

ITMS
THAMBI MODERN
SPINNING MILLS LIMITED



34th
ANNUAL REPORT
2011-2012

BOARD OF DIRECTORS

R. Jagadeesan
Chairman & Managing Director
Mrs. Malathi Jagadeesan
M. Pugazhendhi
Ashok P. Shah

AUDITORS

M/s. Sankaran & Krishnan
Chartered Accountants
Chennai 600 034

REGISTERED OFFICE & UNIT I

Omalur Road
Jagir Ammapalayam Post
Salem 636 302

UNITS II & III

Opp. TNEB Sub Station
Udayapatti By-pass Road
Kamaraj Nagar Colony Post
Salem 636 014

REGISTRAR & TRANSFER AGENT

Cameo Corporate Services Limited
Subramanian Building, V Floor,
No.1, Club House Road,
Chennai 600 002

Directors' Report

To

The Members,

Your Directors have pleasure in presenting their 34th Annual Report together with Audited Accounts for the year ended 31st March 2012

Financial Results

The financial results for the year under review are summarised below:

	2011-12 Rs. In '000	2010-11 Rs. In '000
Turnover	12,15,18	34,06,39
Profit /(Loss) before depreciation and taxation	(453.49)	27,32
Depreciation	105,46	107,97
Profit /(Loss) Before Taxation	(558.95)	(80,65)
Net Profit /(Loss)	(558.95)	(80,65)

Performance

During the year under review, your company achieved a sales turnover of Rs.1215 lakhs compared to the sales turnover of Rs.3406 lakhs achieved in the previous year. The steep drop in sales turnover during the current year can be attributed to non operating unit-I from November'2011 onwards mainly on account of power problems, obsolete machinery and non availability of labours. The Industry also faced severe recession during the year due to change in Government policies with respect to yarn exports which led to steep drop in yarn realization compared to increasing cotton prices and non availability of working capital. The Company made Cash loss of Rs.453 lakhs for the financial year as against the Cash Profit of Rs.27 lakhs in the previous year. The company made net loss of Rs.559 lakhs for the financial year, as against net loss of Rs.81 lakhs for the previous year. The profit was drastically affected due to steep increase in cost of raw materials and power and low production caused by shortage of working capital and stiff competition in the market.

Dividend

The Company incurred loss in the financial year. In view of this and the accumulated loss, your directors are unable to recommend any dividend for the year. Your Directors are confident that, barring unforeseen circumstances, the company will wipe out the accumulated loss in a few years and start paying dividend thereafter.

Prospects and Future Plans

The year 2011-12 was a worst year for the Textile Industry. There was steep increase in cost of raw materials and power, which mainly pushed up the production cost. Production was low due to lack of working capital and poor off take in the market caused by stiff competition. Profit dwindled and performance resulted in loss due to lower selling prices and the cumulative effect of all factors mentioned above. The Government's policy is not conducive to existence and growth of Textile Industry and the prospects are quite uncertain. Further, the existing plant and machinery of the company are old and have become less efficient, compared to new modern machines. The position and prospects of textile industry being most uncertain, it is not worthwhile replacing the existing plant and machinery with new modern machinery incurring huge cost. Your directors are, therefore, seriously contemplating to delve into new lines of activities, within the Objects of the company, so as to improve profit, for the benefit of the shareholders. At the same time, till concrete plans crystallize, your Directors will continue to run the company with the existing plant and machinery in the best possible ways so as to improve performance in the current year.

Deposits

Your company has not accepted any deposits during the period.

Directors

There was no change in the Board of Directors during the financial year.

In accordance with the provisions contained in the Articles of Association, Mr. Ashok P. Shah retires by rotation at the ensuing Annual General Meeting and, being eligible, he offers himself for re-appointment.

Directors' Responsibility Statement

The Directors confirm that in the preparation of the Annual Accounts for the year ended 31st March, 2012

- (i) the applicable accounting standards had been followed and there were no material departures,
- (ii) the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year,
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- (iv) the annual accounts were prepared on a 'going-concern' basis.

Corporate Governance

In terms of listing agreement with the Stock Exchange, Compliance Report on Corporate Governance is given at Annexure-II. A certificate from Auditors of the Company regarding compliance of conditions of Corporate Governance is also placed as Annexure-III.

Management Discussion and Analysis of the Operations

The management had a detailed discussion on the operational results for the year ended 31st March 2012 and analysed the factors that affected production, sales and profit. The management was satisfied with the efforts taken in the situation faced by the company and the adverse market conditions prevailed during the year.

Auditors

The Auditors of the Company, Messrs. Sankaran & Krishnan, Chartered Accountants, Chennai are due to retire at the ensuing Annual General Meeting of the Company. They are eligible for re-appointment. They have consented to act as the Auditors of the Company, if re-appointed.

Cost Auditors

- a) Particulars of the cost auditors appointed for the Financial Year : B.Venkateshwar, Cost Auditor, 31/3E, Ramakrishna Nagar, Kavundampalayam, Coimbatore 641030.
- b) Due date for filing of the Cost Audit Report : 30.09.2011.
- c) Actual date of filing of the Cost Audit Report by the Financial Year 2010-2011 : 14.11.2011

Personnel

During the year under review, none of the employees of the Company was in receipt of remuneration which in the aggregate was in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 and the rules framed these under.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, a statement showing details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is enclosed as Annexure – I.

Industrial Relations

The industrial relations in the Company continued to be cordial during the year.

Acknowledgement

Your Directors place on record their appreciation of the continued co-operation and unstinted support extended to the Company by the Company's customers, suppliers, employees and shareholders.

By Order of the Board of Directors
for Thambbi Modern Spinning Mills Limited

R.Jagadeesan
Chairman & Managing Director

SALEM
30th May 2012

ADDENDUM TO DIRECTORS' REPORT

The Auditors, in their report dated 30th May 2012, for the year ended on 31st March 2012, have made the following comments in Clause (h).

h) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon and subject to

- I. Note No.5.1 regarding amount due to SSI Units exceeding 1 lakh for more than 30 days
- II. Note No.5.2 with regard to non-ascertainment of overdue amount as on 31.3.2012 and non-provision of interest to Micro, Small & Medium Enterprises for the year ended 31.3.2012 give the information required by the Companies Act 1956 in the manner required and give a true and fair view.
- III. Non-provision of liability towards Electricity Tax of Rs.30.11 lakhs (Refer Note No.5.3).

The Board's reply to the above comments is given below.

h) (i) The names of Small Scale Industrial Undertakings to whom the company owes a sum exceeding Rs.1 lakh which are outstanding for more than 30 days are given in Note No.5.1 forming part of the Accounts, as required under the Act. These outstanding amounts are within the agreed terms of purchase. As per agreed terms, no interest is payable. Therefore, the company has not made any provision in the accounts towards interest on these outstanding amounts.

h) (ii) As per company's records, there are no Micro, Small & Medium Enterprises as on 31.03.2012. However, the company sent letters to Sundry Creditors requesting to confirm whether they are Micro, Small or Medium Enterprises (as defined in the Micro Small & Medium Enterprises Development Act 2006). The company has not received confirmation from any creditor. Hence the company could not ascertain the amounts due to Micro, Small & Medium Enterprises as on 31.03.2012 and make provision in the accounts towards interest on such overdue amounts.

h) (iii) The company received notice of demand from the Tamilnadu Generation and Distribution Corporation Ltd. for belated payment surcharge on E.Tax amounting to Rs.30.11 lakhs. The company has filed a writ petition before the Hon'ble High Court seeking to quash the demand on the ground that the company has cleared all the E.Tax dues as per the direction of the court and the writ petition is waiting to be numbered. It is understood that, in similar cases, companies who filed writ petitions have obtained favourable court decision. The company is hopeful of getting favorable orders on the writ petition, when it is taken up for consideration. Hence provision was not made in the accounts for this amount. However, the facts and details have been disclosed in Note No.5.3. forming part of the accounts.

By Order of the Board of Directors
for Thambbi Modern Spinning Mills Limited

R.Jagadeesan
Chairman & Managing Director

SALEM
30th May 2012

ANNEXURE – I

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988

Conservation of Energy, Technology absorption and Research and Development and Foreign exchange earnings and outgo

a. Conservation of Energy

Our company is always on the lookout for potential areas for energy conservation towards reduction in manufacturing cost and takes all measures to conserve energy. The cost of energy is kept at the minimum level and consumption is reduced wherever possible.

b. Power and Fuel Consumption

	2011-2012	2010-2011
1. Electricity		
(a) Purchased		
Total Units (in '000 Kwh)	3047.348	5756.854
Total amount (Rs. In 000)	21821.295	32920.675
Rate per unit (Rs.)	7.16	5.72
(b) Own Generation (Through Generators)		
Units (in '000 Kwh)	123.232	974.859
Units per liter of Diesel	3.34	3.09
Cost per Unit (Rs.)	15.00	12.65
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Other/Internal generation	NIL	NIL
5. Consumption per unit of production (Production of various counts has been converted to the Standard count of 40s and production includes conversion production also).		
Consumption per kg. (in Kwh)	6.27	6.04

c. Technology Absorption and Research and Development

NIL

NIL

d. Foreign Exchange Earnings and Outgo

i. Earnings in Foreign Exchange

NIL

NIL

ii. Expenditure in Foreign Exchange on Imports

NIL

NIL

iii. Spares

Rs.

NiL

Rs

7,77,034

iv. Expenditure in foreign currency on account of

Travel and other matters

Rs. 4,25,616

Rs

1,45,993

By Order of the Board of Directors
for Thambbi Modern Spinning Mills Limited

SALEM

30th May 2012

R.Jagadeesan
Chairman & Managing Director

ANNEXURE II

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Thambbi Modern Spinning Mills Limited
Salem.

We have examined the compliance of conditions of Corporate Governance by M/s. Thambbi Modern Spinning Mills Limited, for the year ended 31.03.2012, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 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 further state that such compliance is neither an assurance as to the future capability of the Company nor the efficiency nor effectiveness with which the Management has conducted the affairs of the Company.

For SANKARAN & KRISHNAN
Chartered Accountants
Firm Registration No: 003582S
M.BALACHANDRAN
Partner
Membership No.16271

Place : Chennai

Date : 30th May 2012

ANNEXURE III

Report on Corporate Governance

The Report on the Corporate Governance pursuant to Clause 49 of the listing agreement is furnished below

Company's philosophy on Corporate Governance

The company believes in preserving core values and ethical conduct of business towards maximizing shareholder value on a sustained basis. The company seeks to achieve professionalism, transparent process and reporting systems and go beyond the mandated Corporate Governance Code in the interest of its stake holders.

Board of Directors

The Board is composed in accordance with clause 49 of the listing agreement. The Board of directors comprise of Chairman cum Managing Director and three non-executive Directors. During the year under review six board meetings were held on 14/06/2011, 14/07/2011, 13/08/2011, 14/11/2011, 15/02/2012, and 15/03/2012. The maximum gap between any two meetings was less than four months as stipulated under clause 49 of the listing agreement.

Attendance of each director at the board meetings and the Last Annual General Meeting and details of outside directorship and committee position held by each of the director is given below.

Name of the Director	Category of Directorship	No of Board Meetings Attended	Attendance at last AGM held on 26/09/2011	No of other companies in which director	No of committees other than the company in which chairman/ member
R.Jagadeesan	Executive/Chairman & Managing Director	6	No	2	--
Mrs.Malathi Jagadeesan	Non-Executive	6	No	2	--
Ashok P. Shah	Non-Executive / Independent	6	Yes	--	--
M.Pugazhendhi	Non-Executive / Independent	5	No	--	--

Remuneration to Directors

Director	Sitting Fees
Mrs. Malathi Jagadeesan	Rs.6000/-
Ashok P. Shah	Rs.6000/-
M.Pugazhendhi	Rs.5000/-

COMMITTEES OF THE BOARD

Remuneration Committee

The present committee comprises of the following directors as members:

1. M. Pugazhendhi Chairman (Non-Executive & Independent)
2. Ashok P. Shah Member (Non-Executive & Independent)

No meeting of the committee was held during the year.

The terms of reference of the Remuneration Committee cover determination of remuneration package to directors including Executive Directors and Managing Director and revision thereof.

Audit Committee

During the year ended March 31st 2012, five Meetings were held. The dates on which the said meetings were held are 14/06/2011, 14/07/2011, 13/08/2011, 14/11/2011 and 15/02/2011

The constitution of the committee and the attendance of each member of the committee are given below.

Name	Designation	No of Meetings attended
R.Jagadeesan	Member (Executive)	5
Ashok P. Shah	Chairman (Non-Executive & Independent)	5
M.Pugazhendhi	Member (Non-Executive & Independent)	4

The terms of reference of this committee are wide enough covering the matters specified for Audit Committee under the listing agreement, which includes, interalia, the following:

- A. To hold periodic discussions with the statutory auditors, internal auditors of the company concerning the accounts of the company, internal control system, review the quarterly, half yearly and annual financial results of the company.
- B. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee covering matters prescribed as role for the Audit Committee.

Share holder / Investor Relations Committee

Terms of Reference

The committee meets at frequent intervals to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificate and review of investors grievances.

Composition

The present shareholder/investor Relations committee comprises the following directors as members.

- | | |
|------------------|----------|
| 1. M.Pugazhendhi | Chairman |
| 2. Ashok P. Shah | Member |

Sri R.Jagadeesan Chairman & Managing Director is the compliance officer of the company.

The committee met 10 times during the year 2011-12 to approve share transfers/transmissions. The company has no shares pending for transfer at the close of the year.

Annual General Body Meetings

Details of the Annual General Body Meeting during the last three years.

Year	Date and Time	Venue
2009*	07/09/2009 10:00 am	Unit II, Opp TNEB Sub Station, Udayaptti By-Pass Road, Kamaraj Nagar Colony, Salem -636014
2010*	20/09/2010 10:00 am	--do--
2011*	26/09/2011 10:00 am	--do--

*No special resolution passed

No Special Resolutions were passed through Postal Ballot.

Disclosures

1. Related party transactions

The company has not entered into any transactions of material nature with the promoters, directors, etc' that may have potential conflict with the interest of the company.

2. Compliance by the company

The company has complied with the requirements of the stock exchanges, SEBI, etc... on all matters related to capital markets. No penalties or strictures have been imposed on the company by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.

The company has put in place a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

Means of communication

The Quarterly, Half Yearly and Annual Financial Results of the company are announced and are published in English and Tamil Newspapers.

General Shareholders Information

- I. Annual General Meeting

AGM Date, Time & Venue	Monday 17 th September 2012 at 10:00 a.m at Unit II, Opp TNEB Sub Station, Udayaptti By-Pass Road, Kamaraj Nagar Colony, Salem -636014
------------------------	---

- II. Financial Year 01-04-2012 to 31-03-2013
- III. Results for Quarter ending 30th June 2012 - 2nd Week of August 2012
- Results for Quarter ending 30th September 2012 - 2nd Week of November 2012
- Results for Quarter ending 31st December 2012 - 2nd Week of February 2013
- Results for Quarter ending 31st March 2013 - Last Week of May 2013
- AGM for the year ending 31st March 2013 - September 2013
- IV. Date of Book Closure : 10.09.2012 to 17.09.2012 (inclusive of both days)**
- V. Listing on stock Exchange - The Bombay Stock Exchange
The Company has paid the listing fees.
- VI. Physical ISIN Number for NSDL and CDSL - INE830 D01016

Stock Market Data

As traded at The Bombay Stock Exchange

Month	High (Rs.)	Low (Rs.)
Apr-2011	17.85	12.29
May-2011	16.35	12.15
Jun-2011	16.55	13.13
Jul-2011	15.98	12.75
Aug-2011	13.65	11.56
Sep-2011	12.95	10.60
Oct-2011	11.55	10.41
Nov-2011	12.01	9.13
Dec-2011	10.05	8.63
Jan-2012	8.20	8.20
Feb-2012	8.61	7.78
Mar-2012	9.31	8.05

Distribution of shareholding as on 31st March, 2012.

Slab of Shareholding	Shareholders	%	No. of Shares	%
1 - 100	3723	80.17	346590	6.01
101 - 500	620	13.36	188660	3.27
501 - 1000	146	3.14	115484	2.00
1001 - 2000	78	1.68	115453	2.00
2001 - 3000	19	0.40	47143	0.82
3001 - 4000	13	0.28	41472	0.72
4001 - 5000	8	0.17	37703	0.66
5001- 10000	13	0.28	92113	1.60
10001- above	24	0.52	4778152	82.92
Total	4644	100.00	5762770	100.00

Share holding Pattern as on 31st March 2012

Category		No of Shares Held	% of Shareholding
A	Promoters' Holding		
1	Promoters		
	Indian Promoters	31,65,609	54.9320
	Foreign Promoters	--	--
2	Person Acting in Concert	--	--
Sub Total		31,65,609	54.9320
B	Non-Promoters' Holding		
3.	Institutional Investors		
a.	Mutual Funds & UTI	3,100	0.0537
b.	Banks, Financial institutions, Insurance Companies (Central/State Govt. Institutions / Non-Govt. Institutions	14,200	0.2464
c.	FIIS	--	--
Sub Total		17,300	0.3001
C	Others		
a.	Private Corporate Bodies	1,84,761	3.2065
b.	Indian Public	23,94,719	41.5549
c.	NRIs /OCBs	281	0.0048
d.	Clearing Member	100	0.0017
Sub Total		25,79,861	44.7679
Grand Total		57,62,770	100.000

Plant Location:

Spinning Mill Unit I : Omalur Main Road, Jagir Ammapalayam, Salem – 636 302
 Spinning Mill Unit II & III : Opp. TNEB Sub Station, Udayapatti By-pass Road, Kamaraj Nagar Colony Post, Salem 636 014

Investor Correspondence:

Registrars and Share Transfer Agents : Cameo Corporate Services Limited
 Subramanian Building, V Floor,
 No.1, Club House Road,
 Chennai 600 002.

Address for Correspondence

: The Chairman & Managing Director,
 Thambbi Modern Spinning Mills Limited
 Omalur Main Road, Jagir Ammapalayam,
 Salem – 636 302

By Order of the Board of Directors
 for Thambbi Modern Spinning Mills Limited

SALEM
 30th May 2012

R.Jagadeesan
 Chairman & Managing Director

AUDITOR'S REPORT TO THE SHAREHOLDERS OF M/S.THAMBBI MODERN SPINNING MILLS LTD

WE have audited the attached Balance Sheet of M/S.THAMBBI MODERN SPINNING MILLS LIMITED, for the year ended 31st March 2012 and the Profit and Loss Account and also the cash flow statement of the Company 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.

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 from 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.

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, we enclose in the Annexure, a statement on the matters specified in Paragraphs 4 and 5 of the said Order.

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 purpose 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 the books.
- c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion the Balance Sheet, Profit & Loss account and Cash Flow Statement comply with the Accounting Standards referred to in subsection 3C of section 211 of the Companies Act, 1956.
- e. There are no observations/comments which has adverse effect on the functioning of the company.
- f. In our opinion and according to the information and explanations given to us the Directors of this company are not disqualified from being appointed as director under clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- g. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the Notes thereon and subject to
 - I. Note No.5.1 regarding amount due to SSI Units exceeding 1 lakh for more than 30 days.
 - II. Note No.5.2 with regard to non-ascertainment of overdue amount as on 31.3.2012 and non-provision of interest to Micro, Small & Medium Enterprises for the year ended 31.3.2012.
 - III. Non-provision of liability towards Electricity Tax of Rs.30.11 lakhs (Refer Note No.5.3).

Give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- 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 Profit and Loss Account, of the LOSS for the year ended 31st March 2012
- III) In the case of Cash Flow Statement, of the cash flow for the year ended 31st March 2012.

For SANKARAN & KRISHNAN
 CHARTERED ACCOUNTANTS
 Firm Registration No: 003582S
 M.BALACHANDRAN
 Partner
 Membership No.16271

Chennai
 30th May 2012

ANNEXURE TO THE AUDITOR'S REPORT

- i) a) In our opinion, the company is maintaining proper records to show full particulars including quantitative details and situation of Fixed Assets.
- b) These fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed in such verification.
- c) During the year the company had disposed-off land measuring 34400 sq.ft for Rs.34.45 lakhs and also certain old machinery for Rs.82.79 lakhs.
- ii) a) Inventories have been physically verified by the Management, at reasonable intervals.
- b) In our opinion, the procedures of physical verification of inventory 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 and no material discrepancies were noticed on such verification as compared to the book records.
- iii) The company has not taken / granted any loans, secured or unsecured from / to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
- iv) In our opinion, there is an adequate Internal Control System commensurate with the size of the company and nature of business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal system.
- v) a) In our opinion, and according to the information and explanations provided to us, there are no contracts or arrangements, that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- b) In our opinion, and according to the information and explanations given to us, the Company has not sold goods, materials and services exceeding Rs.5,00,000 to any party listed in the register maintained under section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any deposits from Public during the year and hence the clause relating to acceptance of Fixed Deposits is not applicable.
- vii) In our opinion, the Company has an adequate Internal Audit System commensurate with its size and nature of business.

- viii) As per the information and explanations furnished to us, the company has maintained the cost records as prescribed by the Central Government under Sec.209 (1) (d) of the Companies act,1956.
- ix) a) In our opinion and according to the information and explanations provided to us, there are no undisputed statutory dues as at 31.03.2012, outstanding for a period exceeding 6 months from the date they became payable.
- b) As per the information and explanations provided to us there are no disputed statutory dues outstanding as on 31.03.12, except towards
- i. entry tax on car purchase of Rs.4.65 lakhs pending before the High Court of Chennai.
 - ii. Electricity Tax of Rs.30.11 lakhs which is pending for filing writ petition before the High Court of Chennai.
- x) As on 31.03.2012 the accumulated loss is more than Equity plus Reserves. The company has also incurred cash loss during the year and not incurred cash loss during the previous Financial Year.
- xi) Company has taken Term Loan from a Bank and has not defaulted in repayment of dues during the Financial Year. The company has no Debentures.
- xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- xiii) The Company is not a Chit, Nidhi / Mutual Benefit Fund/Society.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xvi) The company has borrowed term loan during the year and utilized the same for the purpose for which it is obtained.
- xvii) On an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) There has been no preferential allotment of shares by the company during the year, to any party.
- xix) The company has not issued any debentures, during the year.
- xx) The company has not raised any money by public issue of shares or other securities during the year.
- xxi) According to the information and explanations given to us, no frauds on or by the company has been noticed or reported during the year.

For SANKARAN & KRISHNAN
 CHARTERED ACCOUNTANTS
 Firm Registration No: 003582S

Chennai
 30th May 2012

M.BALACHANDRAN
 Partner
 Membership No.16271

Balance Sheet as at 31st March 2012 (Rupees in Lacs)

Particulars	Note No.	31 st March 2012	31 st March 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	576.28	576.28
(b) Reserves and surplus	2	856.08	1315.52
		1432.36	1891.80
(2) Non-current liabilities			
(a) Long-term borrowings	3	728.63	929.93
(b) Other Long term liabilities	4	462.21	486.31
		1190.84	1416.24
(3) Current liabilities			
(a) Trade payables	5	271.56	243.65
(b) Other current liabilities	6	47.22	63.16
(c) Short-term provisions	7	29.77	39.74
		348.55	346.55
TOTAL		2971.75	3654.59
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	969.61	1134.56
(b) Deferred tax assets (net)	9	1015.97	1015.97
		1985.58	2150.53
(2) Current assets			
(a) Inventories	10	279.50	798.52
(b) Trade receivables	11	550.10	519.76
(c) Cash and cash equivalents	12	1.59	13.38
(d) Short-term loans and advances	13	154.98	172.40
		986.17	1504.06
TOTAL		2971.75	3654.59

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

For Sankaran & Krishnan,
Chartered Accountants,
Firm Reistration No:003582S

M.Balachandran.
Partner
Membership No:16271

Chennai
30th May 2012

For and on behalf of the Board,
R.Jagadeesan
Chairman & Managing Director.
M.Pugazhendhi
Director.

Profit and loss statement for the year ended March 2012 (Rupees in Lacs)

Particulars	Note No.	31 st March 2012	31 st March 2011
I. Revenue from operations	14	1361.36	3443.80
II. Other income	15	15.12	24.08
III. Total Revenue (I + II)		1376.48	3467.88
IV. Expenses:			
Cost of materials consumed	16	759.30	2286.64
Changes in inventories of finished goods		220.91	-172.53
Employee benefits expense	17	218.32	339.75
Finance costs	18	187.92	162.55
Depreciation		105.46	107.97
Other expenses	19	443.54	824.14
Total expenses		1935.45	3548.52
V. Profit before exceptional and extraordinary items and tax (III-IV)		-558.97	-80.64
VI. Extraordinary Items-Prvn no longer required		65.87	0.00
VII. Profit before tax (V- VI)		-493.10	-80.64
VIII Tax expense:			
(1) Deferred tax Asset		----	20.63
(2) Income Tax Paid		----	2.72
IX Profit (Loss) for the period from continuing operations (VII-VIII)		-493.10	-62.73
X Earnings per equity share:			
(1) Basic	Rs.	-9.70	-1.40
(2) Diluted	Rs.	-8.56	-1.40

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

For Sankaran & Krishnan,
Chartered Accountants,
Firm Reistration No:003582S
M.Balachandran.
Partner
Membership No:16271

For and on behalf of the Board,
R.Jagadeesan
Chairman & Managing Director.
M.Pugazhendhi
Director.

Chennai
30th May 2012

SIGNIFICANT ACCOUNTING POLICIES

a) General

The accounts have been prepared under historical cost convention and conform to the statutory provisions and prevailing practices.

b) Fixed Assets

Expenditure, which results in the creation of new independent assets with an economic life of a sizeable period and considering the nature of the assets is capitalised. Fixed Assets are depreciated on Straight Line Method (SLM) at the rates prescribed for the corresponding assets under Schedule XIV of the Companies Act, 1956.

c) Inventories

(i) Stores, packing materials, cotton and usable waste cotton are valued at Cost. Cost includes all expenditure incurred till the stage of putting them into use for the purpose for which it is intended.

(ii) Yarn and saleable waste are valued at lower of cost or net realisable value.

d) Employee Benefits

(i) Gratuity : Provision is made based on the actuarial valuation obtained in accordance with AS15 (Revised)

(ii) Leave Salary/Wages : The Company does not have the policy of accumulation and encashment of Leave.

e) Foreign Currency Transactions

Foreign currency transactions are recorded at the rates prevailing at the date of transactions. Any exchange difference on realisation is accounted in the Profit and Loss Account. Outstanding balances are converted at the exchange rates on the last date of the financial year and the difference is adjusted in the Profit and Loss Account.

1	Share Capital		
		31.03.2012	31.03.2011
	for each class of share capital (different classes of preference shares to be treated separately):		
	(a)the number and amount of shares authorized; ₹	14,00,00,000	14,00,00,000
	(b)the number of shares issued, subscribed and fully paid, and subscribed but not fully paid; ₹	5,76,27,700	5,76,27,700
	(c)par value per share; ₹	10	10
	(d)a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;	4644	4822
	(e)shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held;		
	R.Jagadeesan	2353709	2320625
	Malathi Jagadeesan	341530	341530
	Salem Ramamurthy Murali Manohar	860000	860000
	(f)shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment, including the terms and amounts;	Nil	Nil
	(g) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared: Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	Nil	Nil
	Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	Nil	Nil
	Aggregate number and class of shares bought back.	Nil	Nil
	(h)Terms of any securities convertible into equity/ preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	Nil	Nil

		(Rupees in Lacs)	
		31.03.2012	31.03.2012
	(i)Calls unpaid (showing aggregate value of calls unpaid by directors and officers)	Nil	Nil
	(j)Forfeited shares (amount originally paid up)	Nil	Nil
2	Reserves and Surplus		
	(a) Capital Reserves ;	3011.26	2977.61
	(b) Investment Allowance Utilisation Reserve	71.39	71.39
	(c) Share Premium Account	745.79	745.79
	(d) General Reserve	516.73	516.73
	(e) Surplus in Profit and Loss Account	-3489.09	-2995.99
		856.08	1315.52
3	Long-Term Borrowings		
	Secured		
	(a) Term loans		
	REPCO Bank Limited.,Salem	714.50	914.15
	(b) Other loans and advances (specify nature).		
	HDFC Bank Limited.,Chennai-Secured by hypothecation of Vehicle	14.13	15.78
		728.63	929.93
	Cash credit of Rs.130 lakhs and Term Loan of Rs.400 lakhs from Repco Bank Ltd., is secured by the following :		
	a) Registered simple mortgage over land measuring 4.325 acres owned by the Company, with building thereon comprised in S.No.419/1A, 403/2D, 404/4, 403/C, 403/2, 403/03 situated at Kamaraj Nagar Colony, Opp TNEB Office, Ammapet Village, Salem.		
	b) Registered simple mortgage over land measuring 2.33 acres owned by the company with building thereon comprised in S.No.418/3A, 418/1 and 418/2 situated at Kamaraj Nagar Colony, Ammapet Village, Salem.		

		(Rupees in Lacs)	
		31.03.2012	31.03.2012
	<p>c) Continuity mortgage over land measuring 23 cents with building thereon situated at Door No.3/80-B, R.S.No.67/2, Alagapuram Village, New Fairlands, Suramangalam Sub Registration District, Salem Taluk and District and the property owned by M/s. Jagadeesh Apartments Private Ltd.</p> <p>d) All plant and machineries situated at Unit II and Unit III at Kamaraj Nagar Colony, Salem 636 014.</p> <p>e) Hypothecation of stock of raw materials, work in process and finished goods held in the above mill premises.</p> <p>f) The Term Loan of Rs.400 lakhs is repayable in 106 installments of Rs.6.37 lakhs each. Term Loan of Rs.300 lakhs is repayable in 102 installments of Rs.4.54 lakhs each.</p> <p>g) The above two loans are guaranteed by two Directors.</p> <p>h) Term Loan of Rs.300 lakhs from Repco Bank Ltd is secured by equitable mortgage over land and buildings belonging to M/s. Jagadeesh Apartments Private Ltd.</p>		
4	Other Long Term Liabilities		
	Unsecured		
	From Directors	161.21	179.31
	Trade Deposits	301.00	307.00
		462.21	486.31
5	Current Liabilities		
	Other Long term Liabilities shall be classified as:		
	(a) Trade payables	215.42	237.70
	(b) Others	56.14	5.95
		271.56	243.65

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
	<p>5.1. Sundry Creditors includes the following amounts due to SSI units exceeding Rs. 1 lakh for more than 30 days, but within the agreed terms:</p> <p>i. Gowri Tex Cones, Namakkal Rs.1,68,640/-</p> <p>ii. Sree Mahalakshmi Paper Cones, Gopi Rs.1,50,151/-</p> <p>5.2 The company has not identified the amount due to Micro, Small & Medium Enterprises (as defined in the Micro Small & Medium Enterprises Development Act 2006) as on 31.03.2012. Hence the company has not ascertained the overdue amount due to Micro, Small & Medium Enterprises as on that date. Further, the company has also not made provision in the accounts towards the interest on such overdue amounts to Micro, Small & Medium Enterprises.</p> <p>5.3 BPSC on E. Tax</p> <p>The company was served a notice by the Tamilnadu Generation and Distribution Corporation Ltd., towards a demand of belated payment surcharge on E. Tax amounting to Rs.30.11 lakhs. However the company is in the process of filing a writ petition before the honourable High Court of Chennai seeking to quash the demand on the grounds that the company has cleared all the E. Tax dues, as per the direction of the court, and is hopeful of getting a judicial decision in its favour. Hence provision has not been made in the accounts for Rs.30.11 lakhs.</p>		
6	Other current liabilities	47.22	63.16
7	Short-term provisions		
	The amounts shall be classified as:		
	(a) Provision for employee benefits.	29.77	39.74

8. Tangible Assets									
i) Classification Shall be given as :									
DESCRIPTION OF ASSETS	COST			DEPRECIATION			WRITTEN DOWN VALUE		
	AS ON 31.03.2011 Rs.	ADDITIONS (DEDUCTIONS) Rs.	AS ON 31.03.2012 Rs.	AS ON 31.03.2011 Rs.	ADDITIONS (DEDUCTIONS) Rs.	AS ON 31.03.2012 Rs.	AS ON 31.03.2012 Rs.	AS ON 31.03.2011 Rs.	AS ON 31.03.2011 Rs.
Land	33.48	-0.79	32.69	0.00	0.00	0.00	32.69	33.48	
Buildings	644.12		644.12	312.12	18.46	330.59	313.53	332.00	
Machinery-General	2580.40	-1080.96 14.76	1514.20	1909.22	76.58 -1011.87	973.93	540.27	671.18	
Machinery-Electricals	179.98	-71.97	108.01	144.22	3.23 -67.79	79.67	28.34	35.75	
Generator Sets	38.95	0.50 -13.82	25.63	35.19	0.26 -13.13	22.33	3.30	3.75	
Vehicles	52.91		52.91	10.31	4.73	15.05	37.86	42.60	
Furniture & Fixtures	7.92		7.92	6.96	0.16	7.12	0.80	0.96	
Office Equipments	63.59		63.59	48.74	2.03	50.77	12.82	14.84	
Total	3601.34	15.26 -1167.54	2449.07	2466.78	105.46 -1092.79	1479.45	969.61	1134.56	
PREVIOUS YEAR	3817.97	-216.63	3601.34	2507.60	-40.82	2466.78	1134.56	1310.37	

8.1 The company has sold 34400 sqft of land for Rs.34.45 lakhs in Unit-II and certain old machinery for Rs.82.79 lakhs in Unit-I.

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
9	<p>Deferred Tax Asset</p> <p>9.1. Deferred Tax Assets has not been recognised on losses/unabsorbed depreciation as envisaged in AS 22 issued by ICAI in view of virtual uncertainty that there will not be sufficient future taxable income available to release such assets..</p> <p>9.2. Provision for Taxation is not considered necessary both under provisions of Section 115JB and conventional system, in view of the brought forward book depreciation as well as loss under Income Tax Act, 1961 available for set off.</p> <p>9.3. Income tax assessment has been completed up to assessment year 2008-2009 U/S 143(i) (a)</p>	1015.97	1015.97
10	<p>Inventories</p> <p>(i) Inventories shall be classified as:</p> <p>(a) Raw materials - (At Cost)</p> <p>(b) Work-in-progress - (At Cost)</p> <p>(c) Finished goods - (At lower of cost or net realisable value)</p> <p>(e) Stores and spares - (At Cost)</p>	<p>98.02</p> <p>75.59</p> <p>99.28</p> <p>6.61</p> <p>279.50</p>	<p>267.23</p> <p>190.15</p> <p>320.19</p> <p>20.95</p> <p>798.52</p>
11	<p>Trade Receivables</p> <p>(i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment should be separately stated.</p> <p>(ii) Trade receivables shall be sub-classified as:</p> <p>(a) Secured, considered good;</p> <p>(b) Unsecured considered good;</p> <p>(c) Less : Provision for Doubtful Debts</p>	<p>0.00</p> <p>550.10</p> <p>0.00</p> <p>550.10</p>	<p>0.00</p> <p>585.63</p> <p>65.87</p> <p>519.76</p>

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
	Confirmations are awaited in respect of letters circulated by the Company to its Debtors. In the opinion of the management, these are correctly stated.		
12	Cash and cash equivalents (i)Cash and cash equivalents shall be classified as: (a)Balances with banks; (b)Cash on hand;	0.78 0.81	10.56 2.82
		1.59	13.38
13	Short-term loans and advances (i)Short-term loans and advances shall be classified as: (a)Loans and advances to related parties (giving details thereof); Advances Recoverable in cash or in kind for value to be received Deposits with Governmentt Departments Prepaid Expenses Tax Deducted at Source (b)Others (specify nature).	23.45 75.42 1.20 9.05 45.86	20.94 87.96 1.98 7.79 53.73
		154.98	172.40

For Sankaran & Krishnan,
Chartered Accountants,
Firm Reistration No:003582S

M.Balachandran.
Partner
Membership No:16271

Chennai
30th May 2012

For and on behalf of the Board,

R.Jagadeesan
Chairman & Managing Director.

M.Pugazhendhi
Director.

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
14	Sales		
	(a) sale of products;	1215.18	3406.39
	(b) other operating revenues;	184.95	107.68
		1400.13	3514.07
	Less:		
	(c) Excise duty & Sales Tax	38.77	70.27
		1361.36	3443.80
	VARIATION IN STOCK - FINISHED GOODS		
	Opening Stock	320.19	147.66
	Closing Stock	99.28	320.19
Variation in stock	220.91	-172.53	
15	Other income		
	Other income shall be classified as:		
	(a) Interest Income	3.44	3.52
	(b) Other non-operating income (net of expenses directly attributable to such income).	11.68	20.56
	15.12	24.08	
16	(ii) (a) In the case of manufacturing companies,-		
	(1)Raw materials under broad heads.		
	Opening Stock		
	Cotton & Useable Waste	267.22	265.97
	Cotton in Process	190.15	141.77
		457.37	407.74
Add:Purchase of Cotton	475.54	2336.27	
	932.91	2744.01	

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
	Less:Closing Stock		
	Cotton & Useable Waste	98.02	267.22
	Cotton in Process	75.59	190.15
		173.61	457.37
	Raw Material Consumed	759.30	2286.64
17	Additional Information		
	17.1 (i)Employee Benefits Expense [showing separately]		
	(i) salaries and wages,	199.00	317.43
	(ii) contribution to provident and other funds,	6.05	11.29
	(iii) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),		
	(iv) staff welfare expenses.	13.27	11.03
		218.32	339.75
	1. EMPLOYEE BENEFITS:GRATUITY		
	The Gratuity liability ascertained as per the Actuarial Valuation in accordance with revised AS 15 issued by ICAI has been provided for in the books as detailed below:		
	Reconciliation of opening and closing balances of Defined Benefit obligation:(Funded)		
	Defined Benefit obligation at beginning of the year	15.71	24.04
	Interest Cost	1.25	1.91
	Current Service Cost	1.98	12.36
	Actuarial (gain)/loss	3.02	15.81
	Benefits Paid	-3.86	-6.80
	Settlement Cost	---	---
	Defined Benefit obligation at year end	18.11	15.71

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
II.Reconciliation of opening and closing balances of fair value of plan assets			
	Fair Value of plan assets at beginning of the year	15.47	15.57
	Expected return on plan assets	0.62	0.62
	Actuarial gain /(loss)	-0.61	-0.50
	Employer Contribution	3.80	6.58
	Benefits Paid	-3.86	-6.80
	Settlement Cost	--	--
	Fair value of plan assets at year end	15.42	15.47
III. Reconciliation of fair value of assets and obligations			
	Fair Value of plan assets	15.42	15.47
	Present value of obligation	18.11	15.71
IV. Expense recognised during the year			
	Current Service Cost	1.98	12.36
	Interest Cost	1.25	1.91
	Expected return on plan assets.	-0.62	-0.62
	Actuarial (gain)/ loss	3.63	-15.31
	Net Cost	6.25	-1.65
V.Actuarial assumptions			
	Mortality Table (LIC)	1994-96	1994-96
	Discount rate (per annum)	8.00%	8.00%
	Expected rate of return on plan assets (per annum)	Does not arise	Does not arise
	Rate of escalation in salary (per annum)	2%	2%
	17.2 (b)Depreciation	105.46	107.97

		(Rupees in Lacs)	
18	Finance Costs	31.03.2012	31.03.2011
	Finance costs shall be classified as:		
	(a) Interest expense;	187.92	162.55
		187.92	162.55
19	Expenditure incurred on each of the following items, separately for each item:-		
	(a) Consumption of stores and spare parts.	38.02	79.62
	(b) Power and fuel.	250.56	463.03
	(c) Rent.	0.00	0.00
	(d) Repairs to buildings.	8.79	24.72
	(e) Repairs to machinery.	61.91	151.16
	(g) Insurance .	4.39	7.49
	(h) Rates and taxes, excluding, taxes on income.	3.38	3.68
	(i) Miscellaneous expenses,	65.30	86.17
	(j) Audit & other fees	10.30	7.38
	Payment to Auditors		
	a).As Auditor	0.72	0.72
	b).For Taxation Matters	0.17	0.17
		443.54	824.14
	OTHER NOTES		
20	Segment Information		
	The Company is principally engaged in the business of the manufacturing of cotton yarn. Accordingly there are no other reportable segments as per Accounting Standard No.17 issued by the ICAI on Segment Reporting.		

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
21	<p>Related Party Disclosures</p> <p>I.List of related parties with whom no transactions have taken place;</p> <p>a) M/S.Sunrise Jewellers P Ltd.,Chennai</p> <p>II.List of related parties with whom transaction has taken place :</p> <p>a) Transaction with key management personel:</p> <p>i. Mr.R.Jagadeesan-Managing Director Remuneration Rs.15,00,000/-</p> <p>b)Transaction with relative of key management personnel:</p> <p>i. Mr.R.Jagadeesan & Mrs.Malathi Jagadeesan-Fixed Deposit outstanding Rs.1,61,20,750/-</p> <p>c)Land and Buildings belonging Jagadeesh Apartments P Ltd.,is given as security to the term Loan of Rs.300 lakhs from Repco Bank Limited.,Salem</p>		
22	Cotigent Liabilites on account of Letter of Credit Rs.	Nil	Nil
23	Estimated amount of contracts remaining to be executed on capital account and not provided for (after adjusting advances made thereof)	221.79	239.89
24	<p>Claims against the company which are contested/ proposed to be contested before various juducial forums are given as under,</p> <p>a.The Cotton Corporation of India Limited.,Coimbatore</p> <p>b.Sales Tax</p>	<p>62.59</p> <p>11.43</p>	<p>7.69</p> <p>7.12</p>
25	This year's Balance sheet,Profit & Loss Account is prepared in accordance with revised Schedule VI.The previous year's figures have been regrouped accordingly.		

		(Rupees in Lacs)	
		31.03.2012	31.03.2011
26	Quantity Particulars	Kgs.	Kgs.
	Raw Materials		
	Opening Stock		
	Cotton and Usable Waste	218764	335343
	Cotton in process	96965	85936
	Purchases	396794	1970861
	Closing Stock:-		
	Cotton and Usable Waste	56301	218764
	Cotton in Process	22805	96965
	Consumption – Cotton	633417	2076411
	Finished Goods – (YARN)		
	Opening Stock	110387	60188
	Own Production	511882	1714453
	Sales	553677	1664254
	Closing Stock	68592	110387
	Yarn on conversion basis -Production	365064	204071
	Stock as on 31.03.2012	8333	2111

INFORMATION ON IMPORTS AND CONSUMPTION

Consumption of Cotton Imported (Rs. in lacs)	--	18.18
	--	0.80%
Indigenous (Rs. in lacs)	759.30	2286.65
	100%	99.20%

For Sankaran & Krishnan,
Chartered Accountants,
Firm Reistration No:003582S
M.Balachandran.
Partner
Membership No:16271

For and on behalf of the Board,

R.Jagadeesan
Chairman & Managing Director.

M.Pugazhendhi
Director.

Chennai
30th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2012

	31st March 2012 Rs. in lacs (12 months)		31st March 2011 Rs. in lacs (12 months)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/Loss before tax and extra-ordinary items		-515.24		-23.00
Adjustments for-				
Depreciation	105.46		107.97	
Preliminary expenses	0.00		0.00	
Interest and other income	-15.12		-131.76	
Provision for tax & prior year adjustments	0.00		20.63	
		90.34		-3.16
Operating profit before working capital		-424.90		-26.16
Adjustments for-				
Trade and other receivables	-30.34		-367.89	
Inventories	519.02		-215.84	
Interest on Working cpital & Term loan	0.00		0.00	
Trade payable	-0.35		27.55	
		488.33		-556.18
CASH GENERATED FROM OPERATING ACTIVITIES		63.43		-582.34
Interest on working capital	-43.71		-57.65	
Loans & Advances	17.42		-15.01	
		-61.13		-42.64
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		124.56		-539.70
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	84.20		-22.92	
Interest and other income received	15.12		131.76	
NET CASH USED IN INVESTING ACTIVITIES (B)		99.32		108.84
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from borrowing	223.75		-74.99	
Reserves & Surplus	-459.42		512.35	
Interest on term borrowing	0.00		0.00	
NET CASH IN FINANCE ACTIVITIES (C)		-235.67		437.36
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS A+B-C		-11.79		6.50
CASH & CASH EQUIVALENT AS AT 31.03.2011(Opening balance)		13.38		6.88
CASH & CASH EQUIVALENT AS AT 31.03.2012(Closing balance)		1.59		13.38
<i>Note:</i>				
Net Loss Before Tax	-558.95			-80.65
add: Interest on Working Capital	43.71			57.65
Net (Loss) / Profit Before Tax and Extra-Ordinary Items		-515.24		-23.00

For Sankaran & Krishnan
CHARTERED ACCOUNTANTS
Firm Reistration No:003582S

M.Balachandran
Partner
Membership No.16271

CHENNAI
30th May 2012

For and on behalf of the Board

R.Jagadeesan
Chairman & Managing Director

M. Pugazhendhi
Director

Balance sheet Abstract and Company's General Business Profile

Additional information under part IV to schedule VI of the Companies Act, 1956

I. REGISTRATION DETAILS

Registration Number State Code

Balance Sheet as at
DDMM YYY Y

II. CAPITAL RAISED DURING THE YEAR (Amount in ₹ Thousands)

Public issue Right issue

Bonus issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in ₹ Thousands)

TOTAL LIABILITIES Total Assets

SOURCES OF FUNDS

Paid up capital Reserves & Surplus

Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Deferred Tax Asset

Net Current Assets Misc. expenditure

IV. PERFORMANCE OF THE COMPANY (Amount in ₹ Thousands)

Turnover Total Expenditure
(including other income)

Profit before tax (-) Profit after tax (-)

Earnings per share (-) (in ₹) 9.70 Divided Rate %

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (as per monetary terms)

Item code number

Product Description