

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; Kolkata Stock Exchange 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 : 13.08.2011



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:	2010-11
Foreign exchange earnings	NIL
Foreign exchange outgo	NIL



MANAGEMENT DISCUSSION ANALYSIS REPORT

TEXTILE INDUSTRY OVERVIEW:

The Textile Sector in India ranks next to Agriculture. Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.

Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy. This paper deals with structure, growth and size of the Indian textile industry, role of textile industry in economy, key advantages of the industry, textile industry export and global scenario and strength, weakness, opportunities and treats of the Indian textile industry.

CONSTRUCTION OVERVIEW

The Indian construction industry is an integral part of the economy and a conduit for a substantial part of its development investment, is poised for growth on account of industrialization, urbanization, economic development and people's rising expectations

ANNEXURE B

for improved quality of living. In India, construction is the second largest economic activity after agriculture. Construction accounts for nearly 65 per cent of the total investment in infrastructure and is expected to be the biggest beneficiary of the surge in infrastructure investment over the next five years. Investment in construction accounts for nearly 11 per cent of India's Gross Domestic Product (GDP). ₹239.68 billion is likely to be invested in the infrastructure sector over the next five to 10 years - in power, roads, bridges, city infrastructure, ports, airports, telecommunications, which would provide a huge boost to the construction industry as a whole.

GOVERNMENT INITIATIVES:

With a view to raise India's share in the global textiles trade to 10 per cent by 2015 (from the current 3 per cent), the Ministry of Textiles proposes 50 new textile parks. Out of the 50, 30 have been already sanctioned by the government (with a cost of US\$ 710 million). Set up under the Scheme for Integrated Textile Parks (SITP), this initiative will not only make the industry cost competitive, but will also enhance manufacturing capacity in the sector. Apart from the above, a series of progressive measures have been planned to strengthen the textile sector in India:

- Technology Mission on Cotton (TMC)
- Technology Up gradation fund Scheme (TUFS)
- Setting up of Apparel Training and Design Centers (ATDCs)
- 100 per cent Foreign Direct Investment (FDI) in the textile sector under automatic route.



- Setting up two design centers in Gujarat in collaboration with National Institute of Fashion Technology.
- Setting up a Handloom Plaza in Ahmedabad with an estimated investment of US\$ 24.6 million.
- Revival plans of the mills run by National Textiles Corporation (NTC). Already, for the revival of 18 textile mills, US\$ 2.21 million worth of machineries has been ordered for the up gradation and modernization of these mills

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 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

Textile Division :

The Commercial Production in Textile Division 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.

Construction Division :

As you are aware that the Company has entered into the new segment of business related to infrastructure and construction and the performance was satisfactory and has good future in coming years

**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 Six Directors. The Board comprises of 2 Executive and 1 Non-Executive Director and 3 Non executive & Independent 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:

29.04.2010	05.08.2010	12.11.2010	16.12.2010	24.01.2011	25.02.2011
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 07.09.2010	Attendance in Board Meeting		Other Boards		
				He ld	Atte nded	Direct orship	Committee chairman	Committee member ship
1	Gajanand Gupta	Chairman, Non-Executive Non Independent Director	Yes	6	6	Nil	Nil	Nil
2	Lalit Kumar Gupta	Managing Director Promoter	Yes	6	6	1	Nil	Nil
3	Ritesh Gupta	Executive Director Promoter	Yes	6	5	Nil	Nil	Nil
4	Y Mallikharjuna Rao	Non Executive & Independent Director	Yes	6	6	2	1	2
5	Y Shyam Singh Mathur	Non Executive & Independent Director	No	6	5	Nil	Nil	Nil
6	Y Surya Narayana	Non Executive & Independent Director	No	6	3	2	Nil	1



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 Y SURYANARAYANA	Member

❖ Meetings and Attendance during the Financial Year:

The committee met 5 times during the financial year 2010-11 on 29.04.2010, 05.08.2010, 12.11.2010, 25.02.2011 and 25.03.2011 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 (upto 16.12.2010)	Member	5	4
4	SRI Y SURYANARAYANA (from 16.12.2010)	Member	5	2

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 Remuneration Committee of the following members

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

Attendance During The Year

The committee met 3 times during the financial year 2010-11 on 29.04.2010, 05.08.2010 and 12.11.2010 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	3	3
2	SRI Y SHYAM SINGH MATHUR	Member	3	3
3	SRI GAJANAND GUPTA (upto 16.12.2010)	Member	3	3
4	SRI Y SURYANARAYANA (from 16.12.2010)	Member	3	Nil

Remuneration paid to Directors during the Financial Year

During the financial year, No Remuneration is paid to whole time Directors except sitting fees as

SITTING FEES

Name of Director	Sitting Fee	Audit Committee Fee	Total
Gajanand Gupta	-	-	-
Lalit Kumar Gupta	-	-	-
Ritesh Gupta	-	-	-
Y Mallikharjuna Rao	60000	25000	85000
Y Shyam Singh Mathur	50000	25000	75000
Y Surya Narayana	30000	10000	40000
		TOTAL	200000

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 Y SURYANARAYANA	Member

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

No. of shareholders complaints received during the Financial Year : 27

No. of complaints solved to the satisfaction of the share holders : 27

No. of pending complaints : ---

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

Year	Date	Location	Time
2009-10	07-09-2010	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	11.00 a.m.
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.

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.

Quarterly Results, annual reports and all other information will be available on the website of the company: www.tirumalatextiles.com

9. GENERAL SHAREHOLDER INFORMATION:

- ANNUAL GENERAL MEETING:

Day, Date & Time	Tuesday , 27th September, 2011 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	Second Week of August, 2011
Second Quarter un-audited Financial Results	Second Week of November, 2011
Third Quarter un-audited Financial Results	Second Week of February, 2012
Fourth Quarter Un audited Financial Results	Second Week of May, 2012

- BOOK CLOSURE DATE:**

FRIDAY, 23rd SEPTEMBER, 2011 TO TUESDAY, 27th SEPTEMBER, 2011 (both days inclusive)



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

Bombay Stock Exchange Limited
Ahmedabad stock exchange
Calcutta stock Exchange Association Limited

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

- **STOCK EXCHANGE CODE:**
Bombay Stock Exchange Limited 521036
- **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
TEL : 040 - 23374965, FAX : 040 - 23370295

- **SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. Big Shares 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 2011:**

Sl No	Category	No. of Shares Held	% of Shareholding
SHAREHOLDING OF PROMOTERS & PROMOTER GROUP			
INDIAN			
A1	Individuals/Hindu Undivided Family	2482710	31.94
	Central Government /State Government(s)		-
	Bodies Corporate		-
	Financial Institutions/Banks		-
	Sub Total of A1	2482710	31.94
FOREIGN			
A2	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	Sub Total of A2		
TOTAL PROMOTERS SHAREHOLDING (A1 +A2)		2482710	31.94
B Public Shareholdings			
1 Institutions			
	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)		
	Sub Total B1	239300	3.08
B Non Institutions			
2 Bodies Corporate			
	Individuals share holders holdings	53,000	0.68
	Any Other (Specify)	39,52,900	50.85
	NRI's/OCBs	1045200	13.45
	Foreign Collaborators	-	-
	Clearing Members	-	-
	Sub Total B2	5051100	64.98
TOTAL OF PUBLIC SHAREHOLDING (B1+B2)		5290400	68.06
C	Shares held by Custodian and against which Depository Receipts have been issued		
TOTAL A+B+C		7773110	100

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2011**

Sl. No.	Category		No. of Holders	% of Holders	No. of Shares	% of Shares
	From	To				
1	Upto	5000	29609	98.31	3781310	48.65
2	5001	10000	309	1.01	131700	1.69
3	10001	20000	86	0.29	75000	0.96
4	20001	30000	18	0.06	51400	0.66
5	30001	40000	10	0.03	71100	0.91
6	40001	50000	10	0.03	48900	0.63
7	50001	100000	35	0.12	81900	1.05
8	100001	and above	50	0.16	3531800	45.44
	TOTAL		30127	100.00	7773110	100.00

- **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 Fax : 040 - 23352185

Email Id: infotshtl@gmail.com

Website: www.tirumalatextiles.com

**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 TEXTILE 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 Lalit Kumar Gupta, Managing Director of the Company hereby certify that the Board members and senior management personnel of TIRUMALA SEUNG HAN TEXTILE LIMITED have affirmed compliance with the Code of conduct for the Financial Year 2010-11.

FOR AND ON BEHALF OF THE BOARD

Sd/-

LALIT KUMAR GUPTA

Managing Director

Place: Hyderabad

Date: 13.08.2011



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

I, Lalit Kumar Gupta, Managing Director of M/s Tirumala Seung Han Textile Limited to the best of our 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 31.03.2011
2. To the best of our 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 our 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 responsibility for establishing and maintaining internal controls for financial reporting. We 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) We are 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: 13.08.2011

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 Textile Limited fir the Financial Year ended 31st March, 2011 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, 2011 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. 018465

Place: Hyderabad
Date: 13.08.2011



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 2011 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 31.03.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2011 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) *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 17, the impact of which is unascertained.*



- ii) *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 17, the impact of which could not be ascertained.*
- iii) *Impairment loss, if any on assets of the company which could not be ascertained in absence of technical evaluation from experts, refers Note no. II (10) in Schedule 17.*
- 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. 17 *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 2011.
- 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 **LAXMINIWAS & JAIN**
CHARTERED ACCOUNTANTS
Firm Reg. No. 001859 S

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

Place : Hyderabad
Date : 30-05-2011



**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 needs to be updated.
 - (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 repaid a sum of Rs.84.07 towards unsecured loans taken from 11 (Eleven) parties in earlier years covered in the register maintained under section 301 of the Companies Act, 1956.
 - (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) According to the information and explanation given to us, the Company is regular in payment of principle amount.
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.

6. During the year, the company has accepted deposits from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 without making the required compliances under the Act and rules.

7. According to the information and explanations given to us, the company does not have any internal audit system during the year.

8. During the year Company has not carried any manufacturing operations. Hence as informed to us the maintenance of cost records 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, 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.

10. The Company's accumulated losses are more than fifty percent of its net worth as on 31.3.2011 and it has incurred cash losses in the financial year ended on that date.

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.



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

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

Place: Hyderabad
Date :30-05-2011

**BALANCE SHEET AS ON 31ST MARCH, 2011**

Particulars	Sch. No.	As at 31.03.2011		As at 31.03.2010	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS					
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>36300000</u>	36,300,000	<u>24442059</u>	24,442,059
3. Deffered Tax Liability			<u>10,196,607</u>		<u>12,358,312</u>
			<u>134,210,407</u>		<u>124,514,171</u>
II APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	4	161921555		161921555	
Less : Depreciation		<u>118819070</u>		<u>110987716</u>	
Net Block			43,102,485		50,933,839
Capital Work-in-progress			475,871		475,871
2. Investments	5		500,700		
3. Current Assets, Loans and Advances					
Inventories	6	937125		4331579	
Sundry Debtors	7	65182155		3879550	
Cash and Bank balances	8	11558195		1188986	
Loans and Advances	9	<u>9906237</u>		<u>3698746</u>	
		87583712		13098861	
Less : Current Liabilities and Provisions	10	<u>67493751</u>		<u>2803514</u>	
Net Current Assets			20,089,960		10,295,347
4. Miscellaneous Expenditure (to the extent not written-off or adjusted)					
Profit and Loss Account			<u>70,041,391</u>		<u>62,809,114</u>
			<u>134,210,407</u>		<u>124,514,171</u>
Contingent Liabilities	11		76,198,015		76,198,015
Accounting Policies and Notes on Accounts			17		

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 : 30-05-2011

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Chairman

**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Sch. No.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
INCOME			
Sales		66,230,587	706,563
Other Income	12	3,197,534	9,180,148
Increase/(Decrease) in Finished Goods / WIP	13	(126,360)	(706,563)
		<u>69,301,761</u>	<u>9,180,148</u>
EXPENDITURE			
Raw Material Consumption/ written off Purchase	14	25,674	-
Manufacturing, Selling, Administrative and other Expenses	15	65,056,176	-
Interest/ Finance Charges	16	5,780,178	1,481,410
Depreciation	4	2,360	656
		7,831,354	7,862,147
		<u>78,695,743</u>	<u>9,344,213</u>
Profit / (Loss) for the year before tax		(9,393,981)	(164,065)
Less: Provision for Taxation			
a) Current Tax		-	-
b) Deferred Tax		2,161,705	2,058,457
Profit / (Loss) for the year after tax		(7,232,277)	1,894,392
Balance of Profit / (Loss) brought forwarded from earlier years		(62,809,114)	(64,703,506)
Profit / (Loss) Balance carried to Balance Sheet		<u>(70,041,391)</u>	<u>(62,809,114)</u>
Basic and diluted Earnings per Share		(0.93)	0.24
Accounting Policies and Notes on Accounts	17		

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 : 30-05-2011

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Chairman

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

S.No	PARTICULARS	AMOUNT RS	
I	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(9,393,981)	
	Adjustments for:		
	Less: 1. Depreciation(Net)	7,831,354	
	2. Raw Material written off		
	Cash Profit/(Loss) before Working Capital Changes	(1,562,627)	
	Adjustments for Working Capital		
	1. Inventories	3,394,454	
	2. Debtors	(61,302,605)	
	3. Loans & Advances	(6,207,491)	
	4. Investments in WOS co's Shares	(500,700)	
	5. Creditors & Other liabilities	64,690,237	(1,488,732)
	Cash Generated from Operating activities		
II	CASH FLOW FROM INVESTING ACTIVITIES		
	Investment in Shares of WOS	-	-
III	CASH FLOW FROM FINANCING ACTIVITES		
	1. Unsecured Loans	11,857,941	11,857,941
	NET FLOW OF CASH(I+II+III)		10,369,209
	CASH FUNDS AND CASH EQUIVALENT AS ON 01.04.2010		1,188,986
	CASH FUNDS AND CASH EQUIVALENT AS ON 31.03.2011		11,558,195

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 : 30-05-2011

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs.10/- each	<u>100,000,000</u>	<u>100,000,000</u>
	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :		
77,73,110 Equity Shares of Rs.10/- each Fully paid-up	77,731,100	77,731,100
	<u>77,731,100</u>	<u>77,731,100</u>
SCHEDULE - 2 : RESERVES AND SURPLUS		
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>9,982,700</u>	<u>9,982,700</u>
SCHEDULE - 3 : UNSECURED LOANS		
From Directors	-	743,535
From Others	36,300,000	23,698,524
	<u>36,300,000</u>	<u>24,442,059</u>
SCHEDULE - 5 : INVESTMENTS		
Investments in Share of Wholly owned Subsidiary Companies - Aksharalaya Enterprises Ltd (50,700 Equity shares of Rs. 10/- acquired d uring the year, Previous year Nil.)	500,700	-
	<u>500,700</u>	<u>-</u>
SCHEDULE - 6 : INVENTORIES		
Stock in trade (as taken, valued and certified by the Management		
- Yarn	46,896	46,896
- Colours, Chemicals & Nylon	-	25,674
- Work in progress	19,738	19,738
- Packing Material	509,512	509,512
- Finished Goods	58,016	184,376
- Stores & Spares	182,963	182,963
- Designing Material	120,000	3,362,420
	<u>937,125</u>	<u>4,331,579</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE -7 : SUNDRY DEBTORS		
(Unsecured - considered good)		
Debts outstanding for a period exceeding six months	65,182,155	3,879,550
Others	-	-
	<u>65,182,155</u>	<u>3,879,550</u>
SCHEDULE - 8 : CASH AND BANK BALANCES		
Cash in hand	872,398	51,884
Balance with Schedule Banks		
- Current Accounts	10,157,148	608,453
- Other Deposit Accounts	528,649	528,649
	<u>11,558,195</u>	<u>1,188,986</u>
SCHEDULE - 9 : LOANS AND ADVANCE		
(Unsecured - considered good)		
Advances recoverable in cash or kind or for the value to be received.)	7,261,180	1,022,791
Sundry Deposits	2,645,057	2,675,955
	<u>9,906,237</u>	<u>3,698,746</u>
SCHEDULE -10 : CURRENT LIABILITIES AND PROVISIONS		
Sundry creditors Covered by MSMED Act	-	-
Sundry creditors - Others	66,074,565	2,694,762
Other Liabilities	1,393,002	81,496
Provisions	26,185	27,256
	<u>67,493,751</u>	<u>2,803,514</u>
SCHEDULE - 11 : CONTINGENT LIABILITIES		
- 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
	<u>76,198,015</u>	<u>76,198,015</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 1.04.2010	Addition	Deletion	As at 31.03.2011	Up to 31.03.2010	for the Year Adjustments	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	Land	2,427,014	-	-	2,427,014	-	-	-	2,427,014	2,427,014
2	Building	20,498,585	-	-	20,498,585	684,653	-	10,182,972	10,315,613	11,000,266
3	Plant & Machinery	135,354,178	-	-	135,354,178	7,146,701	-	104,994,320	30,359,858	37,506,559
4	Furnitures	2,930,754	-	-	2,930,754	-	-	2,930,754	0	-
5	Vehicle	711,024	-	-	711,024	-	-	711,024	0	-
	TOTAL	161,921,555	-	-	161,921,555	7,831,354	-	118,819,070	43,102,485	50,933,839
	Previous Year Figures	161,921,555	-	-	161,921,555	7,862,147	-	110,987,716	50,933,839	58,795,986

**SCHEDULES FORMING PART OF PROFIT AND LOSS A/C**

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - 12 : OTHER INCOME		
Provisions & Balances Written back	3,197,534	9,180,148
	<u>3,197,534</u>	<u>9,180,148</u>
SCHEDULE - 13 : INCREASE / (DECREASE) IN STOCK		
Closing Stock		
Finished Goods	58,016	184,376
Work in process	19,738	19,738
	<u>77,754</u>	<u>204,114</u>
Opening Stock		
Finished Goods	184,376	542,409
Work in process	19,738	368,268
Stock of Cloth	-	-
	<u>204,114</u>	<u>910,677</u>
Increase / (Decrease) in Stocks	126,360	(706,563)
SCHEDULE - 14 : RAW MATERIALS AND CHEMICALS CONSUMED / WRITTEN OFF		
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	692,475	718,149
Raw Material W/off	<u>25,674</u>	<u>-</u>

**SCHEDULES FORMING PART OF PROFIT AND LOSS A/C**

Particulars	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE - 15 : MANUFACTURING, ADMINISTRATIVE SELLING AND OTHER EXPENSES		
Watch & Ward Expenses	446,964	243,677
Legal and Professional Charges	202,206	-
Secretarial Expenses	615,563	580,582
Rates & Taxes	200,000	-
Excise Duty & Custom duty Paid	-	51,350
Travelling & Conveyance Expenses	292,433	475,416
Office Maintenance	72,973	75,940
Selling and Distribution Expenses	3,500	10,325
Write off of stock of Design Material	3,242,420	-
Auditors Remuneration		
Statutory Audit Fee	44,120	44,120
Directors Sitting Fees	200,000	
Salaries	460,000	-
	<u>5,780,178</u>	<u>1,481,410</u>
SCHEDULE - 16 : FINANCE CHARGES		
Bank Charges - Others	2,360	656
	<u>2,360</u>	<u>656</u>



SCHEDULE 17: 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 within the purview of PF /Gratuity.

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 relates 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:

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the company.

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: The following is Segment Report of the Company in accordance with Accounting Standard – 17 on "Segment reporting.

(Amount in lakh)

Business Segment

Particulars	For the year Ended	
	31.03.2011	31.03.2010
Segment Revenue		
1. Textiles	6.67	7.07
2. Infrastructure	655.64	0.00
Total	662.31	7.07
Less: Inter Segment Revenue	0.00	0.00
Total	662.31	7.07



Particulars	For the year Ended	
	31.03.2011	31.03.2010
Segment Results		
1. Textiles	(79.16)	18.94
2. Infrastructure	06.84	0.00
Total: Profit / (Loss)	(72.32)	18.94
Less: Financial Charges	0.00	0.00
Total profit (Loss) before Tax	(72.32)	18.94
Segment Assets		
1. Textiles	491.56	645.09
2. Infrastructure	825.07	Nil
Total	1316.63	645.09
Segment Liabilities		
1. Textiles	028.89	272.46
2. Infrastructure	1009.05	Nil
Total	1037.94	272.46
Segment Depreciation		
1. Textiles	078.31	078.62
2. Infrastructure	Nil	Nil
Total	078.31	078.62



2. Related Party Transactions (Accounting Standard- 18)

Name of the Party	Relationship	Nature of Transactions	Transactions Rs.	Outstanding As on 31.03.2011(Rs.)
Aksharalaya Enterprises Ltd.	Controlled by MD's Son	Unsecured Loans Advances	30,20,290 22,016	Nil Nil
Ritesh Kumar Gupta	Relative of MD	Unsecured Loans	1,38,621	Nil
Lalit Kumar Gupta	MD	Remuneration Unsecured Loans	Nil 9,04,914	Nil
Adarsh Kumar Gupta	Relative of MD	Unsecured Loan	142,503	Nil
Akshay Kumar Gupta	Relative of MD	Unsecured Loan	39,636	Nil
Babita Rani	Relative of MD	Unsecured Loan	1,75,000	Nil
Lakshmi Gupta	Relative of MD	Unsecured Loan	4,10,669	Nil
Madhulika Gupta	Relative of MD	Unsecured Loan	20,00,000	Nil
Akshay Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	275,000	Nil
Lalit Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	11,50,000	Nil
Ritesh Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	1,50,000	Nil

3. Earnings Per Share (Accounting Standard -20)

Earning Per Share has been computed as under		2010-2011	2009-2010
a.	Profit/ (Loss) After Taxation	-7232277	1 1894392
b.	Number of ordinary Shares outstanding	77,73,110	77,73,110
c.	Earning per share (Face Value Rs. 10/-) Basic and Diluted	0.93	0.24

4. Defferred Tax

The break up of the net deferred tax liability as on 31-03-2011

S.No.	Particulars	Deferred Tax Assets	Defferred Tax Liability
1.	Difference between Book and Tax Depreciation	NIL	101,96,607
2.	Others	NIL	NIL
Net deferred Tax Liability			101,96,607



5. Remuneration to Directors

	Year ended 31.03.2011 Rupees	Year ended 31.03.2010 Rupees
Salaries	Nil	Nil
Directors Sitting Fees	200,000	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 unsecured loan creditors for waiver of interest payment 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. During the year the Company invested a sum of Rs. 500,700/- for purchase of 50,070 Equity Shares of Akshralay Enterprises Limited. On account of this investment Akshralay Enterprises Limited become subsidiary Company of our Company.
12. 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 regarding 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. NIL (Previous year Rs.1,84,875)

13. Previous year figures have been regrouped, rearranged and recast wherever considered necessary.

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 30.05.2011

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****1. Registration Details**

Registration Number

01 - 4777

State Code

01

Balance Sheet Date

31032011

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

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 :30-05-2011



AUDITOR'S REPORT

To
THE BOARD OF DIRECTORS,
TIRUMALA SEUNG HAN TEXTILES LIMITED,
HYDERABAD

1. We have audited the attached Consolidated Balance Sheet of **M/s. TIRUMALA SEUNG HAN TEXTILES LIMITED**, Hyderabad the company and it's Subsidiary **AKSHARLAY ENTERPRISES LIMITED** (the Group), and the consolidated profit and loss and consolidated cash flow statements for the period ended on that date annexed thereto. These consolidated financial statements are the responsibility of the company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding the components. Our responsibility is to express an opinion on these consolidated 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. We report that the Consolidated Financial statements have been prepared by the company management in accordance with

the requirement of the accounting Standard (AS) 21, Consolidated Financial Statements as notified by the Companies (Accounting standards) rules 2006.

4. Based on our audit as aforesaid, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements gives a true and fair view in conformity with the accounting policies accepted in India Subject to our comments in the Annexure referred to above, we state that:
 - a) *Our comments on Consolidated financial statements:*
 - i) *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.*
 - ii) *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.*
 - iii) *Impairment loss, if any on assets of the company which could not be ascertained in absence of technical evaluation from experts, refers Note no. II (10) in Schedule 16.*
 - b. 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 ((a) 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:

- a) In the case of consolidated Balance Sheet of the state of affairs of the group as at 31.03.2011*
- b) In case of Consolidated profit and loss account, of the loss of the group for the year ended on that date; and*
- c) In the case of consolidated cash flow statement, of the cash flows of the group 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 : 30-05-2011

**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2011**

Particulars	Sch. No.	As at 31.03.2011	
		Rs.	Rs.
I SOURCES OF FUNDS			
1. Share Holders Funds			
Share Capital	1	77731100	
Reserves and Surplus	2	<u>10552901</u>	88,284,001
2. Loan Funds			
Unsecured Loans	3	<u>36350000</u>	36,350,000
3. Deffered Tax Liability			<u>10,196,607</u>
			<u>134,830,608</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	161921555	
Less : Depreciation		<u>118819070</u>	
Net Block			43,102,485
Capital Work-in-progress			475,871
2. Investments		-	-
3. Current Assets, Loans and Advances			
Inventories	5	937125	
Sundry Debtors	6	65182155	
Cash and Bank balances	7	11615035	
Loans and Advances	8	<u>11062237</u>	
Less : Current Liabilities and Provisions	9	<u>88796552</u>	
Net Current Assets		<u>67599089</u>	21,197,462
4. Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Profit and Loss Account			<u>70,054,790</u>
			<u>134,830,608</u>
Contingent Liabilities	10		76,198,015
Accounting Policies and Notes on Accounts	16		

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 30-05-2011

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Chairman

**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Sch. No.	As at 31.03.2011 Rs.
INCOME		
Sales		66,547,477
Other Income	11	3,197,534
Increase/(Decrease) in Finished Goods / WIP	12	(126,360)
		69,618,651
EXPENDITURE		
Raw Material Consumption/ written off Purchase	13	25,674 65,356,055
Manufacturing, Selling, Administrative and other Expenses	14	5,831,621
Interest/ Finance Charges	15	2,614
Depreciation	4	7,831,354
		79,047,319
Profit / (Loss) for the year before tax		(9,428,667)
Less: Provision for Taxation		
a) Current Tax		-
b) Deferred Tax		2,161,705
Profit / (Loss) for the year after tax		(7,266,963)
Less: Pre-acquisition loss transferred to Capital Reserve		21,287
Balance of Profit / (Loss) brought forwarded from earlier years		(62,809,114)
Profit / (Loss) Balance carried to Balance Sheet		(70,054,790)
Basic and diluted Earnings per Share		(0.93)
Accounting Policies and Notes on Accounts	16	

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Chairman

Place : Hyderabad

Date : 30-05-2011

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2011 Rs.
SCHEDULE - 1 : SHARE CAPITAL	
AUTHORISED	
1,00,00,000 Equity Shares of Rs.10/- each	<u>100,000,000</u> <u>100,000,000</u>
ISSUED, SUBSCRIBED AND PAID-UP :	
77,73,110 Equity Shares of Rs.10/- each Fully paid-up	<u>77,731,100</u> <u>77,731,100</u>
SCHEDULE - 2 : RESERVES AND SURPLUS	
Capital Reserve	
Opening balance	2000000
Add:- Transferred from Subsidiary Co	591488
Add: Pre-Acquisition Loss	<u>(21287)</u> 2,570,201
Share Premium	5,702,700
Investment Allowance Reserve	2,280,000
	<u>10,552,901</u>
SCHEDULE - 3 : UNSECURED LOANS	
From Directors	-
From Others	36,350,000
	<u>36,350,000</u>
SCHEDULE - 5 : INVENTORIES	
Stock in trade (as taken, valued and certified by the Management	
- Yarn	46,896
- Colours, Chemicals & Nylon	-
- Work in progress	19,738
- Packing Material	509,512
- Finished Goods	58,016
- Stores & Spares	182,963
- Designing Material	120,000
	<u>937,125</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2011 Rs.
SCHEDULE - 6 : SUNDRY DEBTORS	
(Unsecured - considered good)	
Debts outstanding for a period exceeding six months	65,182,155
Others	-
	<u><u>65,182,155</u></u>
SCHEDULE - 7 : CASH AND BANK BALANCES	
Cash in hand	905,515
Balance with Schedule Banks	
- Current Accounts	10,180,871
- Other Deposit Accounts	528,649
	<u><u>11,615,035</u></u>
SCHEDULE - 8 : LOANS AND ADVANCE	
(Unsecured - considered good)	
Advances recoverable in cash or kind or for the value to be received.)	8,411,180
Sundry Deposits	2,651,057
	<u><u>11,062,237</u></u>
SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS	
Sundry creditors Covered by MSMED Act	-
Sundry creditors - Others	66,179,903
Other Liabilities	1,393,002
Provisions	26,185
	<u><u>67,599,089</u></u>
SCHEDULE - 10 : CONTINGENT LIABILITIES #	
- In respect of guarantees given to bankers for clearance of imported and indigeous goods	3,510,000
- In respect of bond executed in favour of Collector of Customs	50,000,000
- Disputed claims of Excise Duty, where proceedings are pending with various authorities	21,469,042
- Disputed Claims with Sales Tax Vigilece & Enforce Department	1,218,973
- APCPDC	-
	<u><u>76,198,015</u></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 1.04.2010	Addition	Deletion	As at 31.03.2011	Up to 31.03.2010	for the Year Adjustments	Up to 31.03.2011	As at 31.03.2011	As at 31.03.2010	
1	Land	2,427,014	-	-	2,427,014	-	-	-	2,427,014	2,427,014	
2	Building	20,498,585	-	-	20,498,585	9,498,319	684,653	10,182,972	10,315,613	11,000,266	
3	Plant & Machinery	135,354,178	-	-	135,354,178	97,847,619	7,146,701	104,994,320	30,359,858	37,506,559	
4	Furnitures	2,930,754	-	-	2,930,754	2,930,754	-	2,930,754	0	-	
5	Vehicle	711,024	-	-	711,024	711,024	-	711,024	0	-	
	TOTAL	161,921,555	-	-	161,921,555	110,987,716	7,831,354	118,819,070	43,102,485	50,933,839	
	Previous Year Figures	161,921,555	-	-	161,921,555	103,125,569	7,862,147	110,987,716	50,933,839	58,795,986	

**SCHEDULES FORMING PART OF PROFIT AND LOSS A/C**

Particulars	As at 31.03.2011 Rs.
--------------------	---------------------------------

SCHEDULE - 11 : OTHER INCOME

Provisions & Balances Written back	3,197,534
	<u>3,197,534</u>

SCHEDULE - 12 : INCREASE / (DECREASE) IN STOCKS

Closing Stock	
Finished Goods	58,016
Work in process	19,738
	<u>77,754</u>

Opening Stock

Finished Goods	184,376
Work in process	19,738
Stock of Cloth	-
	<u>204,114</u>

Increase / (Decrease) in Stocks (126,360)**SCHEDULE - 13 : RAW MATERIALS AND CHEMICALS
CONSUMED/ WRITTEN OFF**

Opening Stock	
Yarn	46,896
Colous, Consumables and Packing Materials	718,149
Add : Purchases	
Yarn	-
Colous, Consumables and Packing Materials	-
	<u>765,045</u>

Less : Closing Stock

Yarn	46,896
Colous, Consumables and Packing Materials	692,475

Raw Material W/off 25,674

**SCHEDULES FORMING PART OF PROFIT AND LOSS A/C**

Particulars	As at 31.03.2011 Rs.
SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES	
Watch & Ward Expenses	446,964
Legal and Professional Charges	202,206
Secretarial Expenses	632,563
Rates & Taxes	200,000
Excise Duty & Custom duty Paid	-
Travelling & Conveyance Expenses	292,433
Office Maintenance	75,143
Selling and Distribution Expenses	3,500
Write off of stock of Design Material	3,242,420
Auditors Remuneration	
Statutory Audit Fee	52,393
Directors Sitting Fees	200,000
Salaries	484,000
	<u>5,831,621</u>
SCHEDULE - 15 : FINANCE CHARGES	
Bank Charges - Others	2,614
	<u>2,614</u>



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 within the purview of PF /Gratuity.

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 relates 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:

Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the company.

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.

12. Basis of Consolidation:

The consolidated Financial statements relate to Tirumala Seung Han Textiles Limited (the company) and its subsidiary Company Akshralay Enterprises Limited wherein the company holds 100% shares as on 31.03.2011.

The consolidated financial statements of the company and its subsidiary have been prepared by adding together the book value of like items of assets, Liabilities, income and expenses. All intra group transaction, balances and unrealized profit/loss on transaction have been fully eliminated in accordance with accounting standard (AS) 21-“Consolidated Financial Statement”.

Minority interest’s share of net profit for the year is identified and adjusted against the profit in order to arrive at the net profit attributable to the shareholders to the company.

Minority interest’s share of net asset of subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company’s Shareholders.

All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

As far as possible, the consolidated financial statement are prepared using the uniform accounting policies for like transactions other events in similar circumstances and are presented in the same manner as the company’s separate financial statements.



II. NOTES ON ACCOUNTS

1. Segment Reporting: The following is Segment Report of the Company in accordance with Accounting Standard – 17 on “Segment reporting.

(Amount in lakh)

Business Segment

	For the year Ended 31.03.2011
Segment Revenue	
1. Textiles	9.83
2. Infrastructure	655.64
Total	665.47
Less: Inter Segment Revenue	0.00
Total	665.47
Segment Results	
1. Textiles	(79.51)
2. Infrastructure	06.84
Total: Profit / (Loss)	(72.67)
Less: Financial Charges	0.00
Total profit (Loss) before Tax	(72.67)
Segment Assets	
1. Textiles	503.69
2. Infrastructure	820.06
Total	1323.75
Segment Liabilities	
1. Textiles	030.44
2. Infrastructure	1009.05
Total	1039.49
Segment Depreciation	
1. Textiles	078.31
2. Infrastructure	Nil
Total	078.31



2. Related Party Transactions (Accounting Standard- 18)

Name of the Party	Relationship	Nature of Transactions	Transactions Rs.	Outstanding As on 31.03.2011(Rs.)
Aksharalaya Enterprises Ltd.	Controlled by MD's Son	Unsecured Loans Advances	30,20,290 22,016	Nil Nil
Ritesh Kumar Gupta	Relative of MD	Unsecured Loans	1,38,621	Nil
Lalit Kumar Gupta	MD	Remuneration Unsecured Loans	Nil 9,04,914	Nil
Adarsh Kumar Gupta	Relative of MD	Unsecured Loan	142,503	Nil
Akshay Kumar Gupta	Relative of MD	Unsecured Loan	39,636	Nil
Babita Rani	Relative of MD	Unsecured Loan	1,75,000	Nil
Lakshmi Gupta	Relative of MD	Unsecured Loan	4,10,669	Nil
Madhulika Gupta	Relative of MD	Unsecured Loan	20,00,000	Nil
Akshay Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	275,000	Nil
Lalit Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	11,50,000	Nil
Ritesh Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	1,50,000	Nil

3. Earnings Per Share (Accounting Standard -20)

Earning Per Share has been computed as under		2010-2011
a.	Profit/ (Loss) After Taxation	-7266963
b.	Number of ordinary Shares outstanding	77,73,110
c.	Earning per share (Face Value Rs. 10/-) Basic and Diluted	0.93

4. Deffered Tax

The break up of the net deferred tax liability as on 31-03-2011

S.No.	Particulars	Deferred Tax Assets	Deffered Tax Liability
1.	Difference between Book and Tax Depreciation	NIL	101,96,607
2.	Others	NIL	NIL
Net deferred Tax Liability			101,96,607



5. Remuneration to Directors

		Year ended 31.03.2011 Rupees
Salaries		Nil
Directors Sitting Fees		200,000

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

Expenditure in foreign currency Rs. NIL

12. This is being the first year for consolidated financial statement, previous year figures are not given.

As per the report of even date 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 : 30.05.2011

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Chairman



AUDITOR'S REPORT

To
The Members
Akshralay Enterprises Limited
Hyderabad.

1. We have audited the attached Balance Sheet of **AKSHRALAY ENTERPRISES LIMITED**, as at 31.03.2011, and the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) *In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Accounting Policies and Notes forming part of accounts, **Subject to refer note no. II(2) in schedule 9 regarding non confirmation / reconciliation of balances of Banks, Unsecured Loan, advances and other liabilities, the impact of which is***



unascertained, gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31.03.2011.
- (ii) In the case of the Profit and Loss Account, of the loss 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 : 30-05-2011



**ANNEXURE TO AUDITOR'S REPORT
AKSHRALAY ENTERPRISES LIMITED**

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

- (i) (a) The company does not have any fixed assets hence provisions of clause (i) of the Companies (Auditors) Report Order 2003 are not applicable to the company.
- (ii) (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) (a) According to the information and explanation given to us, during the year, the company has not granted any loans secured or unsecured to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, however the company received back the amount Rs. 30,20,291/- loans granted in earlier year to one of the party.
- (b) According to the information and explanation give to us, no terms and conditions with regard to rate of interest were stipulated with the party to whom loans were given by the company; hence we are unable to comment on the same.
- (c) As the terms and conditions of repayment of principal and interest were not stipulated we are unable to comment on the regularity of the same.
- (d) As the terms and conditions of repayment were not stipulated we are unable to comment whether any amount is overdue.
- (e) According to the information and explanation given to us, the Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) 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 and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.



- (b) In our opinion and according to the information and explanations given to us, the company has not entered into any transactions made in pursuance of contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- (vi) During the year, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provision of the Companies Act, 1956 and the rules framed there under.
- (vii) According to information and explanations given to us, Clause relating to internal audit is not applicable to the company.
- (viii) During the year company has not carried any manufacturing operations. Hence as informed to us the maintenance of cost records is not applicable for this year.
- (ix) (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 employees' state insurance, income-tax, wealth tax, sales-tax, service tax, excise duty, cess, and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x) The company does not have accumulated losses as on 31.03.2011. However it has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not taken any loan from a financial institution, bank and also has not issued any debenture.
- (xii) 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.
- (xiii) 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.



- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) 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.
- (xvi) 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.
- (xvii) 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.
- (xviii) According to the information and explanation 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 (Auditors Reports) Order 2003 are not applicable to the company.
- (xix) According to the information and explanation given to us, the company has not issued any debentures during the year.
- (xx) According to the information and explanation given to us, the company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

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

Place : Hyderabad
Date : 30-05-2011

**AKSHARALAY ENTERPRISES LTD BALANCE SHEET AS ON 31ST MARCH 2011**

Particulars	Sch. No.	As at		
		31.03.2011	As at 31.03.2010	
I SOURCES OF FUNDS				
1. Share Holders Funds				
a) Share Capital	1	500,700	500,700	
b) Share Application Money		-	1,523,070	
c) Reserve and Surplus	2	<u>556,802</u>	<u>591,488</u>	
		1,057,502	2,615,258	
2. Loan Funds				
a) Secured Loans				
b) Unsecured Loans	3	<u>50,000</u>	<u>50,000</u>	
		<u><u>1,107,502</u></u>	<u><u>2,665,258</u></u>	
II APPLICATION OF FUNDS				
1. Fixed Assets				
2. Current Assets, Loan and Advances				
a) Sundry Debtors	4	-	-	
b) Cash and Bank Balances	5	56,840	11,509	
c) Loan and Advances	6	<u>1,156,000</u>	<u>3,026,291</u>	
		<u><u>1,212,840</u></u>	<u><u>3,037,800</u></u>	
Less: Current Liabilities and Provision	7	105,338	372,542	
Net Current Assets		1,107,502	2,665,258	
Total		<u><u>1,107,502</u></u>	<u><u>2,665,258</u></u>	
Accounting Policies and Notes on Accounts	9			
As per the report of even date attached				
For LAXMINIWAS & JAIN Chartered Accountants Firm Reg. No. 001859 S Sd/- (SURESH KUMAR JAIN) Partner Membership No. 018465 Place : Hyderabad Date : 30-05-2011		For and on behalf of the Board Sd/- AKSHAY KUMAR GUPTA Managing Director		Sd/- ADARSH KUMAR GUPTA Chairman

**AKSHARALAY ENTERPRISES LTD PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Sch. No.	As at 31.03.2011	As at 31.03.2010
INCOME			
Sales		316,890	254,845
Sundry Balances Written off		-	15,840
		<u><u>316,890</u></u>	<u><u>270,685</u></u>
II EXPENDITURE			
Purchases		299,879	236,839
Manufacturing, Selling, Administrative and Others Expenses	8	51,697	36,618
		<u><u>351,576</u></u>	<u><u>273,457</u></u>
Loss before Tax		(34,686)	(2,772)
Income tax for Earlier Year		-	-
Loss after tax for the Year		<u>(34,686)</u>	<u>(2,772)</u>
Balance of Profit/(Loss) brought forward from the earlier year		<u>591,488</u>	<u>594,260</u>
Balance Carried to Balance Sheet		<u><u>556,802</u></u>	<u><u>591,488</u></u>

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 30-05-2011

For and on behalf of the Board

Sd/-

AKSHAY KUMAR GUPTA

Managing Director

Sd/-

ADARSH KUMAR GUPTA

Chairman

**AKSHARALAY ENTERPRISES LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

Particulars	Sch. No.	As at 31.03.2011	As at 31.03.2010
I CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax		(34,686)	
Adjustments for:			
Less: 1. Depreciation(Net)		-	
2. Raw Material written off		-	
Cash Profit/(Loss) before Working Capital Changes		<u>(34,686)</u>	
Adjustments for Working Capital			
1. Inventories		-	
2. Debtors		-	
3. Loans & Advances		1,870,291	
4. Investments in WOS co's Shares		-	
5. Creditors & Other liabilities		<u>(267,204)</u>	
Cash Generated from Operating activities			<u>1,568,401</u>
II CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Shares of WOS		-	-
III CASH FLOW FROM FINANCING ACTIVITIES			
1. Unsecured Loans		-	
2. Share Application Money		<u>(1,523,070)</u>	<u>(1,523,070)</u>
NET FLOW OF CASH(I+II+III)			45,331
CASH FUNDS AND CASH EQUIVALENT AS ON 01.04.2010			11,509
CASH FUNDS AND CASH EQUIVALENT AS ON 31.03.2011			56,840

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 30-05-2011

For and on behalf of the Board

Sd/-

AKSHAY KUMAR GUPTA

Managing Director

Sd/-

ADARSH KUMAR GUPTA

Chairman

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	Sch. No.	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1 : SHARE CAPITAL			
10,00,000 Equity Shares of Rs. 10/- each		10,000,000	10,000,000
		<u>10,000,000</u>	<u>10,000,000</u>
Issued, Subscribed and Paid-Up			
50070 Equity Shares of Rs. 10/- each		500,700	500,700
		<u>500,700</u>	<u>500,700</u>
SCHEDULE - 2: Reserves & Surplus			
Profit & Loss A/c. Opening Balance		591,488	594,260
Add: Profit(Loss) for the year		(34,686)	(2,772)
		<u>556,802</u>	<u>591,488</u>
SCHEDULE - 3: Unsecured Loans			
Amit Bajpai		50,000	50,000
		<u>50,000</u>	<u>50,000</u>
SCHEDULE - 4: Sundry Debtors (Unsecured - Considered Good)			
Debts Outstanding for more than six month other debts		-	-
		<u>-</u>	<u>-</u>
SCHEDULE - 5: Cash & Bank Balances			
Cash in Hand		33,117	4,275
Balance with Schedule Bank		23,723	7,234
		<u>56,840</u>	<u>11,509</u>
SCHEDULE - 6: Loans & Advances			
Advances recoverable in cash or kind for value to be received		1,150,000	3,020,291
Deposits		6,000	6,000
		<u>1,156,000</u>	<u>3,026,291</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	Sch. No.	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 7: Current Liabilities & Provisions			
Other Liabilities		105,338	372,542
		<u>105,338</u>	<u>372,542</u>
SCHEDULE - 8: Manufacturing, Administrative			
Selling & other Expenditures			
Audit Fees		8,273	8,273
Salary		24,000	24,000
Misc Exp		2,170	2,845
Bank Charges		254	-
Rates and Taxes		17,000	1,500
		<u>51,697</u>	<u>36,618</u>

**SCHEDULE 9: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****I. ACCOUNTING POLICIES****1. Basis of Accounting:**

The Financial Statement 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 Sales:

Sales have been accounted net of Discount and Purchases have been accounted net of discounts

3 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.

4 Miscellaneous Expenditure:

Preliminary & Preoperative Expenses are amortised over the period of 10 years.

II NOTES ON ACCOUNTS:

1 Contingent Liabilities : NIL

2 Balance shown under Banks, Unsecured Loan Advances and other liabilities are subject to confirmation/reconciliation.

3 Managerial Remuneration:

	Year ended 31.03.2011	Year ended 31.03.2010
Salaries	0	0
Perquisites	0	0

4 During the year M/s. Tirumala Seung Han Textiles Limited acquired shares of the Company on account of which the company became subsidiary of M/s. Tirumala Seung Han Textiles Limited.

5 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.



- 6 The Company does not have any deferred tax asset or liability.
- 7 Previous year figures have been regrouped wherever necessary
- 8 Quantitative Particulars:

	For the year 2010-11 Value	For the year 2009-10 Value
SALES	316890	254845
PURCHASES	299879	236839

Signature to Schedule 1 to 9

As per the report of even date attached

For LAXMINIWAS & JAIN

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 30-05-2011

For and on behalf of the Board

Sd/-

AKSHAY KUMAR GUPTA

Managing Director

Sd/-

ADARSH KUMAR GUPTA

Chairman

**Statement in pursuant to Sec. 212 (1) (e) of the Companies Act, 1956**

Section	Particulars	
212(3)(a)	Extent of interest in M/s Aksharlaya Enterprises Limited (Whollyowned subsidiary company) on 31.03.2011 No of Equity Shares held Face Value (per share) % of Interest	50,070 10/- 100%
212(3)(b)	Net aggregate amount, so far as it concerns members of the Holding Company and is not dealt with in the Company's account, of the Subsidiary's profit: - for the year ended 31.03.2011 - for the previous years since the Company become holding company	Not applicable, since
212(3)(c)	Net aggregate amount of profits of subsidiary so far as those profits are dealt with the accounts of the Company: - for the year ended 31.03.2011 - for the previous years since the Company become holding company	no commercial operations commenced

**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)
27th Annual General Meeting 27th September 2011

I/We hereby record / my / our presence at the 27th Annual General Meeting of the Company held on TUESDAY, 27th SEPTEMBER, 2011 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, 27th SEPTEMBER, 2011** at 11.00 A.M. at Madhav Reddy Community Hall,
near Victoria Anglo School, Chaytaniyapuri, Hyderabad and at any adjournment thereof.

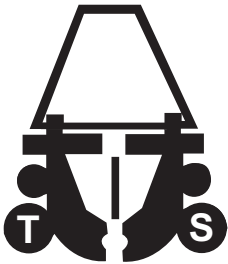
As Witnessed my hand / our hands this.....day of.....2011

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.