

**BOARD OF DIRECTORS**

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

STATUTORY AUDITORS

: M/S LAXMINIVAS & 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**

: VENTURE CAPITAL & CORPORATE
INVESTMENTS PVT LTD.
12-10-167
Bharatnagar Colony,
Hyderabad – 500 004

FACTORY

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

LISTING AT

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



NOTICE TO SHAREHOLDERS

Notice is hereby given that the **TWENTY FIFTH ANNUAL GENERAL MEETING** of the members of Tirumala Seung Han Textiles Limited will be held on **THURSDAY, 10TH SEPTEMBER, 2009 at 2.00 P.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, 2009 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 Gajanand Gupta, 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 SRI Y. MALLIKHARJUNA RAO AS DIRECTOR

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

"RESOLVED THAT Sri.Y Mallikarjuna Rao, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office as such upto the date of the Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. APPOINTMENT OF Y SHYAM SINGH MATHUR

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

"RESOLVED THAT Y Shyam Singh Mathur, who was appointed as an Additional Director of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds the office as such upto the date of the Annual General Meeting, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director of the Company under Section 257 of the Companies Act, 1956 along with requisite deposit of Rs.500, be and is hereby appointed as a Director of the Company, liable to retire by rotation."



6. REAPPOINTMENT OF SRI LALIT KUMAR GUPTA AS MANAGING DIRECTOR

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

"RESOLVED THAT Pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions if any, of the Companies Act, 1956 consent of the members be and hereby accorded for the appointment of Sri Lalit Kumar Gupta as Managing Director of the Company for a period of 5 years with effect from 01.04.2009 to 31.03.2014.

"FURTHER RESOLVED THAT the duties of the Managing Director shall be including but not limited to the overall supervision of the functioning of the company, handling day to day affairs of the Company, appointment and termination of services of employees, regularly reporting to the Board on the activities of the Company and to perform all other duties that the Board may delegate to the Managing Director from time to time."

Place: Hyderabad
Date: 10.08.2009

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 **MONDAY, 7TH SEPTEMBER, 2009 To THURSDAY, 10TH SEPTEMBER, 2009** (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 the Special Business is Annexed hereto

BY ORDER OF THE BOARD

Sd/-
LALIT KUMAR GUPTA
MANAGING DIRECTOR



EXPLANATORY STATEMENT

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

ITEM NO. 4,

The members may note that Sri Y Mallikharjuna Rao was inducted into the Board as Additional Director of the Company with effect from 1st April 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 105 of Article of Association. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Sri Y Mallikharjuna Rao for the Office of Director, whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting.

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Y Mallikharjuna Rao is interested in this resolution.

ITEM NO. 5.

The members may note that Y Shyam Singh Mathur was inducted into the Board as Additional Director of the Company with effect from 1st April 2009 pursuant to the provisions of Section 260 of the Companies Act, 1956 read with Article 105 of Article of Association. The said Director holds the said office upto the ensuing Annual General Meeting.

The Company has received notice in writing from a member of the Company along with a deposit of Rs.500/- under Section 257 of the Companies Act, 1956 proposing the candidature of Y Shyam Singh Mathur for the Office of Director, whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of Section 257 of the Act, any such proposal needs to be approved by the members in their General Meeting.

Hence, the Board recommends the respective resolution for your approval.

None of the Directors, except Sri Y Shyam Singh Mathur is interested in this resolution

ITEM NO. 6.

Sri Lalit Kumar Gupta is re- appointed as Managing Director of the Company by the Board of Directors w.e.f 1st April 2009 pursuant to the provisions of Section 269 read with Schedule XIII of the Companies Act, 1956 subject to the approval of the members in their General Meeting.

None of the Directors, except Sri Lalit Kumar Gupta and Ritesh Gupta is interested in this resolution

**DIRECTOR'S REPORT**

To
The Members,

Your Directors have pleasure in presenting the TWENTY FIFTH ANNUAL REPORT together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS:

(Rs In Lakhs)

	For the Year ended 2008-2009	For the Year ended 2007-2008
Sales	1.64	5.56
Other Income	21.84	32.69
Extraordinary Item	-	-
Increase/(decrease) in finished goods/WIP	(6.14)	-
Expenditure	(32.52)	(27.98)
Gross Profit / (Loss)	<u>(15.18)</u>	<u>10.27</u>
Less: Depreciation	(80.17)	(80.15)
Less: Interest	<u>0.03</u>	<u>(0.05)</u>
Profit / (Loss) for the year	(95.38)	(69.93)
Less: Prior Period Expenses	-	-
Add: Income / (Expenses) Extraordinary Items	-	-
Profit/ (Loss) for the year before tax	(95.38)	(69.93)
Income tax	-	-
Deferred Tax	8.59	18.22
Profit / (Loss) after tax	<u>(86.79)</u>	<u>(51.71)</u>
Balance of profit / (Loss) brought forward	(560.24)	(508.53)
Surplus (Loss) transferred to Balance Sheet	(647.03)	(560.24)

REVIEW OF OPERATIONS:

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

INDUSTRY OUT LOOK:

Board of Directors are considering various options to carryout the operations keeping in mind the changes happened in the industry of manufacturing of Acrylic Mink Blankets.

DIVIDEND:

Due to absence of profits your Directors do not recommend any dividend for the Financial Year 2008-09.

FIXED DEPOSITS:

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

DIRECTORS:

Sri Gajanand Gupta, Director of your Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Sri Y Shyam Singh Mathur and Sri Y Mallikharjuna Rao were inducted as Additional Directors of the Company w.e.f. 1st April, 2009.

The Company has received individual notices from the members of the Company complying with the provisions of the Section 257 of the Act, proposing their respective candidature for the office of Directors.

The Board of Directors re-appointed Sri Lalit Kumar Gupta as Managing Director of the Company, subject to the approval of members in their general meeting.

Relevant resolutions are proposed for your consideration.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors of your Company hereby report:

- that in the preparation of Annual Accounts for the Financial Year ended 31st March, 2009, 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, 2009 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. Laxminivas & Jain, Chartered Accountants, the statutory auditors of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

EXPLANATION TO AUDITORS' OBSERVATIONS:

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

1. With regard to Clause f (i) and f (ii) regarding non provision of amounts for long pending debtors and loans and advances, Directors are hopeful of recovering the same and hence no provision is made.

2. With regard to Clause f (iii), the Note No II (6) in Schedule 16 is self explanatory.
3. With regard to interest on Unsecured Loans in Clause f (iv) of the Auditors Report, attention of members is drawn to point no: II (8) respectively in the Notes to Accounts which are self explanatory.
4. With regard to Impairment loss on the assets in Clause f (v) of the Auditors Report, attention of members is drawn to point no: II (10) respectively in the Notes to Accounts which are self explanatory.
5. With regard to point no (1) (a) in the annexure to Auditor's Report, attention of members is drawn to the fact that due to inadequate staff the fixed assets register was not updated.
6. With regard to point no (7) in the annexure to Auditors Report, attention of members is drawn to the fact that due to continuous financial crisis the Company could not appoint internal auditors.
7. With regard to point no (9) (a) in the annexure to Auditors Report, attention of members is drawn to the fact that due to the subsisting financial crisis the Company was not in a position to clear the same.

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

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



MANAGEMENT DISCUSSION & ANALYSIS

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

CORPORATE GOVERNANCE:

As your Company was Sick Company till last financial year and your directors were not in a position to implement the Corporate Governance. This financial year the Board of Directors has implemented the Code of corporate Governance Pursuant to Clause 49 of the Listing Agreement w.e.f 1st April 2009, a report on Corporate Governance of the Company are furnished as a part of this Annual Report.

LISTING FEE:

Your Company's shares are presently listed on the Ahmedabad Stock Exchange Limited,

Date : 10-08-2009
Place : Hyderabad

Bombay Stock Exchange Limited, Calcutta Stock Exchange Association Limited your Company is regular in paying the listing fee to the Bombay Stock Exchange Limited.

ACKNOWLEDGEMENTS:

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

FOR AND ON BEHALF OF THE BOARD

Sd/-
(GAJANAND GUPTA)
Chairman



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:	2008-09
Foreign exchange earnings	NIL
Foreign exchange outgo	155820



MANAGEMENTDISCUSSION & ANALYSIS ANNEXURE- B

TEXTILE INDUSTRY OVERVIEW

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of SC/ST, and women. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

The major sub-sectors that comprise the textiles sector include the organized Cotton/ Man-Made Fiber Textiles Mill Industry, the Man-made Fiber/ Filament Yarn Industry, the Wool and Woolen Textiles Industry, the Sericulture and Silk Textiles Industry, Handlooms, Handicrafts, the Jute and Jute Textiles Industry, and Textiles Exports.

GOVERNMENT INITIATIVES

In an effort to increase India's share in the world textile market, the government has introduced a number of progressive steps.

- 100 per cent FDI allowed through the automatic route.
- Technology Up gradation Fund Scheme (TUFS) which was launched to facilitate the modernization and up gradation of the textiles industry in 1999 has been given further extension till 2011-12. A total of 18773 applications involving a project cost of US\$ 24.91 billion have been sanctioned (for a loan amount of US\$ 10.84 billion) under the Technology Upgradation Funds Scheme upto March 31, 2008.

- 40 textile parks are being set up under the Scheme for Integrated Textile Parks (SITP) which will attract an investment of US\$ 4.38 billion, create employment both direct and indirect for 908,000 workers and produce goods worth US\$ 7.77 billion annually.

- The Indian Textile Plaza is being built in Ahmedabad to encourage exports to overseas markets.

In current times of a global meltdown, the government has come out with an economic stimulus package for the textile industry. This includes:

- Extension of interest rate subvention of 2 per cent on pre and post shipment credit

INDUSTRY OUTLOOK

There is a sense of optimism and confidence prevailing in the industry and the industry is projected to grow at the rate of 16 per cent in value terms in the next five years. The policy measures initiated by the Government are showing striking results. Investment has increased significantly in the textiles sector, and is expected to touch Rs.1,50,600 crore by 2012. This enhanced investment will generate 17.37 million jobs (comprising 12.02 million direct and 5.35 million indirect jobs) by 2012. Today, the industry is increasingly embracing modern technology and work processes, becoming more globally competitive, building strong brand equity for its products, and consistently achieving higher growth rates than ever in its long history. The challenges are many. The Government is committed to transform what is today an emerging or sunrise sector, into a developed industry.

FUTURE OUTLOOK

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



CORPORATE GOVERNANCE REPORT

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

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

2. BOARD OF DIRECTORS:

- Composition of Board of Directors

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

- Board meeting and attendance

Seven 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:

30.04.2008	24.07.2008	20.08.2008	11.10.2008	31.10.2008	15.11.2008	30.01.2009
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 20.09.2008	Attendance in Board Meeting		Other Boards		
				He ld	Atte nded	Direct orship	Comm ittee	Committee member ship
1	Lalit Kumar Gupta	Managing Director Promoter	Yes	6	6	1	Nil	Nil
2	Ritesh Gupta	Executive Director Promoter	Yes	6	4	Nil	Nil	Nil
3	Gajanand Gupta	Non Executive-Non Independent Director	Yes	6	6	Nil	Nil	Nil
4	Y Mallikharjuna Rao	Non Executive Independent Director	No	6	Nil	1	Nil	Nil
5	Y Shyam Singh Mathur	Non Executive Independent Director	No	6	Nil	Nil	Nil	Nil



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

SRI GAJANAND GUPTA:

Sri Gajanand Gupta aged about 64 years R/o P G Road, Secunderabad has more than 35 years of experience in textile industries.

SRI Y MALLIKHARJUNA RAO:

Y Mallikharjuna Rao aged about 42 years R/o Safil Guda, Secunderabad is qualified as Bachelor of Commerce and CS (Inter) with more than 15 years of experience in the field of finance & secretarial works.

SRI Y SHYAM SINGH MATHUR:

Y Shyam Singh Mathur aged about 66 years R/o Lunnat Nagar, Mumbai is qualified as Master of Science and has 40 year of experience in the field of Textile and processing.

SRI LALIT KUMAR GUPTA

Sri Lalit Kumar Gupta aged about 59 years R/o Plot No. 1217/A, Road No. 36, Jubilee Hills, Hyderabad-33. He has more 35 years of experience in the field of textile. He is one of the promoters and keyman in the management of the Company.

3. AUDIT COMMITTEE:

Terms of Reference:

The Terms of reference of the committee are as follows:

- 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 Audit Committee was formed in the meeting of Board of Directors held on 1st April 2009. The Committee comprises of the following members:

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

Meetings and Attendance during the Financial Year:

No meeting was held as the Audit Committee was formed on 1st April, 2009

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 was formed in the meeting of Board of Directors held on 1st April 2009. The Committee comprises of the following members

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

Remuneration paid to Directors during the Financial Year

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

Attendance During The Year

No meeting was held as the Remuneration Committee was formed on 1st April, 2009

5. INVESTORS AND SHAREHOLDERS GRIEVANCE COMMITTEE:

Terms of Reference:

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

To supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;



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

Composition

The Committee comprises of the following members:

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

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

No. of shareholders complaints received during the Financial Year: : 25

No. of complaints solved to the satisfaction of the share holders : 25

No. of pending complaints : ---

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

Year	Date	Location	Time
2007-08	20-09-2008	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	2.00 p.m.
2006-07	06-09-2007	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	2.00 p.m.
2005-06	30-09-2006	Bhagyanagar Function Hall, L B Nagar, Hyderabad	11.00 am



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

During the year the company has passed an ordinary resolution through postal dated 14.10.2008 and results declared on 17.11.2008 by the chairman under Section 293 (1) (a) of the Companies Act, 1956.

The particulars of the Voting Pattern in the Postal Ballot are as:

No. of Members Voted for the Resolution	No. of Shares held by them	Votes cast in favour Resolution	Votes Cast against the Resolution	Invalid Votes	% Votes Cast in Favour of Resolution
450	27991100	448	2	NIL	99.55

Sri Lalit Kumar Gupta Managing Director of the Company was authorized to conduct the postal ballot process and Sri P S Rao Company Secretary in practice was appointed as Scrutinizer for Postal Ballot process of the Company.

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:

- As the company was sick company, the Quarterly results were not published in the newspapers, the Company is under the process publishing the same.

9. GENERAL SHAREHOLDER INFORMATION:

- ANNUAL GENERAL MEETING:

Day, Date & Time	Thursday, 10th September, 2009 at 2.00 pm
Venue	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanyapuri Hyderabad



- **FINANCIAL YEAR:** 1st April 2008 to 31st March 2009

CALENDER OF EVENTS:

EVENT	DATES
First Quarter un-audited Financial Results	Last Week of July, 2009
Second Quarter un-audited Financial Results	Last Week of October, 2009
Third Quarter un-audited Financial Results	Last Week of January, 2009
Fourth Quarter Un audited Financial Results	Last Week of April, 2010

- **BOOK CLOSURE DATE:**

7TH SEPTEMBER, 2009 To THURSDAY, 10TH SEPTEMBER, 2009 (both days inclusive)

- **DIVIDEND PAYMENT DATE:** NA

- **LISTING ON STOCK EXCHANGES:** The shares of the Company are listed at

Ahmedabad Stock Exchange
Bombay Stock Exchange Limited.
Calcutta Stock Exchange Association Limited

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

- **STOCK EXCHANGE CODE:** 521036
- **MARKET PRICE DATA:** Not available (the script is suspended)
- **REGISTRAR AND TRANSFER AGENTS:**

Venture Capital & Corporate Investment Private Limited
12-10-167, Bharat Nagar Hyderabad-500018.

- **SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. Venture Capital & Corporate Investment 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 2009:**

Sl No	Category	No. of Shares Held	% of Shareholding
SHAREHOLDING OF PROMOTERS & PROMOTER GROUP			
INDIAN			
A1	Individuals/Hindu Undivided Family	2482740	31.94
	Central Government /State Government(s)		-
	Bodies Corporate		-
	Financial Institutions/Banks		-
	Sub Total of A1	2482740	31.94
FOREIGN			
A2	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	Sub Total of A2		
TOTAL PROMOTERS SHAREHOLDING (A1 +A2)		2482740	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	237500	3.05
	Any Other (Specify)	3768470	48.48
	NRI/OCBs	1045100	13.45
	Foreign Collaborators	-	-
	Clearing Members	-	-
	Sub Total B2	5051070	64.98
TOTAL OF PUBLIC SHAREHOLDING (B1+B2)		5290370	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 31.03.2009**

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	29954	99.85	3781310	48.65
2	5001 - 10000	18	0.06	131700	1.69
3	10001 - 20000	5	0.02	75000	0.96
4	20001 - 30000	2	0.01	51400	0.66
5	30001 - 40000	2	0.01	71100	0.91
6	40001 - 50000	1	-	48900	0.63
7	50001 - 100000	1	-	81900	1.05
8	100001 and above	15	0.05	3531800	45.44
	TOTAL	29,998	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

CEO & CFO CERTIFICATION:

The Managing Director of the Company gave annual certificates on financial reporting and internal controls to the Boards in terms of Clause 49

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

Company has implemented the code of corporate governance w.e.f 1st April 2009

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 hereby certify that the Board members and senior management personnel of TIRUMALA SEUNG HAN TEXTILE LIMITED have affirmed compliance with the Code from 1st April 2009.

FOR AND ON BEHALF OF THE BOARD

Sd/-

LALIT KUMAR GUPTA

Managing Director

Place: Hyderabad

Date: 10.08.2009



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 2009 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 31.03.2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date.
 - f) *Our comments on financial statements:*
 - i) *Debtors include Rs. 21.29 Lakhs Long pending for which no provision is made in the accounts;*
 - ii) *Loans and advances included Rs.8 Lakhs Long pending for which no provision is made in the accounts;*
 - iii) *Non confirmation /reconciliation of Balances of Creditors, Debtors,*



Bank Balances, other Liabilities, Unsecured loans and Loan and advances, refer Note No II(6) in Schedule 16, the impact of which is unascertained.

iv) The provisions for interest on unsecured loans is not made, as the request for waiver of interest / reduction in the rate of interest is made - Ref Note No II(8) in Schedule 16, the impact of which could not be ascertained.

v) Impairment loss, if any on assets of the company which could not be ascertained in absence of technical evaluation from experts, refer Note no. II(10) in Schedule 16.

g. In our opinion and to the best of our information and according to the explanations given to us, the said account read with the Accounting Policies and notes forming part of accounts appearing in Schedule no. 16 and subject to matters referred in Para ((f) above, gives the information

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

- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2009.
- 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

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

Place : Hyderabad
Date : 10-08-2009



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

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

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situations of Fixed Assets *which requires to be updated for some particulars, which are to be gathered from financial books.*
 - (b) These assets have been physically verified by the management during the year through a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) During the year the company has not disposed off any fixed assets.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. (a) According to the information and explanations given to us during the year the company has not granted any loans secured or unsecured to the companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, hence clause (a) to (d) are not applicable.
 - (b) During the year the company has taken unsecured loans from nine parties covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs. 26.50 lakhs. The maximum amount involved during the year and year end balance amounts to Rs. 60.32 lakhs payable to eleven parties.
 - (c) In our opinion, the rate of interest and other terms and conditions on which loan have been taken from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
 - (d) As the terms and conditions for repayment of loans taken are not stipulated, we are unable to comment whether the Company is regular in payment or otherwise.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our Audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to enter in the registers maintained under section 301 of the Companies Act, 1956 have been so entered.



(b) In our opinion and according to the information and explanations given to us, there are no transactions made during the year, in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 which are exceeding the value of Rs. Five Lakhs in respect of each party.

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

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

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

9. (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, investor education and protection fund, and Employees State Insurance, income tax, sales tax, wealth tax, service tax, custom duty excise duty cess and other material statutory dues applicable to it *except for a sum of Rs. 78649/- towards sales tax which is due for more than 6 months as on 31.03.2009.*

(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	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 31.3.2009 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

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

Place: Hyderabad
Date :10-08-2009

**BALANCE SHEET AS ON 31ST MARCH, 2009**

Particulars	Sch. No.	As at 31.03.2009		As at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
I SOURCES OF FUNDS					
1. Share Holders Funds					
Share Capital	1	77,731,100		77,731,100	
Reserves and Surplus	2	<u>9,982,700</u>	87,713,800	<u>9,982,700</u>	87,713,800
2. Loan Funds					
Unsecured Loans	3	<u>27,892,059</u>	27,892,059	<u>25,242,059</u>	25,242,059
3. Deffered Tax Liability			14,416,769		<u>15,275,777</u>
			<u>130,022,628</u>		<u>128,231,636</u>
II APPLICATION OF FUNDS					
1. Fixed Assets					
Gross Block	4	161,921,555		161,914,066	
Less : Depreciation		<u>103,125,569</u>		<u>95,108,737</u>	
Net Block			58,795,986		66,805,329
Capital Work-in-progress			475,871		475,871
2. Current Assets, Loans and Advances					
Inventories	5	5,038,142		6,701,001	
Sundry Debtors	6	4,796,946		4,922,941	
Cash and Bank balances	7	1,784,132		1,516,945	
Loans and Advances	8	<u>4,710,236</u>		<u>5,187,782</u>	
		<u>16,329,456</u>		<u>18,328,669</u>	
Less : Current Liabilities and Provisions	9	<u>10,282,191</u>		<u>13,402,321</u>	
Net Current Assets			6,047,264		4,926,348
4. Miscellaneous Expenditure (to the extent not written-off or adjusted)					
Profit and Loss Account			64,703,506		56,024,088
			<u>130,022,628</u>		<u>128,231,636</u>
			-		-
Contingent Liabilities	10		77,716,828		81,756,454
Accounting Policies and Notes on Accounts	16				
As per the report of eventdate attached		For and on behalf of the Board			
For LAXMINIWAS & JAIN					
Chartered Accountants					
Sd/-		Sd/-		Sd/-	
(SURESH KUMAR JAIN)		LALIT KUMAR GUPTA		GAJANAND GUPTA	
Partner		Managing Director		Director	
Membership No. 018465					
Place : Hyderabad					
Date : 10-08-2009					

**PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Sch. No.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
INCOME			
Sales		163,572	556,794
Other Income	11	2,184,100	3,269,843
Increase/(Decrease) in Finished Goods/ Work-in-Process	12	(614,016)	-
		<u>1,733,656</u>	<u>3,826,637</u>
EXPENDITURE			
Raw Material Consumption/writtn off	13	547,563	-
Purchase of Cloth		-	456,790
Manufacturing, Selling, Administrative and other Expenses	14	2,704,652	2,342,178
Interest & Finance Charges	15	3,035	5,456
Depreciation	4	8,016,832	8,015,246
		<u>11,272,082</u>	<u>10,819,670</u>
Profit / (Loss) for the year before tax		(9,538,426)	(6,993,033)
Provision for Taxation			
a) Current Tax			
b) Deferred Tax		859,008	1,822,280
		<u>(8,679,418)</u>	<u>(5,170,753)</u>
Profit / (Loss) for the year after tax		(8,679,418)	(5,170,753)
Balance of Profit / (Loss) brought forward from earlier years		<u>(56,024,088)</u>	<u>(50,853,335)</u>
Profit / (Loss) Balance carried to Balance Sheet		<u>(64,703,506)</u>	<u>(56,024,088)</u>
Basic and diluted Earnings per Share		(1.12)	(0.67)
Accounting Policies and Notes on Accounts	16		

As per the report of evendate attached

For and on behalf of the Board

For LAXMINIWAS & JAIN

Chartered Accountants

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 10-08-2009

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009

S.No	PARTICULARS	AMOUNT RS	
I	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(9,538,426)	
	Adjustments for:		
	Less: 1. Depreciation(Net)	8,016,832	
	2. Raw Material written off	547,563	
	Cash Profit/(Loss) before Working Capital Changes	(974,031)	
	Adjustments for Working Capital		
	1. Inventories	1,115,296	
	2. Debtors	125,995	
	3. Loans & Advances	477,546	
	4. Creditors & Other liabilities	(3,120,130)	
	Cash Generated from Operating activities		(2,375,324)
II	CASH FLOW FROM INVESTING ACTIVITIES		
	Addition to Fixed Assets	(7,490)	(7,490)
III	CASH FLOW FROM FINANCING ACTIVITES		
	1. Secured Loans	-	-
	2. Unsecured Loans	2,650,000	2,650,000
	NET FLOW OF CASH(I+II+III)		267,186
	CASH FUNDS AND CASH EQUIVALENT AS ON 01.04.2008		1,516,945
	CASH FUNDS AND CASH EQUIVALENT AS ON 31.03.2009		1,784,131

As per our report of even date attached

For **LAXMINIWAS & JAIN**

Chartered Accountants

For and on behalf of the Board

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director

Place: Hyderabad

Date : 10-08-2009

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 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	<u>77,731,100</u>	<u>77,731,100</u>
	<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	493,535	168,535
From Others	27,398,524	25,073,524
	<u>27,892,059</u>	<u>25,242,059</u>
SCHEDULE - 5 : INVENTORIES		
Stock in trade (as taken, valued and certified by the Management		
- Yarn	46,896	594,459
- Colours, Chemicals & Nylon	25,674	25,674
- Work in progress	368,268	528,534
- Packing Material	509,512	509,512
- Finished Goods	542,409	996,159
- Stores & Spares	182,963	182,963
- Designing Material	3,362,420	3,863,700
	<u>5,038,142</u>	<u>6,701,001</u>

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 6 : SUNDRY DEBTORS		
(Unsecured - considered good)		
Debts outstanding for a period exceeding six months	4,796,946	4,922,941
Others	-	-
	<u>4,796,946</u>	<u>4,922,941</u>
SCHEDULE - 7 : CASH AND BANK BALANCES		
Cash in hand	97,244	232,396
Balance with Schedule Banks		
- Current Accounts	1,158,239	755,900
- Other Deposit Accounts	528,649	528,649
	<u>1,784,132</u>	<u>1,516,945</u>
SCHEDULE - 8 : LOANS AND ADVANCE		
(Unsecured - considered good)		
Advances recoverable in cash or kind or for the value to be received.)	955,390	1,559,363
Sundry Deposits	3,754,846	3,628,419
	<u>4,710,236</u>	<u>5,187,782</u>
SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS		
Sundry creditors Covered by MSMED Act	-	-
Sundry creditors - Others	3,399,383	5,932,909
Other Liabilities	604,459	885,747
Provisions	6,278,349	6,583,665
	<u>10,282,191</u>	<u>13,402,321</u>
SCHEDULE - 10 : 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 Exicise Duty, where proceedings are pending with various authorities	21,469,042	25,252,534
- Disputed Claims with Sales Tax Vigilece & Enforce Department	1,218,973	1,218,973
- Labour Court	-	256,134
- APCPDC	1,518,813	1,518,813
	<u>77,716,828</u>	<u>81,756,454</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 1.04.2008	Addition	Deletion	As at 31.03.2009	Up to 31.03.2008	for the Year	Adjustment	Up to 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	Land	2427014	0	0	2427014	0	0	0	0	2427014	2427014
2	Building	20498585	0	0	20498585	8129013	684653	0	8813666	11684919	12369573
3	Plant & Machinery	135354178	0	0	135354178	83554217	7146701	0	90700918	44653260	51799960
4	Furnitures	2923264	7490	0	2930754	2714483	185478	0	2899961	30793	208782
5	Vehicle	711024	0	0	711024	711024	0	0	711024	0	0
	TOTAL	161914065	7490	0	161921555	95108737	8016832	0	103125569	58795986	66805329
	Previous Year Figures	161879611	34455	0	161914066	87093491	8015246	0	95108737	66805329	74786120

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - 11 : OTHER INCOME		
Interest Received	475	-
Provisions & Balances Written back	<u>21,83,625</u>	<u>3,269,843</u>
	<u>2,184,100</u>	<u>3,269,843</u>
SCHEDULE - 12 : INCREASE / (DECREASE) IN STOCKS		
Closing Stock		
Finished Goods	542,409	996,159
Work in process	<u>368,268</u>	<u>528,534</u>
	<u>910,677</u>	<u>1,524,693</u>
Opening Stock		
Finished Goods	996,159	996,159
Work in process	528,534	528,534
Stock of Cloth	-	-
	<u>1,524,693</u>	<u>1,524,693</u>
Increase / (Decrease) in Stocks	(614,016)	-
SCHEDULE - 13 : RAW MATERIALS AND CHEMICALS CONSUMED/ WRITTEN OFF		
Opening Stock		
Yarn	594,459	594,459
Colours, Consumables and Packing Materials	718,149	718,149
Add : Purchases		
Yarn	-	-
Colours, Consumables and Packing Materials	<u>-</u>	<u>-</u>
	<u>1,312,608</u>	<u>1,312,608</u>
Less : Closing Stock		
Yarn	46,896	594,459
Colours, Consumables and Packing Materials	<u>718,149</u>	<u>718,149</u>
Raw Material W/off	<u>547,563</u>	<u>-</u>
SCHEDULE - 14 : MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Watch & Ward Expenses	228,000	228,000
Legal and Professional Charges	100,585	206,995
Secretarial Expenses	1,054,830	566,155
Bad Debts	-	70,028

**SCHEDULES FORMING PART OF BALANCE SHEET**

Particulars	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Excise Duty & Custom duty Paid	142,347	-
Travelling & Conveyance Expenses	547,064	950,461
Office Maintenance	69,947	221,009
Selling and Distribution Expenses	8,054	9,586
Write off of stock of Design Material	501,280	
Auditors Remuneration		
Statutory Audit Fee	44,944	44,944
Other Expenses	7,600	45,000
	<u>2,704,652</u>	<u>2,342,178</u>
SCHEDULE - 15 : FINANCE CHARGES		
Bank Charges - Others	3,035	5,456
	<u>3,035</u>	<u>5,456</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, working-progress 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:

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

7. Retirement Benefits for Employees:

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

8. Prior Period and Extraordinary items;

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

**9. State investment subsidy:**

State investment subsidy is shown under Capital Reserve.

10. Segment Reporting:

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

11. Taxes on Income: Deferred Tax is recognized,

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

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

II. NOTES ON ACCOUNTS

1. Segment Reporting (Accounting Standard – 17) : The company’s operations consists mainly of Acrylic and Blinded Blankets, hence figures relate to that segment only and also, the company operates only in Domestic area.



2. Related Party Transactions (Accounting Standard- 18)

Name of the Party	Relationship	Nature of Transactions	Transactions Rs.	Outstanding As on 31.03.2009
Aksharalaya Enterprises Ltd.	Controlled by MD's Son	Unsecured Loans Advances	Nil Nil	30,20,290 22,016
Ritesh Kumar Gupta	Relative of MD	Unsecured Loans	75,000	88.621
Lalit Kumar Gupta	MD	Remuneration Unsecured Loans	Nil 250,000	4,04,914
Adarsh Kumar Gupta	Relative of MD	Unsecured Loan	75,000	142,503
Akshay Kumar Gupta	Relative of MD	Unsecured Loan	Nil	39,636
Babita Rani	Relative of MD	Unsecured Loan	150,000	150,000
Lakshmi Gupta	Relative of MD	Unsecured Loan	75,000	160,669
Madhulika Gupta	Relative of MD	Unsecured Loan	500,000	500,000
Akshay Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	275,000	275,000
Lalit Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	1100,000	1100,000
Ritesh Kumar Gupta (HUF)	Relative of MD	Unsecured Loan	150,000	150,000

3. Earnings Per Share (Accounting Standard -20)

Earning Per Share has been computed as under		2008-2009	2007-2008
a.	Profit/ (Loss) After Taxation	-86,79,418	-51,70,753
b.	Number of ordinary Shares outstanding	77,73,110	77,73,110
c.	Earning per share (Face Value Rs. 10/-) Basic and Diluted	-1.12	-0.67

4. Deferred Tax

The break up of the net deferred tax liability as on 31-03-2009

S.No.	Particulars	Deferred Tax Assets	Deferred Tax Liability
1.	Difference between Book and Tax Depreciation	NIL	1,44,51,999
2.	Others	35,230	NIL
Net deferred Tax Liability			1,44,16,769



5. Remuneration to Directors

	Year ended 31.03.2009 Rupees	Year ended 31.03.2008 Rupees
Salaries	Nil	Nil

6. The Balances shown under Debtors, Creditors, Secured, Unsecured loans and Loans and advances, Bank balances and other Liabilities are subject to confirmation / reconciliation
7. The Company is in communication with its suppliers to ascertain the applicability of the MSMED Act, 2006. As on the date of this Balance- Sheet, the Company has not received any communications from any of its suppliers regarding the applicability of this Act to them. This has been relied upon by the Auditors.
8. In view of continuous incurring of losses and consequent inability to pay interest on unsecured loans, the company has requested some of the unsecured loan creditors for waiver of interest payment / reduction in rate of interest due to them. Pending consideration of the request by the Unsecured Loan Creditors, the same is not provided in the books of accounts.
9. During the Financial year 2007-08, Joint Collector National Highways acquired Companies Land out of Sy. No. 47/2 admeasuring Ac. 1.02 Gts. and out of Sy. No. 96/2 admeasuring Ac. 0.20 Gts. along with Structures, Compound Wall Thatched roof, RCC foundation etc. and the Hon' able Court awarded Rs. 11,83,802/- Compensation for the Same. The Company filed the petition before Joint Collector and Competent Authority for Land Acquisition National Highways of India, Mahaboob Nager, Mahaboob Nager Dist. for enhancement of Land Compensation and structures which is yet to be disposed off.
10. The company expects substantial reduction in value of its assets than the carrying amount but in absence of technical reports from experts no provision is made on account of such impairment in value of assets.
11. Information pursuant to the provision of part II of Schedule VI of the Companies Act, 1956 relating to the processing Unit of the company situated at Nandigaon. Licensed capacity, installed capacity (per annum) and actual production of processed cloth.

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

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



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

Expenditure in foreign currency(traveling, etc) Rs. 155,820 (Previous year Rs.479,217)

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

As per the report of evendate attached

For and on behalf of the Board

For LAXMINIWAS & JAIN

Chartered Accountants

Sd/-

(SURESH KUMAR JAIN)

Partner

Membership No. 018465

Place : Hyderabad

Date : 10-08-2009

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director

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

Registration Number

01 - 4777

State Code

01

Balance Sheet Date

31032009

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

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

Total Liabilities

140304

Total Assets

140304

Paid up Capital

77731

Reserves and Surplus

9983

Secured Loans

NIL

Unsecured Loans

27892

Application of Funds

Net Fixed Assets

58795

Investments

NIL

Net Current Assets

6047

Misc. Expenditure

NIL

Accumulated losses

64703

Deffered Tax

-14416

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

Turnover

1734

+/- Profit / (Loss) Before Tax

(9538)

+/- Profit / (Loss) After Tax

(8679)

Earning per share

-1.12

Dividend

NIL

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

Item Code No. (ITC Code)

63014000

Product Description

ACRYLICBLANKETS

For and on behalf of the Board

Sd/-

LALIT KUMAR GUPTA

Managing Director

Sd/-

GAJANAND GUPTA

Director

Place : Hyderabad

Date : 10-08-2009



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)
25th Annual General Meeting 10th September 2009

I/We hereby record/my/our presence at the 25th Annual General Meeting of the Company held on THURSDAY, 10TH SEPTEMBER, 2009 at 2.00 P.M. at Madhav Reddy Community Hall, near Victoria Anglo School, Chaytaniyapuri, Hyderabad

Full Name of the Member :
(In Block Letters)

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

Full Name of Proxy :
(In block Lettrs)

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



PROXY FORM

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

I/We..... of.....
..... being a Member/Members of TIRUMALA SEUNG HAN TEXTILES LIMITED 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 THURSDAY, 10TH SEPTEMBER, 2009 at 2.00 P.M. at Madhav Reddy Community
Hall, near Victoria Anglo School, Chaytaniyapuri, Hyderabad and at any adjournment thereof.

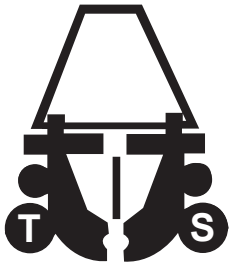
As Witnessed my hand / our hands this.....day of.....2009

Signature.....

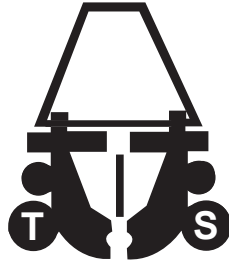
Signature
across
Re. 1
Revenue
Stamp

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

PRINTED MATTER BOOK POST



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



**TIRUMALA SEUNG HAN
TEXTILES LIMITED**

**25th
ANNUAL REPORT 2009**

