

**28th  
ANNUAL REPORT 2012**

**SOURCE INDUSTRIES  
(INDIA) LIMITED**

(Formerly Known as Tirumala Seung Han Textiles Limited)

**28<sup>th</sup> Annual General Meeting**  
*on Thursday the 22nd November 2012*

*at 12.00 Noon*

FAPCCI, Surana Udyog Auditorium,  
Federation House, Red Hills,  
Hyderabad - 500004

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# Source Industries (India) 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**  
Flat No. 306, Right wing, 3rd floor, 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

: BSE Limited

# Source Industries (India) Limited

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## NOTICE

Notice is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the members of Source Industries (India) Limited (Formerly known as Tirumala Seung Han Textiles Limited) will be held on THURSDAY, 22nd NOVEMBER 2012 at 12.00 Noon at FAPCCI, Surana Hall Federation House, Red Hills, Hyderabad - 500004 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, 2012 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 Mr. Gajanand Gupta, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint a Director in place of Mr. Y Shyam Singh Mathur, who retires by rotation and being eligible, offers him for re-appointment.
4. To appoint Statutory Auditors of the Company

RESOLVED THAT pursuant to the provisions of section 224 and other applicable provisions, if any, of the companies Act, 1956, M/s Rakesh S Jain and Associates, Chartered Accountants, Hyderabad be and are hereby appointed as Auditors of the Company in place of the retiring Auditors M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad, to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company.

BY ORDER OF THE BOARD

Sd/-

**LALIT KUMAR GUPTA**  
MANAGING DIRECTOR

Date: 20.10.2012  
Place: Hyderabad

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## 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, 19th NOVEMBER, 2012 TO THURSDAY, 22nd NOVEMBER, 2012 (both days inclusive)
4. Members are requested to quote their Ledger Folio No in all their correspondence to avoid delay in communication.

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## **ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING RE-APPOINTMENT ON RETIRING BY ROTATION**

### **GAJANAND GUPTA**

Mr. Gajanand Gupta is the chairman of the company, he has 2 decade of experience in the textile market and is associates with the Company since long time, he was guiding factor to the Company and at present is Non Executive director cum chairman of the Company

He is neither director or members of any committee other than of this Company and hold no Equity Shares in the company

### **SRI Y SHYAM SINGH MATHUR:**

Sri Y Shyam Singh Mathur aged about 71 years R/o Mumbai is qualified as Master of Science and has more than 40 year of experience in the field of textile and processing industries, his experience will the help the company in restarting of the Commercial Production, at present he is Non Executive and Independent director of the Company

He is neither director or members of any committee other than of this Company and hold no Equity Shares in the company

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## DIRECTOR S REPORT

To  
The Members,

Your Directors have pleasure in presenting the **TWENTY EIGHTH ANNUAL REPORT** together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2012.

## FINANCIAL RESULTS:

(Rs In Lakhs)

Particulars	For the Year ended 2011-2012	For the Year ended 2010-2011
Sales	559.52	662.30
Other Income	24.20	31.98
Increase/(decrease) in finished goods/WIP	0.33	1.26
Expenditure	567.46	708.64
Gross Profit / (Loss)	15.93	(15.62)
Less: Depreciation	78.31	78.31
Less: Interest	---	--
Loss for the year before tax	(62.40)	(93.93)
Income tax	---	--
Deferred Tax	22.17	21.61
Profit / (Loss) after tax	40.23	72.32

## REVIEW OF OPERATIONS:

During the financial year under review the Company has not carried out the commercial productions in the textile segments and is working on various options to restart operations keeping in mind the changes happened in the industry of manufacturing of Acrylic Mink Blankets.

Whereas the Infrastructure Segment has recorded good turnover and has good future in coming years and is hopeful of getting new contracts in near future

## DIVIDEND :

Due to absence of profits your Directors do not recommend any dividend for the Financial Year 2011-12

## 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.

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## **DIRECTORS**

Sri Gajanand Gupta and Sri Shyam Singh Mathur Directors of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

Relevant resolutions are 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, 2012, 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, 2012 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 as amended from time to time.

## **AUDITORS:**

The Company has received a notice under section 225 of the Companies Act, 1956 from a member proposing for the appointment of M/s Rakesh S Jain & Associates, Chartered Accountants, Hyderabad as Statutory Auditors in place of M/s. Laxminiwas & Jain, Chartered Accountants, Hyderabad the retiring auditors and who upon their appointment shall hold the office from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as decided by the Board of Directors

The Company has received a certificate from M/s Rakesh S Jain & Associates, Chartered Accountant to the effect that their appointment, if made will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.



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## **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 confirmation / reconciliation of balances of loan and advances and bank balances, attention of members is drawn that the Company is under the process Reconciliation.
2. With regard to interest on Unsecured Loans in Clause f (ii) and clause (6) of the Auditors Report, attention of members is drawn that these amounts are contributed as part of restructuring scheme wherein it will converted into equity shares
3. With regard to Impairment loss on the assets in Clause f (iii) of the Auditors Report, attention of members is drawn that 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.
4. With regard to point no 9 (a) in the annexure to Auditors Report, attention of members is drawn that the Company is under the process of transferring the funds into Investor Education Fund.

## **SUBSIDIARY COMPANY:**

During the Financial year 2010 -11 your Company has acquired 100% Equity share Capital of M/s Akshralay Enterprises Limited, Consequent to which said Akshralay Enterprises Limited has become a Wholly Owned Subsidiary of your Company.

A Statement pursuant to section 212 of the Companies Act, 1956. Along with the balance sheet and profit & Loss account of our subsidiary are attached to the annual report.

## **EXTENSION FOR CONDUCTING ANNUAL GENERAL MEETING**

The Board of Director in the meeting held on 14th August 2012 has made an application with Registrar of Companies, Andhra Pradesh for seeking the extension for 3 Months for conducting the 28th Annual General Meeting of the Company and the ROC has approved the 3 months extension.

## **CHANGE OF NAME AND OBJECT OF THE COMPANY**

During the Financial year under review the company has changed the name from M/s Tirumala Seung Han Textiles Limited to M/s Source Industries (India) Limited and has altered the objects clause of the Company and has received the necessary approvals

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## **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**

## **EMPLOYEE STOCK OPTION SCHEME:**

As members are aware that the Company has, vide Special Resolution passed at the Extra- ordinary General Meeting held on April 19, 2012, introduced Employees Stock Option Scheme-2012 (SOURCE ESOS - 2012) to enable the employees of the Company to participate in the future growth and financial success of the Company. Out of 27,00,000 stock options under SOURCE ESOS - 2012 with each option convertible into one equity share of Rs. 10/- each, the Remuneration Committee, granted 10,00,000 stock options to its eligible employees, on April 26th 2012. The disclosure required under SEBI Guidelines, in this regard, is furnished in the **Annexure. C**

## **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 – D** to this report.

## **LISTING FEE:**

Your Company s shares are presently listed on the Ahmedabad Stock Exchange Limited, BSE Limited; Kolkata Stock Exchange Limited. Your Company is regular in paying the listing fee to the BSE 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

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## 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:	2011-12
Foreign exchange earnings	NIL
Foreign exchange outgo	80,000/-

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## ANNEXURE B

### MANAGEMENT DISCUSSION ANALYSIS REPORT

#### TEXTILE INDUSTRY OVERVIEW:

Since ancient times Indian Textile industry has been well known for her textile goods during the colonial regime the traditional textile industry of India was virtually decayed. However, in the early nineteenth century the modern textile industry took birth in India when the first textile mill was established at Fort Gloster near Calcutta in 1818. Next to Agriculture India mainly is into the Textile Sector. Indian Textile Industry is one of India's oldest industries and has a formidable presence in the national economy as it contributes to about 14% of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people.

Indian Textile Industry has earned a unique place in our country. It is among one of the industries which were earliest to come into existence in India. It accounted for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture. This industry provides one of the most basic needs of people and holds importance; maintaining sustained growth for improving quality of life. It has an image of self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing which forms a major contribution to the country's economy. India textile industry is one of the leading in the world. Currently the Indian Textile Industry is estimated to be around US\$ 52 billion and is also projected to be around US\$ 115 billion by the year 2012. The current Indian domestic market of textile is expected to be increased to US\$ 60 billion by 2012 from the current US\$ 34.6 billion

#### INFRASTRUCTURE OVERVIEW

The Infrastructure sector in India is set to boom as the country enters a high growth phase. With a growing economy and double digit growth expected over the next four years, the infrastructure sector would witness exponential growth and enormous investments. With the expected average annual compounded growth rate of 8.5%, India's GDP is expected to be USD 1.4 trillion by 2017 and USD 2.8 trillion by 2027.

#### GOVERNMENT INITIATIVES:

The Infrastructure sector in India is attracting more funds not only from the domestic funds but also from the international arena, even in the form of Public Private Partnership. Other factors including political intent, liquidity position, commodity and crude prices, structural and procedural reforms at various government body levels (like NHAI) are also well-placed to rollout the Indian infrastructure growth story ahead. Moreover, companies in the infrastructure space are backed with strong orders which show strong revenue visibility in coming future. Therefore, looking at the current scenario and future growth potential experts expect Indian Infrastructure Sector to outperform the trends in long term thereby providing excellent investment opportunities in the sector.

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Introduction of Public Private Partnerships (PPP): Government has introduced the concept of public-private partnerships in India, to combine the best practices of public and private sectors to efficiently develop and maintain infrastructure facilities.

The construction industry everywhere faces problems and challenges. However, in developing countries like India, these difficulties and challenges are present alongside a general situation of socio-economic stress, chronic resource shortages, institutional weaknesses and a general inability to deal with the key issues. There is also evidence that the problems have become greater in extent and severity in recent years. One of the charges leveled at the construction industry, as at the beginning of the 21st century, is that it has a poor record on innovation, when compared with manufacturing industries such as aerospace or electronics.

## **INDUSTRY OUTLOOK:**

Infrastructure remains a vital sector for India's growth story. But, lack of adequate infrastructure is a major constraint in India's growth. Infrastructure, which was the golden sector a few years ago, is battling regulatory bottlenecks, land acquisition delays and credit crunch. Without any dichotomy - the future growth prospects of the Indian economy lingers primarily on the infrastructure investment and timely execution of the projects. The infrastructure sector was one of the thrust areas in Union Budget 2012-13 as a string of measures were announced in the budget.

Manufacturing sector projected to grow at 4.5 per cent. Electricity, automotive, steel and cement sector have shown improvement in the period of April-June. Because of the benefits of the low base, manufacturing sector will show improved performance in the second half of this year.

Construction expected to show some improvement compared to last year as evidenced by the recent increase in the output of steel and cement.

## **Opportunities & Threats**

The Infrastructure sector in India is attracting more funds not only from the domestic funds but also from the international arena, even in the form of Public Private Partnership. Other factors including political intent, liquidity position, commodity and crude prices, structural and procedural reforms at various government body levels (like NHAI) are also well-placed to rollout the Indian infrastructure growth story ahead. Moreover, companies in the infrastructure space are backed with strong orders which show strong revenue visibility in coming future. Therefore, looking at the current scenario and future growth potential experts expect Indian Infrastructure Sector to outperform the trends in long term thereby providing excellent investment opportunities in the sector.

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socio-economic stress, chronic resource shortages, institutional weaknesses and a general inability to deal with the key issues. There is also evidence that the problems have become greater in extent and severity in recent years. One of the charges leveled at the construction industry, as at the beginning of the 21st century, is that it has a poor record on innovation, when compared with manufacturing industries such as aerospace or electronics.

## **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**

As members are aware that the Company has entered in the infrastructure and construction segment recently and the performance of the Company was satisfactory for the FY 2011-2012

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ANNEXURE C

## Disclosure under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme) Guidelines 1999

Particulars		Details
a)	Options Granted	10,00,000
b)	Pricing and Pricing formula	as decided by the Remuneration Committee but shall not be less than Rs.10/- (Rupees Ten Only) per share
c)	Options vested on Date	Nil
d)	Options Exercised	Nil
e)	Total No of Shares arising as a result of Exercise of option	10,00,000
f)	Option lapsed	Nil
g)	Variation of terms of options	Nil
h)	Money realized by Exercise of options	Nil
i)	Total No of options in force	10,00,000
j)	Employee wise details of Options granted to Senior managerial Personal	Nil
ii)	Employees receives a grant of 5% or more of options granted during that year	None
iii)	Employees receives grant of 1% or more Issued Capital	None
K)	Diluted Earnings Per Share(EPS) Pursuant to issue of Shares on Exercise of options calculated in accordance with the Accounting Standard (AS-20) 'EPS'	Not Applicable, as amortization will commence in the financial Year in which exercise of Options
L)	Where the Company has calculated the employee Compensation Cost Using the Intrinsic value of Stock options, the difference between the Employee Compensation Cost so computed and Employee Compensation Cost that shall have been recognized if it had used the fair value of the options shall be disclosed.  The Impact of this difference on Profits and on EPS of the company shall be Disclosed	Not Applicable, as amortization will commence in the financial Year in which exercise of Options
L)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	NA
M)	A description of the method and significant assumptions used during the year to estimate fair value of options including following weighted average information i) Risk free Interest rate ii) Exercise Price iii) Expected life of the option iv) Expected volatility v) Dividend Yield vi) Price of the underlying share in the market at the time of the option grant. vii) Fair value of the option (Rs)	NA

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## ANNEXURE D

### 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:

30.05.2011	13.08.2011	14.11.2011	08.12.2011	14.02.2012	01.03.2012
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The constitution of the Board is given below:

S. No	Director	Category	Attendance at AGM held on 27.09.2011	Attendance in Board Meeting		Other Boards		
				Held	Attended	Directorship	Committee chairman	Committee membership
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	1	Nil	Nil
4	Y Mallikharjuna Rao	Non Executive & Independent Director	Yes	6	6	2	1	1
5	Y Shyam Singh Mathur	Non Executive & Independent Director	No	6	4	Nil	Nil	Nil
6	Y Surya Narayana	Non Executive & Independent Director	Yes	6	4	1	Nil	Nil



**3. AUDIT COMMITTEE:**

❖ **Terms of Reference:**

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

**COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee of the Company consists 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 4 times during the financial year 2011-12 on 30.05.2011, 13.08.2011, 14.11.2011 and 14.02.2012 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	4	4
2	SRI Y SHYAM SINGH MATHUR	Member	4	4
3	SRI Y SURYANARAYANA	Member	4	4

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 2 times during the financial year 2011-12 on 13.08.2011 and 01.03.2012 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	2	2
2	SRI Y SHYAM SINGH MATHUR	Member	2	2
3	SRI Y SURYANARAYANA	Member	2	2

**Remuneration paid to Directors during the Financial Year**

During the financial year, No Remuneration is paid to whole time Directors and sitting fees to Independent Director

**4. 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.

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## 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: : 29

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

No. of pending complaints : ---

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

Year	Date	Location	Time
2010-11	27-09-2011	Madhav Reddy Community Hall, Near Victoria Anglo School, Chaitanayapuri, Hyderabad	11.00 a.m.
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.

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

## POSTAL BALLOT:

The company has conducted the postal ballot for the items specified as below; dated 8.12.2011 and the results were declared on 12.01.2012 by the chairman on the basis of the report submitted by the scrutinizer.

## ITEMS OF POSTAL BALLOT

1. To increase in the Authorized Share Capital of the Company
2. Alteration of Article No. 3 of Article of Associations of the Company
3. Alteration of Objects clause of the Company
4. Change of the Name of the Company

The particulars of the voting pattern in the Postal Ballot are as follows:

# Source Industries (India) Limited

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## ITEM No. 1: INCREASE IN THE AUTHORIZED SHARE CAPITAL OF THE COMPANY

No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members who voted on the Resolution	Votes cast in favour of the Resolution	Votes Cast against the Resolution	% Votes Cast in Favour of Resolution
648	4	3586963	3586963	Nil	100%

**Result:** The aforesaid item of Business is required to be passed by way of **ORDINARY RESOLUTION** and I hereby certify that the relevant resolution has been passed as Ordinary Resolution.

## ITEM NO. 2: ALTERATION OF ARTICLE NO. 3 OF ARTICLE OF ASSOCIATIONS OF THE COMPANY

No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members who voted on the Resolution	Votes cast in favour of the Resolution	Votes Cast against the Resolution	% Votes Cast in Favour of Resolution
648	4	3586963	3586963	Nil	100%

**Result:** The aforesaid item of Business is required to be passed by way of **SPECIAL RESOLUTION** and I hereby certify that the relevant resolution has been passed as Special Resolution.

## ITEM No. 3: ALTERATION OF OBJECTS CLAUSE OF THE COMPANY

No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members who voted on the Resolution	Votes cast in favour of the Resolution	Votes Cast against the Resolution	% Votes Cast in Favour of Resolution
648	4	3586963	3586963	Nil	100%

**Result:** The aforesaid item of Business is required to be passed by way of **SPECIAL RESOLUTION** and I hereby certify that the relevant resolution has been passed as Special Resolution.

## ITEM NO. 4: CHANGE OF THE NAME OF THE COMPANY

No. of Members Voted for the Resolution	No of Invalid Postal Ballot Forms	No. of Shares held by the Members who voted on the Resolution	Votes cast in favour of the Resolution	Votes Cast against the Resolution	% Votes Cast in Favour of Resolution
648	4	3586963	3586963	Nil	100%

**Result:** The aforesaid item of Business is required to be passed by way of **SPECIAL RESOLUTION** and I hereby certify that the relevant resolution has been passed as Special Resolution.

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Sri Lalit Kumar Gupta Managing Director of the Company was authorized to conduct the postal ballot process and Mr B L Chandra Sekhar Sarma Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process of the Company.

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

## 6. 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 -

## 7. 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.sourceindustriesindia.com](http://www.sourceindustriesindia.com)

## 9. GENERAL SHAREHOLDER INFORMATION:

- ANNUAL GENERAL MEETING:

Day, Date & Time	Thursday , 22nd November, 2012 at 12.00 noon
Venue	FAPCCI, Surana Udyog Auditorium, Federation House, Red Hills, Hyderabad - 500004

- FINANCIAL YEAR: 1st April 2011 to 31st March 2012

## CALENDER OF EVENTS:

EVENT	DATES
First Quarter un-audited Financial Results	Second Week of August, 2012
Second Quarter un-audited Financial Results	Second Week of November, 2012
Third Quarter un-audited Financial Results	Second Week of February, 2013
Fourth Quarter Un audited Financial Results	Second Week of May, 2013

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- **BOOK CLOSURE DATE:**  
FRIDAY, 19th NOVEMBER, 2012 TO THURSDAY, 22nd NOVEMBER, 2012 (both days inclusive)
- **DIVIDEND PAYMENT DATE:** NA
- **LISTING ON STOCK EXCHANGES:** The shares of the Company are listed at  
BSE Limited
- **STOCK EXCHANGE CODE:**  
BSE Limited 521036
- **MARKET PRICE DATA:** During the financial year 2011-12

Month	BSE Limited	
	High (in .Rs)	Low (in .Rs)
April, 2011	NA	NA
May, 2011	NA	NA
June, 2011	NA	NA
July, 2011	NA	NA
August, 2011	NA	NA
September, 2011	NA	NA
October, 2011	NA	NA
November, 2011	NA	NA
December, 2011	35.00	7.02
January, 2012	11.65	8.40
February, 2012	14.90	9.40
March, 2012	24.16	13.80

- **REGISTRAR AND TRANSFER AGENTS:**

Bigshares Services Private Limited  
Flat No. 306, Right wing, 3rd floor, Amrutha Ville,  
Opp. Yashoda Hospital, Somajiguda,  
Rajbhavan Road, Hyderabad -500 082

- **SHARE TRANSFER SYSTEM:**

All the physical share transfers received are processed by the Share Transfer Agents M/s. 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

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• **SHAREHOLDING PATTERN AS ON 31ST MARCH 2012:**

SI No	Category	No. of Shares Held	% of Shareholding
<b>SHAREHOLDING OF PROMOTERS &amp; PROMOTER GROUP</b>			
<b>INDIAN</b>			
A1	Individuals/Hindu Undivided Family	2482710	31.94
	Central Government /State Government(s)		-
	Bodies Corporate		-
	Financial Institutions/Banks		-
	<b>Sub Total of A1</b>	<b>2482710</b>	<b>31.94</b>
<b>FOREIGN</b>			
A2	Individuals (Non-Residents)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (Specify)	-	-
	<b>Sub Total of A2</b>		
<b>TOTAL PROMOTERS SHAREHOLDING ( A1 +A2)</b>		<b>2482710</b>	<b>31.94</b>
<b>B Public Shareholdings</b>			
<b>1 Institutions</b>			
	Mutual Funds and UTI	-	-
	Banks/Financial Institutions	-	-
	Central Government/State Government	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institution Investor	-	-
	Foreign Venture Capital Investors	-	-
	Any Other (Specify)	-	-
	<b>Sub Total B1</b>	<b>Nil</b>	<b>Nil</b>
<b>B Non Institutions</b>			
<b>2 Bodies Corporate</b>			
	Individuals share holders holdings	62437	0.80
	-nominal share capital upto Rs. 1 Lakh	3832938	49.31
	-nominal share capital in excess of Rs. 1 Lakh	349700	4.50
	Any Other (Specify)		
	NRIs/OCBs	1045200	13.45
	Foreign Collaborators	-	-
	Clearing Members	125	-
	<b>Sub Total B2</b>	<b>5290400</b>	<b>68.06</b>
<b>TOTAL OF PUBLIC SHAREHOLDING (B1+B2)</b>		<b>5290400</b>	<b>68.06</b>
<b>C Shares held by Custodian and against which Depository Receipts have been issued</b>			
<b>TOTAL A+B+C</b>		<b>7773110</b>	<b>100</b>



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## DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2012

Sl. No.	Category From - To	No. of Holders	% of Holders	No. of Shares	% of Shares
1	Upto - 5000	28972	98.26	3280416	42.20
2	5001 - 10000	299	1.01	247358	3.18
3	10001 - 20000	84	0.28	121935	1.57
4	20001 - 30000	19	0.06	45200	0.58
5	30001 - 40000	14	0.05	48018	0.62
6	40001 - 50000	11	0.04	53908	0.70
7	50001 - 100000	37	0.13	282475	3.63
8	100001 and above	49	0.17	3693800	47.52
	<b>TOTAL</b>	<b>29485</b>	<b>100.00</b>	<b>7773110</b>	<b>100.00</b>

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

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

- **PLANT LOCATION:**

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

- **ADDRESS FOR CORRESPONDENCE:**

**SRI LALIT KUMAR GUPTA**

Managing Director

Source Industries (India) Limited

D.No: 4-1-969/1-2, 3rd Floor,

B. Shankarlal Building, Abids, Hyderabad.

Phone: 040 -24761 134

Email Id: sourceinvestors@gmail.com

Website: www.sourceindustriesindia.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

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

SOURCE INDUSTRIES (INDIA) 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 SOURCE INDUSTRIES (INDIA) LIMITED have affirmed compliance with the Code of conduct for the Financial Year 2011-12.

FOR AND ON BEHALF OF THE BOARD

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Place: Hyderabad

Date: 20.10.2012

# Source Industries (India) Limited

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

I, Lalit Kumar Gupta, Managing Director of M/s. Source Industries (India) Limited (Formerly known as Tirumala Seung Han Textile Limited) to the best of our knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Statement of Profit and Loss and all its Notes on accounts as well as the Cash Flow Statement for the year ended 31.03.2012
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: 20.10.2012

Sd/-  
LalitKumarGupta  
Managing Director

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## AUDITOR S REPORT ON CORPORATE GOVERNANCE

To,  
The Members  
Source Industried (India) Limited  
(Formerly known as Tirumala Seung Han Textiles Limited)  
Hyderabad

We have examined the compliance of conditions of Corporate Governance by M/s Source Industries (India) Limited (formerly known as Tirumala Seung Han Textile Limited) for the Financial Year ended 31st March, 2012 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, 2012 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: 20.10.2012

# Source Industries (India) Limited

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## 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 31.03.2012 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 31.03.2012 - for the previous years since the Company become holding company	Not applicable
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 31.03.2012 - for the previous years since the Company become holding company	no commercial operations commenced

As per the report of evendate attached

**For and on behalf of the Board**

**For LAXMINIWAS & JAIN**

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

**(SURESH KUMAR JAIN)**

Partner

Membership No. 018465

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Sd/-

**RITESH KUMAR GUPTA**

Director

Place : Hyderabad

Date : 20-10-2012

# Source Industries (India) Limited

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## AUDITOR S REPORT

To  
THE MEMBERS,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
(FORMERLY TIRUMALA SEUNG HAN  
TEXTILES LIMITED), HYDERABAD

1. We have audited the attached Balance Sheet of M/s. **SOURCE INDUSTRIES (INDIA) LIMITED (FORMERLY TIRUMALA SEUNG HAN TEXTILES LIMITED)**, Hyderabad, as at 31st March 2012 and the Statement of Profit and Loss 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, Statement of Profit and Loss and Cash Flow Statements dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance sheet, Statement of Profit and Loss 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 31.03.2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.03.2012 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 Loan and advances and Bank Balances refer Note No 14.8, the impact of which is unascertained.*

# Source Industries (India) Limited

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- 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 14.9, 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. 14.11*
- 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 notes *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 2012.
- ii) In the case of the Statement of Profit and Loss 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 : 14-08-2012

# Source Industries (India) Limited

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**ANNEXURE TO THE AUDITOR S REPORT**  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
**(FORMERLY 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.  
  
(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. 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) of the order are not applicable.
4. (e) 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 Act.  
  
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.
6. **During the year, the company has not accepted deposits from the public within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956. However with regard to the Deposits accepted in earlier years, according to the information and explanations given to us, no order has been passed by the Company law board or National Company law tribunal or Reserve Bank of India or any court or any other tribunal on the company in respect of those Deposits accepted by the company.**



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7. According to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
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, 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. **A sum of Rs. 71392/- required to be transferred to Investor and protection fund is yet to be transferred by the company to the above fund.**
- (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 AP 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	2,78,27,332	Appellate Authorities of Customs & Central Excise.

10. The Company's accumulated losses are more than fifty percent of its net worth as on 31.3.2012 and it has incurred cash losses in the financial year ended on that date and also in the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment 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

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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 :14-08-2012

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## BALANCE SHEET AS ON 31ST MARCH, 2012

Particulars	Notes	As on 31.03.2012	As on 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders Funds</b>			
Share Capital	2	77,731,100	77,731,100
Reserves and Surplus	3	(64,081,782)	(60,058,691)
<b>Non-current Liabilities</b>			
Deferred Tax Liability (Net)		7,979,688	10,196,607
<b>Current Liabilities</b>			
Short term Borrowings	4.1	36,300,000	36,300,000
Trade Payables	4.2	286,950	66,074,565
Other Current Liabilities	4.3	1,187,012	1,419,187
<b>TOTAL</b>		<b>59,402,968</b>	<b>131,662,768</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	5.1	35,271,131	43,102,485
Capital Work-in-Progress		475,871	475,871
<b>Current Assets</b>			
Inventories	6.1	903,870	937,125
Current and Non			
Current Investments	6.2	500,700	500,700
Trade Receivables	6.3	579,450	65,182,155
Cash and Cash Equivalents	6.4	658,345	11,558,195
Short term Loans and Advances	6.5	15,950,901	5,949,900
Other Current Assets	6.6	5,062,700	3,956,337
<b>TOTAL</b>		<b>59,402,968</b>	<b>131,662,768</b>
Summary of significant accounting policies	1		
Notes on Financial statements	14		
As per the report of evendate attached			
<b>For LAXMINIWAS &amp; JAIN</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Reg. No. 001859 S			
Sd/-		Sd/-	
<b>(SURESH KUMAR JAIN)</b>		<b>LALIT KUMAR GUPTA</b>	
Partner		Managing Director	
Membership No. 018465		<b>RITESH KUMAR GUPTA</b>	
Place : Hyderabad		Director	
Date : 14-08-2012			

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Sch. No.	As on 31.03.2012	As on 31.03.2011
<b>Revenue</b>			
Revenue from Operations	7	55,951,624	66,230,587
Other Income	8	2,420,426	3,197,534
<b>Total Revenue</b>		<b>58,372,050</b>	<b>69,428,121</b>
<b>Expenses</b>			
(Increase)/Decrease in stock	9	33,255	126,360
Raw material consumption	10	53,122,449	65,081,850
Employee Benefits expense	11	540,000	460,000
Finance Costs	12	28,922	2,360
Depreciation & Amortisation Expense	5.1	7,831,354	7,831,354
Other expenses	13	3,056,080	5,320,179
<b>Total Expenses</b>		<b>64,612,060</b>	<b>78,822,103</b>
<b>Profit/(loss) before Exceptional, Extraordinary items &amp; Taxation</b>		<b>(6,240,010)</b>	<b>(9,393,982)</b>
Exceptional items		-	-
<b>Profit/(loss) before Extraordinary items &amp; Taxation</b>		<b>(6,240,010)</b>	<b>(9,393,982)</b>
Extra ordinary items		-	-
<b>Profit/(loss) before Taxation</b>		<b>(6,240,010)</b>	<b>(9,393,982)</b>
Tax Expense:			
Current Tax			
Deferred Tax Charge / (Credit)		<b>(2,216,919)</b>	<b>(2,161,705)</b>
<b>Profit/(loss) for the period</b>		<b>(4,023,091)</b>	<b>(7,232,277)</b>
Basic / Diluted Earnings Per Share			
(Face value of Rs.10 each)		(0.52)	(0.93)
Summary of significant accounting policies	1		
Notes on Financial Statements	14		
As per the report of evendate attached			
<b>For LAXMINIWAS &amp; JAIN</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Reg. No. 001859 S			
Sd/-		Sd/-	
<b>(SURESH KUMAR JAIN)</b>		<b>LALIT KUMAR GUPTA</b>	
Partner		Managing Director	
Membership No. 018465		<b>RITESH KUMAR GUPTA</b>	
		Director	
Place : Hyderabad			
Date : 14-08-2012			

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

S.No	PARTICULARS	AMOUNT RS	
		31.03.2012	31.03.2011
<b>I</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before tax	(6,240,010)	(9,393,981)
	Adjustments for:		
	Less: 1. Depreciation(Net)	7,831,354	7,831,354
	2. Raw Material written off	-	
	3. Interest Income	(100,000)	
	Cash Profit/(Loss) before Working Capital Changes	1,491,344	(1,562,627)
	Adjustments for Working Capital		
	1. Inventories	33,255	3,394,454
	2. Debtors	64,602,705	(61,302,605)
	3. Loans & Advances	(11,107,364)	(6,207,491)
	4. Investment in WOS Company Share	-	(500,700)
	5. Creditors & Other liabilities	(66,019,790)	64,690,237
	Cash Generated from Operating activities	(10,999,850)	(1,488,732)
<b>II</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Interest Income	100,000	-
	Cash Generated from Investing Activities	100,000	-
<b>III</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	1. Unsecured Loans	-	11,857,941
	Cash Generated from Financing Activities	-	11,857,941
	NET FLOW OF CASH(I+II+III)	(10,899,850)	10,369,209
	Cash & Equivalent at the beginning of the year	11,558,195	1,188,986
	Cash & Equivalent at the end of the year	658,345	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/-

**RITESH KUMAR GUPTA**

Director

Place: Hyderabad

Date : 14.08.2012

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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.

### 1.2 Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimate and assumption to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

### 1.3 Fixed Assets:

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

### 1.4 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.

### 1.5 Inventories:

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

### 1.6 Sales:

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

### 1.7 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.

### 1.8 Investments:

Long term Investments are stated at cost. Provision, if any, is made for permanent diminution in the value of Investments.

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## **1.9 Retirement Benefits for Employees:**

Company does not have any employees within the purview of PF /Gratuity.

## **1.10 Prior Period and Extraordinary items;**

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

## **1.11 State investment subsidy:**

State investment subsidy is shown under Capital Reserve.

## **1.12 Earning per Share:**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares in to equity shares.

## **1.13 Impairment of Assets:**

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exist, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

## **1.14 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.

## **1.15 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.

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## Notes to Accounts for the year ended March 31, 2012

AMOUNT IN RS

Note No		As on 31-03-2012	As on 31-03-2011
<b>2.</b>	<b>Share Capital</b>		
	<b>Authorised</b>		
	12000000 Equity Shares of Rs.10/- each	120,000,000	100,000,000
	(Previous year 10000000 Equity Shares of Rs.10/- each )	<u>120,000,000</u>	<u>100,000,000</u>
	<b>Issued, Subscribed and Paid-up</b>		
	7773110 Equity Shares of Rs.10/- each fully paid up.	77,731,100	77,731,100
	(Previous Year 7773110 Equity Shares of Rs.10/- each fully paid up.)	77,731,100	77,731,100

### A. Reconciliation of the number of shares outstanding

Equity shares	No. of Shares	31-03-2012	No. of Shares	31.03.2011
Number of equity shares at the beginning of the Year	7,773,110	77,731,100	7,773,110	77,731,100
Equity shares issued during the year	-	-	-	-
Less Shares bought back during the year	-	-	-	-
Number of equity shares at the end of the Year	7,773,110	77,731,100	7,773,110	77,731,100

### B. Details of shareholders holding more than 5% shares in the company

NIL

### C. All equity shares issued by the company carry equal voting and participatory rights

Note No	Particulars	As on 31-03-2012	As on 31-03-2011
<b>3.</b>	<b>Reserves and Surplus</b>		
	Capital Reserve - Investment Subsidy	2,000,000	2,000,000
	Other Reserves:		
	Share Premium	5,702,700	5,702,700
	Investment allowance Reserve	2,280,000	2,280,000
	Surplus as per Profit and Loss account		
	As per last Balance Sheet	(70,041,391)	(62,809,114)
	Add: Profit / (Loss) for the year	(4,023,091)	(7,232,277)
		<b>(64,081,782)</b>	<b>(60,058,691)</b>



# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
<b>4.</b>	<b>Current Liabilities</b>		
	4.1. Short Term Borrowings		
	Unsecured		
	Others	36,300,000	36,300,000
		<u>36,300,000</u>	<u>36,300,000</u>
	4.2. Trade Payables		
	Dues to Micro and Small Enterprises	-	-
	Trade Payables	286,950	66074565
		<u>286,950</u>	<u>66,074,565</u>
	4.3. Other Current Liabilities		
	Other Liabilities	1,187,012	1,419,187
		<u>1,187,012</u>	<u>1,419,187</u>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

**NOTE No. : 5 Fixed Assets**  
**5.1. Tangible**

(Figures in Rs.)

Tangible	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2011	Addition	Deletion/ Adjustments	As at March 31, 2012	As at March 31, 2011	For the year	Deletion/ Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Land	2,427,014	-	-	2,427,014	-	-	-	-	2,427,014	2,427,014
Building	20,498,585	-	-	20,498,585	10,182,972	684,653	-	10,867,625	9,630,960	10,315,613
Plant & Machinery	135,354,178	-	-	135,354,178	104,994,320	7,146,701	-	112,141,021	23,213,157	30,359,858
Furnitures	2,930,754	-	-	2,930,754	2,930,754	-	-	2,930,754	-	-
Vehicle	711,024	-	-	711,024	711,024	-	-	711,024	-	-
<b>Total</b>	<b>161,921,555</b>	<b>-</b>	<b>-</b>	<b>161,921,555</b>	<b>118,819,070</b>	<b>7,831,354</b>	<b>-</b>	<b>126,650,424</b>	<b>35,271,131</b>	<b>43,102,485</b>
Previous Year	161,921,555	-	-	161,921,555	110,987,716	7,831,354	-	118,819,070	43,102,485	50,933,839

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
6.	<b>Current Assets</b>		
	<b>6.1 Inventories</b>		
	- Yarn	46,896	46,896
	- Work in progress	19,738	19,738
	- Packing Material	509,512	509,512
	- Finished Goods	24,761	58,016
	- Stores & Spares	182,963	182,963
	- Designing Material	120,000	120,000
		<b>903,870</b>	<b>937,125</b>
	<b>6.2 Current and Non Current Investments</b>		
	Unquoted Investments in Shares of Wholly owned Subsidiary Company - Aksharalaya Enterprises Ltd	500,700	500,700
		<b>500,700</b>	<b>500,700</b>
	<b>6.3. Trade Receivables</b> (Unsecured, considered good unless stated otherwise) Exceeding six months: Considered Good Others	- 579,450	65,182,155 -
		<b>579,450</b>	<b>65,182,155</b>
	<b>6.4. Cash and Cash Equivalents</b> Balances with Banks: On Current accounts On Deposit account Cash on Hand	91,423 528,649 38,273	10,157,148 528,649 872,398
		<b>658,345</b>	<b>11,558,195</b>
	<b>6.5. Short Term Loans and Advances</b> (Unsecured, considered good unless stated otherwise) Advances recoverable in cash or kind Considered Good	15,950,901	5,949,900
		<b>15,950,901</b>	<b>5,949,900</b>
	<b>6.6 Other Current Assets</b> Deposits TDS Receivable	2,633,051 2,429,649	2,645,057 1,311,280
		<b>5,062,700</b>	<b>3,956,337</b>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
7.	<b>Revenue from Operations</b> Sale of Products	55,951,624	66,230,587
		<b>55,951,624</b>	<b>66,230,587</b>
8.	<b>Other Income</b> Interest Income Other Non Operating Income:	100,000 2,320,426	- 3,197,534
		<b>2,420,426</b>	<b>3,197,534</b>
9.	<b>Increase/(Decrease) in stocks</b> Opening Stock Finished Goods Work in process	 58,016 19,738	 184,376 19,738
		<b>77,754</b>	<b>204,114</b>
	Closing Stock Finished Goods Work in process	24,761 19,738	58,016 19,738
		<b>44,499</b>	<b>77,754</b>
	(Increase)/Decrease in stocks	33,255	126,360
10.	<b>Cost of material consumed</b> Opening Stock Yarn Colous, Consumables and Packing Materials	 46,896 692,475	 46,896 718,149
		<b>739,371</b>	<b>765,045</b>
	Add : Purchases Yarn Colous, Consumables and Packing Materials Contracts (Infra Divisions)	- - 53,122,449	- - 65,056,176
	<b>TOTAL A</b>	<b>53,861,820</b>	<b>65,821,221</b>
	Less : Closing Stock Yarn Colous, Consumables and Packing Materials	46,896 692,475	46,896 692,475
	<b>TOTAL B</b>	<b>739,371</b>	<b>739,371</b>
	Cost of material consumed (TOTAL A - TOTALB)	<b>53,122,449</b>	<b>65,081,850</b>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
11.	<b>Employee Benefits Expenses</b>		
	Salaries and Wages	540,000	460,000
		<b>540,000</b>	<b>460,000</b>
12.	<b>Finance Cost</b>		
	Bank Charges	28,922	2,360
		<b>28,922</b>	<b>2,360</b>
13.	<b>Other Expenses</b>		
	Secretarial charges	2,215,775	815,563
	Write off of stock of design material	-	3,242,420
	Watch and ward	204,000	446,964
	Travelling Expenses	271,760	292,433
	Legal and Professional	256,712	202,206
	Directors sitting Fees	-	200,000
	Office Maintenance	62,889	72,973
	Selling & administrative	-	3,500
	Auditor s Remuneration:		
	Audit Fees	30,000	30,000
	Tax Audit Fees	10,000	10,000
Service Tax	4,944	4,120	
		<b>3,056,080</b>	<b>5,320,179</b>
14.	<b>NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>14.1 CONTINGENT LIABILITIES</b>		
	a) In respect of guarantees given to bankers for clearance of imported and indigeous goods	3,510,000	3,510,000
	b) Disputed claims of Excise Duty, where proceedings are pending with various authorities	27,827,332	21,469,042
	c) Disputed Claims with Sales Tax Vigilence & Enforce Department	1,218,973	1,218,973
		<b>32,556,305</b>	<b>26,198,015</b>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Notes to Accounts for the year ended March 31, 2012

AMOUNT IN RS

Note No	Particulars
	<b>14.2 RELATED PARTY DISCLOSURES:</b>
	a) Disclosures of Related parties and relationship between parties:
	1. Key Management Personnel : Lalit Kumar Gupta
	2. Relatives : Ritesh Kumar Gupta Adarsh Kumar Gupta Akshay Kumar gupta Babita Rani Lakshmi Gupta Madhulika Gupta Akshay Kumar gupta (HUF) Lalit Kumar Gupta (HUF) Ritesh Kumar Gupta (HUF)
	3. Subsidiary Company : Aksharalaya Enterprises Ltd
	Transactions during the year NIL

14.3 Segment Reporting: The following is Segment Report of the Company in accordance with Accounting Standard -17.

### Business Segment

Particulars	(Amount in lakh)	
	2011-12	2010-11
<b>Segment Revenue</b>		
1. Textiles	0.33	6.67
2. Infrastructure	559.18	655.64
<b>Total</b>	<b>559.51</b>	<b>662.31</b>
Less: Inter Segment Revenue	-	-
<b>Total</b>	<b>559.51</b>	<b>662.31</b>
<b>Segment Results</b>		
1. Textiles	(46.09)	(79.16)
2. Infrastructure	5.86	6.84
Total: Profit / (Loss)	(40.23)	(72.32)
Less: Financial Charges	-	-
<b>Total profit (Loss) before Tax</b>	<b>(40.23)</b>	<b>(72.32)</b>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Particulars	For the year Ended (Amount in lakh)	
	2011-12	2010-11
<b>Segment Assets</b>		
1. Textiles	406.49	491.56
2. Infrastructure	187.54	825.07
<b>Total</b>	<b>594.03</b>	<b>1,316.63</b>
<b>Segment Liabilities</b>		
1. Textiles	125.74	28.89
2. Infrastructure	431.62	1,009.05
<b>Total</b>	<b>557.36</b>	<b>1,037.94</b>
<b>Segment Depreciation</b>		
1. Textiles	78.31	78.31
2. Infrastructure	Nil	Nil
<b>Total</b>	<b>78.31</b>	<b>78.31</b>
<b>14.4 EARNING PER SHARE (EPS)</b>		
The computation of EPS is set out below:		
Earning		
Net Profit for the period	(4,023,091)	(7,232,277)
Shares		
Number of Shares at the Beginning of the period	7,773,110	7,773,110
Add: Shares issued during the period		
Total number of equity shares outstanding at the end of the period	7,773,110	7,773,110
Weighted average number of equity shares outstanding during the period	7,773,110	7,773,110
Earning per share of par value Rs. 10/- Basic & Diluted (Rs)	(0.52)	(0.93)
<b>14.5 Deferred Tax Liability (net) as on 31st March, 2012 as follows:</b>		
Timing Difference on account of Depreciation	7,979,688	10,196,607
Less: Deferred Tax Assets arising on account of timing difference	0	0
<b>Net Deferred Tax Liability</b>	<b>7,979,688</b>	<b>10,196,607</b>

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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Particulars	For the year Ended (Amount in lakh)	
	2011-12	2010-11
<b>14.6 Directors Remuneration:</b>		
Salaries	NIL	NIL
Directors Sitting fees	NIL	200000
<p>14.7. 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</p> <p>14.8 The balances shown under Loans and Advances and Bank balances are subject to confirmation / reconciliation.</p> <p>14.9 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.</p> <p>14.10 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.</p> <p>14.11 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.</p> <p>14.12 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.</p>		
	PIECES	PIECES
LICENSED CAPACITY	876000	876000
INSTALLED CAPACITY	876000	876000
ACTUAL PRODUCTION	NIL	NIL



# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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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. 80,000/- (Previous year Rs.Nil)

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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## AUDITOR'S REPORT

To  
THE BOARD OF DIRECTORS,  
**SOURCE INDUSTRIES (INDIA) LIMITED**  
(FORMERLY TIRUMALA SEUNG HAN  
TEXTILES LIMITED), HYDERABAD

1. We have audited the attached Consolidated Balance Sheet of M/s. **SOURCE INDUSTRIES (INDIA) LIMITED (FORMERLY TIRUMALA SEUNG HAN TEXTILES LIMITED)**, Hyderabad (the company) and its Subsidiary **AKSHARLAY ENTERPRISES LIMITED** (Collectively referred to as 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.

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a) *Our comments on Consolidated financial statements:*

i) *Non confirmation /reconciliation of Balances of Loan and advances and Bank Balances refer Note No 14.8, 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 No14.9., 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.14.11.*

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 Note no. 1 *and subject to matters referred in Para 4(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

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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accepted in India:

- a) In the case of consolidated Balance Sheet of the state of affairs of the group as at 31.03.2012
- 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 : 14.08.2012

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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<b>CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2012</b>			
<b>Particulars</b>	<b>Note No.</b>	<b>As on 31.03.2012</b>	<b>As on 31.03.2011</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	77,731,100	77,731,100
Reserves and Surplus	3	(63,745,025)	(59,501,889)
<b>Non-current Liabilities</b>			
Deferred Tax Liability (Net)		7,979,688	10,196,607
<b>Current Liabilities</b>			
Short term Borrowings	4.1	36,590,000	36,350,000
Trade Payables	4.2	286,950	66,179,903
Other Current Liabilities	4.3	1,290,777	1,419,187
<b>TOTAL</b>		<b><u>60,133,490</u></b>	<b><u>132,374,908</u></b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
Tangible Assets	5.1	35,271,131	43,102,485
Capital Work-in-Progress		475,871	475,871
<b>Current Assets</b>			
Inventories	6.1	903,870	937,125
Trade Receivables	6.2	579,450	65,182,155
Cash and Cash Equivalents	6.3	733,567	11,615,035
Short term Loans and Advances	6.4	17,100,901	7,099,900
Other Current Assets	6.5	5,068,700	3,962,337
<b>TOTAL</b>		<b><u>60,133,490</u></b>	<b><u>132,374,908</u></b>
Significant accounting policies	1		
Notes to Accounts	14		
As per the report of even date attached			
<b>For LAXMINIWAS &amp; JAIN</b> Chartered Accountants Firm Reg. No. 001859 S		<b>For and on behalf of the Board</b>	
Sd/- <b>(SURESH KUMAR JAIN)</b> Partner Membership No. 018465	Sd/- <b>LALIT KUMAR GUPTA</b> Managing Director	Sd/- <b>RITESH KUMAR GUPTA</b> Director	
Place : Hyderabad Date : 14-08-2012			

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As on 31.03.2012	As on 31.03.2011
<b>Revenue</b>			
Revenue from Operations	7	56,354,435	66,547,477
Other Income	8	2,470,426	3,197,534
<b>Total Revenue</b>		<b>58,824,861</b>	<b>69,745,011</b>
<b>Expenses</b>			
(Increase)/Decrease in stock	9	33,255	126,360
Raw material consumption	10	53,500,734	65,381,729
Employee Benefits expense	11	564,000	484,000
Finance Costs	12	29,226	2,614
Depreciation & Amortisation Expense	5.1	7,831,354	7,831,354
Other expenses	13	3,326,347	5,347,622
<b>Total Expenses</b>		<b>65,284,916</b>	<b>79,173,679</b>
<b>Profit/(Loss) before Exceptional, Extraordinary items &amp; Taxation</b>		<b>(6,460,055)</b>	<b>(9,428,668)</b>
Exceptional items		-	-
<b>Profit/(Loss) before Extraordinary items &amp; Taxation</b>			<b>(6,460,055)</b>
(9,428,668)			
Extra ordinary items		-	-
<b>Profit/(Loss) before Taxation</b>		<b>(6,460,055)</b>	<b>(9,428,668)</b>
Tax Expense:			
Current Tax			
Deferred Tax Charge / (Credit)		(2,216,919)	(2,161,705)
<b>Profit/(Loss) after tax</b>		<b>(4,243,136)</b>	<b>(7,266,963)</b>
Less: Pre-acquisition loss transferred to Capital Reserve		-	21287
<b>Profit/(Loss) for the period</b>		<b>(4,243,136)</b>	<b>(7,245,676)</b>
Basic / Diluted Earnings Per Share			
(Face value of Rs.10 each)		(0.55)	(0.93)
Summary of significant accounting policies	1		
Notes on Accounts	14		
The accompanying notes are an integral part of the financials statements.			

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/-

**RITESH KUMAR GUPTA**

Director

Place : Hyderabad

Date : 14.08.2012

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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## Note No. : 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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.

### 1.2 Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimate and assumption to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

### 1.3 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.

### 1.4 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.

### 1.5 Inventories:

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

### 1.6 Sales:

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

### 1.7 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.

### 1.8 Retirement Benefits for Employees:

Company does not have any employees within the purview of PF /Gratuity.

### 1.9 Prior Period and Extraordinary items;

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

### 1.10 State investment subsidy:

State investment subsidy is shown under Capital Reserve.

# Source Industries (India) Limited

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## 1.11 Earning per Share:

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares in to equity shares.

## 1.12 Impairment of Assets:

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exist, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

## 1.13 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".

## 1.14 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.

## 1.15 Basis of Consolidation

The consolidated Financial statements relate to Source Industries (India) Limited (the company) and its subsidiary company Akshralay Enterprises Limited wherein the company holds 100% shares as on 31.03.2012

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 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.

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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## Consolidated Notes to Accounts for the year ended March 31, 2012 AMOUNT IN RS

Note No	As on 31-03-2012	As on 31-03-2011
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### 2. Share Capital

#### Authorised

12000000 Equity Shares of Rs.10/- each	120,000,000	100,000,000
(Previous year 10000000 Equity Shares of Rs.10/- each )	120,000,000	100,000,000

Issued, Subscribed and Paid-up

7773110 Equity Shares of Rs.10/- each fully paid up.	77,731,100	77,731,100
(Previous Year 7773110 Equity Shares of Rs.10/- each fully paid up.)	77,731,100	77,731,100

### A. Reconciliation of the number of shares outstanding

Equity shares	No. of Shares	31-03-2012	No. of Shares	31.03.2011
Number of equity shares at the beginning of the Year	7,773,110	77,731,100	7,773,110	77,731,100
Equity shares issued during the year	-	-	-	-
Less Shares bought back during the year	-	-	-	-
Number of equity shares at the end of the Year	7,773,110	77,731,100	7,773,110	77,731,100

### B. Details of shareholders holding more than 5% shares in the company NIL

### C. All equity shares issued by the company carry equal voting and participatory rights

Note No	Particulars	As on 31-03-2012	As on 31-03-2011
3.	<b>Reserves and Surplus</b>		
	Other Reserves:		
	Investment Subsidy	2000000	2000000
	Add: Transfer from Subsidiary Company	556802	591488
	Add: Pre-Acquisition Loss	0	(21287)
		2556802	2570201
	Share Premium	5702700	5702700
	Investment allowance Reserve	2280000	2280000
	Surplus as per Profit and Loss account		
	As per last Balance Sheet	(70,041,391)	(62,809,114)
Add: Profit / (Loss) for the year	(4,243,136)	(7,245,676)	
	<b>(63,745,025)</b>	<b>(59,501,889)</b>	



# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Consolidated Notes to Accounts for the year ended March 31, 2012

AMOUNT IN RS

Note No	Particulars	As on 31-03-2012	As on 31-03-2011
4.	<b>Current Liabilities</b>		
	4.1. Short Term Borrowings		
	Unsecured		
	Others	36,590,000	36,350,000
		<b>36,590,000</b>	<b>36,350,000</b>
	4.2. Trade Payables		
	Trade Payables	286,950	66179903
		<b>286,950</b>	<b>66,179,903</b>
	4.3. Other Current Liabilities		
	Other Liabilities	1,290,777	1,419,187
		<b>1,290,777</b>	<b>1,419,187</b>

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

## NOTE No. : 5 Fixed Assets 5.1. Tangible

Tangible	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at March 31, 2011	Addition	Deletion Adjustments	As at March 31, 2012	As at March 31, 2011	For the year	Deletion/ Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Land	2,427,014	-	-	2,427,014	-	-	-	-	2,427,014	2,427,014
Building	20,498,585	-	-	20,498,585	10,182,972	684,653	-	10,867,625	9,630,960	10,315,613
Plant & Machinery	135,354,178	-	-	135,354,178	104,994,320	7,146,701	-	112,141,021	23,213,157	30,359,858
Furnitures	2,930,754	-	-	2,930,754	2,930,754	-	-	2,930,754	-	-
Vehicle	711,024	-	-	711,024	711,024	-	-	711,024	-	-
<b>Total</b>	<b>161,921,555</b>	<b>-</b>	<b>-</b>	<b>161,921,555</b>	<b>118,819,070</b>	<b>7,831,354</b>	<b>-</b>	<b>126,650,424</b>	<b>35,271,131</b>	<b>43,102,485</b>
Previous Year	161,921,555	-	-	161,921,555	110,987,716	7,831,354	-	118,819,070	43,102,485	50,933,839

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Consolidated Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
6.	<b>Current Assets</b>		
	<b>6.1 Inventories</b>		
	Stock in trade (as taken, valued and certified by the Management		
	- Yarn	46,896	46,896
	- Work in progress	19,738	19,738
	- Packing Material	509,512	509,512
	- Finished Goods	24,761	58,016
	- Stores & Spares	182,963	182,963
	- Designing Material	120,000	120,000
		903870	937125
	<b>6.2. Trade Receivables</b> (Unsecured, considered good unless stated otherwise)		
	Exceeding six months:	0	
	Considered Good	579,450	65,182,155
		579,450	65,182,155
	<b>6.3. Cash and Cash Equivalents</b>		
	Balances with Banks:		
	On Current accounts	144,842	10,180,871
	On Deposit account	528,649	528,649
	Cash on Hand	60,076	905,515
		733,567	11,615,035
	<b>6.4. Short Term Loans and Advances</b> (Unsecured, considered good unless stated otherwise)		
	Advances recoverable in cash or kind		
	Considered Good	17,100,901	7099900
		17,100,901	7,099,900
	<b>6.5 Other Current Assets</b>		
	Deposits	2639051	2651057
	TDS Receivable	2429649	1311280
		5068700	3962337

# Source Industries (India) Limited

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Consolidated Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
7.	<b>Revenue from Operations</b> Sale of Products	56,354,435	66,547,477
		56,354,435	66,547,477
8.	<b>Other Income</b> Interest Income Other Non Operating Income:	100,000 2,370,426	- 3,197,534
		2,470,426	3,197,534
9.	Increase/(Decrease) in stocks Opening Stock Finished Goods Work in process	 58016 19738	 184376 19738
		<b>77754</b>	<b>204114</b>
	Closing Stock Finished Goods Work in process	 24761 19738	 58016 19738
		<b>44499</b>	<b>77754</b>
	(Increase)/Decrease in stocks	33255	126360
10.	<b>Purchases</b> Opening Stock Yarn Colous, Consumables and Packing Materials	 46896 692475	 46896 718149
		<b>739371</b>	<b>765045</b>
	Add : Purchases Yarn Colous, Consumables and Packing Materials Purchases Contracts (Infra Divisions)	 - - 378,285 53,122,449	 - - 299,879 65,056,176
	<b>TOTAL A</b>	<b>54,240,105</b>	<b>66,121,100</b>
	Less : Closing Stock Yarn Colous, Consumables and Packing Materials	 46,896 692,475	 46,896 692,475
	<b>TOTAL B</b>	<b>739,371</b>	<b>739,371</b>
	<b>Cost of material consumed (TOTAL A - TOTALB)</b>	<b>53,500,734</b>	<b>65,381,729</b>

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Consolidated Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
11.	<b>Employee Benefits Expenses</b>		
	Salaries and Wages	564,000	484,000
		<b>564,000</b>	<b>484,000</b>
12.	<b>Finance Cost</b>		
	Bank Charges	29,226	2,614
		<b>29,226</b>	<b>2,614</b>
13.	Other Expenses		
	Secretarial charges	2,215,775	632,563
	Write off of stock of design material	-	3,242,420
	Watch and ward	204,000	446,964
	Rates and Taxes	260,000	200,000
	Travelling Expenses	271,760	292,433
	Legal and Professional	256,712	202,206
	Directors sitting Fees	-	200,000
	Office Maintenance	64,729	75,143
	Selling & administrative	-	3,500
	Auditor's Remuneration:		
	Audit Fees	37,500	32,500
	Tax Audit Fees	10,000	15,000
	Service Tax	5,871	4,893
		<b>3,326,347</b>	<b>5,347,622</b>
14.	<b>NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012</b>		
	<b>14.1 CONTINGENT LIABILITIES</b>		
	a) In respect of guarantees given to bankers for clearance of imported and indigeous goods		
		3510000	3510000
	b) Disputed claims of Excise Duty, where proceedings are pending with various authorities	27,827,332	21469042
	c) Disputed Claims with Sales Tax Vigilece & Enforce Department	1218973	1218973
		<b>32556305</b>	<b>26198015</b>

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Consolidated Notes to Accounts for the year ended March 31, 2012

AMOUNT IN RS

Note No	Particulars
	<b>14.2 RELATED PARTY DISCLOSURES:</b>
	a) Disclosures of Related parties and relationship between parties:
	1. Key Management Personnel : Lalit Kumar Gupta
	2. Relatives : Ritesh Kumar Gupta Adarsh Kumar Gupta Akshay Kumar gupta Babita Rani Lakshmi Gupta Madhulika Gupta Akshay Kumar gupta (HUF) Lalit Kumar Gupta (HUF) Ritesh Kumar Gupta (HUF)
	3. Subsidiary Company : Aksharalaya Enterprises Ltd
	Transactions during the year NIL

14.3 Segment Reporting: The following is Segment Report of the Company in accordance with Accounting Standard – 17.

### Business Segment

Particulars	For the year Ended (Amount in lakh)	
	2011-12	2010-11
<b>Segment Revenue</b>		
1. Textiles	4.36	9.83
2. Infrastructure	559.18	655.64
<b>Total</b>	<b>563.54</b>	<b>665.47</b>
Less: Inter Segment Revenue	0	0
<b>Total</b>	<b>563.54</b>	<b>665.47</b>
<b>Segment Results</b>		
1. Textiles	(48.29)	(79.51)
2. Infrastructure	5.86	6.84
Total: Profit / (Loss)	(42.43)	(72.67)
Less: Financial Charges	0	0
<b>Total profit (Loss) before Tax</b>	<b>(42.43)</b>	<b>(72.67)</b>

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Consolidated Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Particulars	(Amount in lakh)		
	2011-12	2010-11	
<b>Segment Assets</b>			
1. Textiles	418.80	503.69	
2. Infrastructure	182.53	820.06	
<b>Total</b>	<b>601.33</b>	<b>1323.75</b>	
<b>Segment Liabilities</b>			
1. Textiles	129.68	30.44	
2. Infrastructure	431.62	1009.05	
<b>Total</b>	<b>561.30</b>	<b>1039.49</b>	
<b>Segment Depreciation</b>			
1. Textiles	78.31	78.31	
2. Infrastructure	Nil	Nil	
<b>Total</b>	<b>78.31</b>	<b>78.31</b>	
<b>14.4 EARNING PER SHARE (EPS)</b>			
The computation of EPS is set out below:			
<b>Earning</b>			
Net Profit for the period	(4243136)	(7245676)	
<b>Shares</b>			
Number of Shares at the Beginning of the period	7773110	7773110	
Add: Shares issued during the period	0	0	
Total number of equity shares outstanding at the end of the period	7773110	7773110	
Weighted average number of equity shares outstanding during the period	7773110	7773110	
Earning per share of par value Rs. 10/- Basic & Diluted (Rs)	(0.55)	(0.93)	
<b>14.5 Deferred Tax Liability (net) as on 31st March, 2012 as follows:</b>			
Timing Difference on account of Depreciation	7979688	10196607	
Less: Deferred Tax Assets arising on account of timing difference	0	0	
<b>Net Deferred Tax Liability</b>	<b>7979688</b>	<b>10196607</b>	

# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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Particulars	For the year Ended (Amount in lakh)	
	2011-12	2010-11
<b>14.6 Directors Remuneration:</b>		
Salaries	NIL	NIL
Directors Sitting fees	NIL	200000

14.7. 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

14.8 The balances shown under Loans and Advances and Bank balances are subject to confirmation / reconciliation.

14.9 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.

14.10 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.

14.11 The company expects substantial reduction in value of its assets than the carrying amount but in absence of technical reports from experts no provision is made on account of such impairment in value of assets.

14.12 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
LICENSED CAPACITY	876000	876000
INSTALLED CAPACITY	876000	876000
ACTUAL PRODUCTION	NIL	NIL



# Source Industries (India) Limited

(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)

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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. 80000 (Previous year Rs.Nil)

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As per the report of eventdate attached

**For LAXMINIWAS & JAIN**

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

**(SURESH KUMAR JAIN)**

Partner

Membership No. 018465

Place : Hyderabad

Date : 14-08-2012

**For and on behalf of the Board**

Sd/-

**LALIT KUMAR GUPTA**

Managing Director

Sd/-

**RITESH KUMAR GUPTA**

Director

## AUDITOR'S REPORT

To  
The Members  
Akshralaya Enterprises Limited  
Hyderabad.

1. We have audited the attached Balance Sheet of ASHRALAY ENTERPRISES LIMITED, as at 31.03.2012, and the Profit & Loss Account and also the cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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 31.03.2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2012 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, 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 31.03.2012.
- (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 : 14-08-2012

## 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.
- (b) According to the information and explanation give to us, during the year Company has taken Unsecured Loan amounting to Rs. 2,90,000/- from Two parties covered under section 301 of the Companies Act, 1956.
- (c) In our opinion, the rate if interest and other terms and conditions on which loans were taken from Companies, Firms, or other parties covered under the register maintained under Sec. 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 repayment of the principle and interest wherever applicable.
- (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 with in the meaning of Sections 58A ad 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 Provident fund, Investor education and Protection fund, Employees' state insurance, income-tax, wealth tax, sales-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, 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, 2012 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 31.03.2012. 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 : 14-08-2012

# Ashralaya Enterprises Limited

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## ASHARALAY ENTERPRISES LTD BALANCE SHEET AS ON 31ST MARCH 2012

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	500,700	500,700
Reserves and Surplus	3	336,757	556,802
<b>Non-current Liabilities</b>			
<b>Current Liabilities</b>			
Short term Borrowings	4.1	290,000	50,000
Other Current Liabilities	4.2	103,765	105,338
<b>TOTAL</b>		<u><u>1,231,222</u></u>	<u><u>1,212,840</u></u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5.1	75,222	56,840
Short term Loans and Advances	5.2	1,150,000	1,150,000
Other Current Assets	5.3	6,000	6,000
<b>TOTAL</b>		<u><u>1,231,222</u></u>	<u><u>1,212,840</u></u>
Summary of significant accounting policies	1		
Notes to Account forming part of Balance Sheet	11		
As per the report of even date attached			
<b>For LAXMINIWAS &amp; JAIN</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Reg. No. 001859 S			
Sd/-	Sd/-	Sd/-	
<b>(SURESH KUMAR JAIN)</b>	<b>RITESH KUMAR GUPTA</b>	<b>ADARSH KUMAR GUPTA</b>	
Partner	Director	Director	
Membership No. 018465			
Place : Hyderabad			
Date : 14.08.2012			

## ASHARALAY ENTERPRISES LTD STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
<b>Revenue</b>			
Revenue from Operations	6	402,811	316,890
Other Income	7	50,000	-
<b>Total Revenue</b>		<b>452,811</b>	<b>316,890</b>
<b>Expenses</b>			
Purchases		378,285	299,879
Employee Benefits expense	8	24,000	24,000
Finance Costs	9	304	254
Other expenses	10	270,267	27,443
<b>Total Expenses</b>		<b>672,856</b>	<b>351,576</b>
<b>Profit/(Loss) before Exceptional, Extraordinary items &amp; Taxation</b>		<b>(220,045)</b>	<b>(34,686)</b>
Exceptional items		-	-
<b>Profit/(Loss) before Extraordinary items &amp; Taxation</b>		<b>(220,045)</b>	<b>(34,686)</b>
Extra ordinary items		-	-
<b>Profit/(Loss) before Taxation</b>		<b>(220,045)</b>	<b>(34,686)</b>
Tax Expense:			
Current Tax		-	-
<b>Profit/(Loss) for the period</b>		<b>(220,045)</b>	<b>(34,686)</b>
Basic / Diluted Earnings Per Share (Face value of Rs.10 each)		(4.39)	(0.69)
<b>Summary of significant accounting policies</b>	<b>1</b>		
<b>Notes to Account forming part of Balance Sheet</b>	<b>11</b>		
The accompanying notes are an integral part of the financials statements.			
This is the Profit and Loss Account referred to in our report of even date			
As per the report of even date attached			
<b>For LAXMINIWAS &amp; JAIN</b>		<b>For and on behalf of the Board</b>	
Chartered Accountants			
Firm Reg. No. 001859 S			
Sd/-			
<b>(SURESH KUMAR JAIN)</b>			
Partner		Sd/-	
Membership No. 018465		<b>RITESH KUMAR GUPTA</b>	
Place : Hyderabad		Director	
Date : 14.08.2012		Sd/-	
		<b>ADARSH KUMAR GUPTA</b>	
		Director	



## ASHARALAY ENTERPRISES LTD CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

Particulars	Sch. No.	As at 31.03.2012	As at 31.03.2011
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax		(220,045)	(34,686)
Adjustments for:			
Less: 1. Depreciation(Net)		-	-
2. Raw Material written off		-	-
Cash Profit/(Loss) before Working Capital Changes		(220,045)	(34,686)
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		(1,573)	(267,204)
<b>Cash Generated from Operating activities</b>		<b>(221,618)</b>	<b>1,568,401</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>			
Cash Generated from Investing activities		-	-
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Unsecured Loans		240,000	-
2. Share Application Money		-	(1,523,070)
<b>Cash Generated from Financing activities</b>		<b>240,000</b>	<b>(1,523,070)</b>
<b>NET FLOW OF CASH(I+II+III)</b>		<b>18,382</b>	<b>45,331</b>
<b>Cash &amp; Equivalent at the beginning of the year</b>		<b>56,840</b>	<b>11,509</b>
<b>Cash &amp; Equivalent at the end of the year</b>		<b>75,222</b>	<b>56,840</b>

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 : 14.08.2012

**For and on behalf of the Board**

Sd/-

**RITESH KUMAR GUPTA**

Director

Sd/-

**ADARSH KUMAR GUPTA**

Director

## Note No. : 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 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.

### 1.2 Use of Estimates:

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimate and assumption to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results materialize.

### 1.3 Fixed Assets:

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

### 1.4 Inventories:

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

### 1.5 Sales/Purchases

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

### 1.6 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.

### 1.7 Retirement Benefits for Employees:

Company does not have any employees within the purview of PF /Gratuity.

## **1.8 Prior Period and Extraordinary items:**

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

## **1.9 Earning per Share:**

Basic earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholder by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares in to equity shares.

## **1.10 Impairment of Assets:**

At each balance sheet date, an assessment is made whether any indication exists that an asset has been impaired. If any such indication exist, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount, is provided in the books of accounts.

## **1.11 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.

Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS			
Note No		As on 31-03-2012	As on 31-03-2011		
2.	<b>Share Capital</b>				
	<b>Authorised</b>				
	5000000 Equity Shares of Rs.10/- each	50,000,000	10,000,000		
	Previous year (1000000 Equity Shares of Rs.10/- each)	50,000,000	10,000,000		
	<b>Issued, Subscribed and Paid-up</b>				
	50070 Equity Shares of Rs.10/- each fully paid up.	500,700	500,700		
		500,700	500,700		
A.	<b>Reconciliation of the number of shares outstanding</b>				
	<b>Equity shares</b>	<b>No. of Shares</b>	<b>31-03-2012</b>	<b>No. of Shares</b>	<b>31.03.2011</b>
	Number of equity shares at the beginning of the Year	50,070	500,700	50,070	500,700
	Equity shares issued during the year	-	-	-	-
	Less Shares bought back during the year	-	-	-	-
	Number of equity shares at the end of the Year	50,070	500,700	50,070	500,700
B.	<b>Details of shareholders holding more than 5% shares in the company</b>	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
	Source Industries (India) Limited	50,070	100	50,070	100
Note No	Particulars	As on 31-03-2012	As on 31-03-2011		
3.	<b>Reserves and Surplus</b>				
	Surplus in the statement of Profit & Los Account				
	Opening Balance	556,802	591,488		
	<u>Add:</u> Profit for the period	(220,045)	(34,686)		
		<b>336,757</b>	<b>556,802</b>		
4	<b>Current Liabilities</b>				
	<b>4.1.Short Term Borrowings</b>				
	Unsecured				
	Loan from Director and Relatives	290,000	-		
	Others	-	50,000		
		290,000	50,000		
	<b>4.2. Other Current Liabilities</b>				
	Other Liabilities	103,765	105,338		
		<b>103,765</b>	<b>105,338</b>		

## Notes to Accounts for the year ended March 31, 2012

AMOUNT IN RS

Note No	Particulars	As on 31-03-2012	As on 31-03-2011
5.	<b>Current Assets</b>		
	5.1. Cash and Cash Equivalents		
	Balances with Banks:		
	On Current accounts	53,419	23,723
	Cash on Hand	21,803	33,117
		<b>75,222</b>	<b>56,840</b>
	<b>5.2. Short Term Loans and Advances</b>		
	(Unsecured, considered good unless stated otherwise)		
	Other		
	Considered Good	1,150,000	1,150,000
		<b>1,150,000</b>	<b>1,150,000</b>
	<b>5.3. Other Current Assets</b>		
	Deposits	6,000	6,000
		<b>6,000</b>	<b>6,000</b>
6.	<b>Revenue from Operations</b>		
	Sale of Products	402,811	316,890
		<b>402,811</b>	<b>316,890</b>
7.	<b>Other Income</b>		
	Other Non-Operating Income	50,000	-
		<b>50,000</b>	<b>-</b>

Notes to Accounts for the year ended March 31, 2012		AMOUNT IN RS	
Note No	Particulars	As on 31-03-2012	As on 31-03-2011
8.	<b>Employee Benefits Expenses</b> Salaries and Wages	24,000	24,000
		<b>24,000</b>	<b>24,000</b>
9.	<b>Finance Cost</b> Bank Charges	304	254
		<b>304</b>	<b>254</b>
10.	<b>Other Expenses</b> Rates and Taxes Office Maintenance Auditor's Remuneration: Audit Fees Service Tax	260,000 1,840 7,500 927	17,000 2,170 7,500 773
		<b>270,267</b>	<b>27,443</b>

#### 11. NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2012

11.1 Balance shown under Banks are subject to Confirmation / reconciliation.

11.2 Managerial Remuneration:	Year ended 31.03.2012	Year ended 31.03.2011
Salaries	NIL	NIL
Perquisites	NIL	NIL

11.3 M/s. Source Industries (India) Limited acquired shares of the Company on account of which the company became subsidiary of M/s Source Industries (India) Limited

#### 11.4 Related Party Disclosure

Key Management Personnel:

- 1 Akshay Gupta
- 2 Adarsh Kumar Gupta

Transactions with Key Management Personnel and their Relatives

Loans - Accepted 290000

**11.5 Micro, Small and Medium Enterprises Development Act, 2006**

i. Amount Due to Micro, Small and Medium Enterprises - NIL

ii. Interest - NIL

the above information is given based on the information available with the Company.

**11.6 The Company does not have any deferred Tax asset or liability.****11.7 Previous year figures have been regrouped wherever necessary****11.8 Additional Particulars:**

	<b>2011-12 Value</b>	<b>2010-11 Value</b>
SALES	402811	316890
PURCHASES	378285	299879

**11.9 EARNING PER SHARE (EPS)**

	<b>2011-12</b>	<b>2010-11</b>
<b>The computation of EPS is set out below:</b>		
<b>Earning</b>		
Net Profit for the period	(220,045)	(34,686)
<b>Shares</b>		
Number of Shares at the Beginning of the period	50,070	50,070
Add: Shares issued during the period		
Total number of equity shares outstanding at the end of the period	50,070	50,070
Weighted average number of equity shares outstanding during the period	50,070	50,070
<b>Earning per share of par value Rs. 10/- Basic &amp; Diluted (Rs)</b>	<b>(4.39)</b>	<b>(0.69)</b>

As per the report of eventdate attached

**For LAXMINIWAS & JAIN**

Chartered Accountants

Firm Reg. No. 001859 S

Sd/-

**(SURESH KUMAR JAIN)**

Partner

Membership No. 018465

Place : Hyderabad

Date : 14-08-2012

**For and on behalf of the Board**

Sd/-

**RITESH KUMAR GUPTA**

Director

Sd/-

**ADARSH KUMAR GUPTA**

Director

# Source Industries (India) Limited

(Formerly Known as Tirumala Seung Han Textiles Limited)

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## Source Industries (India) Limited

(Formerly Known as 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)

28th Annual General Meeting 22nd November 2012

I/We hereby record/my/our presence at the 28th Annual General Meeting of the Company held on THURSDAY, 22nd NOVEMBER, 2012 at 12.00 Noon at FAPCCI, Surana Hall Federation House, Red Hills, Hyderabad - 500004

Full Name of the Member : .....  
(In Block Letters)

Regd. Folio No./DP ID & CL ID : ..... 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./DP ID & CL ID : ..... No of Shares held.....

I/We ..... of .....  
..... being a Member/Members of **Source Industries (India) Limited**  
(Formerly Known as 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, 22nd NOVEMMBER, 2012** at 12.00 Noon. at FAPCCI, Surana Hall  
Federation House, Red Hills, Hyderabad - 500004 and at any adjournment thereof.

As Witnessed my hand / our hands this.....day of.....2012

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**

**SOURCE INDUSTRIES (INDIA) LIMITED**

**(Formerly Known as TIRUMALA SEUNG HAN TEXTILES LIMITED)**

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