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**17th ANNUAL REPORT**

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**2010 - 2011**

**HIGH STREET FILATEX LTD.**

**Board of Directors**

<b>Mr. Shanti Narain</b>	<b>:</b>	<b>Whole-Time Director (upto 08.03.2011)</b>
<b>Mr. Rajneesh Chindalia</b>	<b>:</b>	<b>Director</b>
<b>Mr. Raj Deep Ghiya</b>	<b>:</b>	<b>Director</b>
<b>Mr. Devendra Palod</b>	<b>:</b>	<b>Director</b>
<b>Mr. Kamal Kishore Ghiya</b>	<b>:</b>	<b>Whole-Time Director (w.e.f.01.04.2011)</b>
<b>Chinu Gupta</b>	<b>:</b>	<b>Company Secretary</b>

**Auditors**

N. Bhandari & Co.,  
Chartered Accountants,  
35, Keshav Nagar,  
Hawa Sarak, Jaipur

**Corporate Advisor**

Vikram Saraf  
Practicing Company Secretary  
210, Mukhija Chambers,  
M.I. Road, Jaipur.

**Registered Office**

D-67, Janpath, Shyam Nagar,  
Jaipur (Raj.)

**Bankers**

State Bank of Bikaner & Jaipur  
State Bank of India

**Factory**

F-86, Hirawala Industrial Area,  
Vill. Kanota, Jaipur  
Rajasthan.

**E-Mail**

highstreet.filatex@gmail.com  
info@highstreetfilatex.com

**Website**

www.highstreetfilatex.com

**Share Transfer Agent**

Beetal Financial & Computer  
Services Pvt. Ltd  
Beetal House,  
3<sup>RD</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhandas Mandir,  
New Delhi – 110 062  
Tel-011 29961281, 29961282

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the Members of High Street Filatex Limited will be held on Wednesday, the 28<sup>th</sup> day of September, 2011 at 11.30 A.M. at its factory at F-86, Heerawala, Industrial Area, Kanota, Jaipur to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Devendra Palod, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

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

**\*RESOLVED THAT** Mr. Kamal Kishore Ghiya, who was appointed as an Additional Director of the company in the Board Meeting held on March 08, 2011, be and is hereby appointed as a Director of the Company and whose period of office shall be liable to determine by retirement of rotation\*.

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

**\*RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and all other statutory provisions, approvals, as may be applicable, the consent of the Company be and is hereby accorded to the appointment of Mr. Kamal Kishore Ghiya, as a Whole-time Director of the Company for a period of 3 (Three) years with effect from 01<sup>st</sup> April, 2011, and subject to other terms & conditions and stipulations, as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary the terms of remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the said terms of appointment of Mr. Kamal Kishore Ghiya, Whole-time Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.\*

6. To consider and if thought fit, to pass with or without

modification(s) the following resolution as an Special Resolution:

**\*RESOLVED THAT** pursuant to the provisions of Section 31 and all other applicable provisions, if any, of Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by inserting clause no. 66A after the existing clause no. 66 in Articles of Association of the Company, as follows:

- 66A. Notwithstanding anything contained in the Articles of Association of the Company, the Company may pass resolutions by postal ballot in the case of resolutions relating to such business as the Central Government may by notification declared to be conducted only by postal ballot pursuant to the provisions of section 192 A of the Act or such other rules, regulations and modifications framed there under from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution.\*

Date: 18.08.2011

Place: Jaipur

By order of the Board

Sd/-  
Kamal Kishore Ghiya  
Whole-time Director

**NOTES :**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER. AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday the 26<sup>th</sup> day of September, 2011 to Wednesday, the 28<sup>th</sup> day of September, 2011 (both days inclusive).
5. Members desiring any information as regards the accounts are requested to write to the Company at least seven days in advance of the Meeting so as to enable the Management to keep the information ready.
6. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays & public holidays between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting. Members are requested to lodge their application for transfer etc. to Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada- Harsukhandas Mandir, New Delhi-110082, Tel-011 29961261, 29961282.
7. It is to inform that shares of your company have got the demat activation with Central Depository Services (India) Limited. The ISIN number allotted is INE319M01011.
8. Pursuant to Clause 49 of the Listing Agreement, Details of Director seeking appointment / re-appointment in the forthcoming AGM:

Name of the Director Date of Birth	Mr. Devendra Palod 21/10/1972	Mr. Kamal Kishore Ghiya 17/07/1947
Date of appointment	20/03/2008	01/04/2011 (Whole-time Director 08/03/20011 (Director)
Qualifications	B.Com	B.A.
Expertise in specific functional areas	Business with wide managerial exposure	Rich and varied exposure in financial and managerial field
Directorship in other Public Limited Companies	Nil	Nil
Chairmanship/Membership of Committees in other Public Limited Companies	Nil	Nil
Shares held in the Company	Nil	2200

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT 1956****ITEM No. 4**

The Board of Directors of the Company in its meeting held on March 08, 2010 had appointed Mr. Kamal Kishore Ghiya as an Additional Director of the Company in an executive capacity. The Company has received a notice from member of the Company, proposing the candidature of Mr. Kamal Kishore Ghiya, as Director of the Company. In view of the aforesaid notice, the Board proposes to appoint Mr. Kamal Kishore Ghiya as Director of the Company, whose period of office shall be liable to determine by retirement of rotation.

The Board explained that his appointment as an Executive Director will be of great benefit to the company and commends the resolution for approval by the members.

None of the Directors except Mr. Kamal Kishore Ghiya is concerned or interested in this resolution.

**ITEM No. 5**

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on 12.04.2011, has appointed Mr. Kamal Kishore Ghiya as a Whole-time Director w.e.f. 01<sup>st</sup> April, 2011 for a period of three years. Keeping in view the present financial position of the Company, Mr. Kamal Kishore Ghiya has voluntarily agreed to not to receive the salary as a Whole-time Director.

**Terms and conditions:**

- 1) Subject to the direction, control and superintendence of the Board of Directors, Mr. Kamal Kishore Ghiya shall have the overall responsibility for looking after the day-to-day business and affairs of the Company.
- 2) The appointment of Mr. Kamal Kishore Ghiya as Whole-time Director may be terminated by either party giving to the other two calendar months notice in writing.
- 3) The Whole-time Director is entitled to reimbursement of all actual expenses as per the rules of the Company including entertainment and traveling incurred in the course of the Company's business.
- 4) The Whole-time Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

The members are requested to accord their approval to the appointment of Mr. Kamal Kishore Ghiya as a Whole-time Director by passing the Ordinary Resolution as set out at Item No. 5 of the Notice.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Mr. Kamal Kishore Ghiya pursuant to Section 302 of the Companies Act, 1956.

None of the Directors except Mr. Kamal Kishore Ghiya is concerned or interested in this resolution.

**ITEM No. 6**

In view of the amendments in various Corporate Laws, SEBI Regulations etc, from time to time, it is imperative to make consequential changes in the Articles of Association of the Company to ensure conformity with the said amendments such as the provision in relation to postal ballot. Thus it is necessary to incorporate various articles in consonance with the Companies Act, 1956, SEBI Act, 1992 including various other economic legislation and rules made there under from time to time. Hence your approval is sought to the proposed resolution and for adoption of new clause in articles of association.

A copy of the Memorandum and Articles of Association incorporating the proposed alteration is available for inspection at the Registered Office of the Company on any working day during business hours.

None of the Directors is concerned or interested in this resolution.

Date: 18.08.2011  
Place: Jaipur

By order of the Board

Kamal Kishore Ghiya  
Whole-time Director

**DIRECTORS' REPORT**

To,  
The Members,  
High Street Filatex Limited,  
Jaipur.

Your Directors have great pleasure in presenting the 17<sup>th</sup> Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2011.

**FINANCIAL PERFORMANCE**

The performance of the Company for the financial year ended March 31, 2011 is summarized as below :

Particulars	( Rs. in Lacs )	
	Year ended on	
	31.03.2011	31.03.2010
Sales	304.48	67.75
Others	0.85	23.39
Increase / (Decrease) in stock	1.64	(4.85)
Manufacturing & other expenses	274.37	52.62
Profit/(Loss) before Depreciation	32.8	23.67
Depreciation	21.95	8.30
Net Profit/(Loss) for the year	10.85	15.37
Expenses of previous year	0.00	0.00
Balance transferred to Balance Sheet	8.65	15.37

**DEMATERIALISATION OF SHARES**

The Company has acquired demat activation with CDSL on 01.07.2011 and ISIN of the company is INE319M01011. All the shareholders are hereby requested to send your shares to your respective DP for dematerialization of shares.

**REDUCTION OF CAPITAL**

The Hon'ble High Court of Rajasthan, vide its Order dated April 22, 2010, approved the reduction of issued, subscribed and paid up capital from the 64,70,000 (Sixty Four Lacs Seventy Thousand) equity shares of Rs.10/- (Rupees Ten Only) each aggregating to Rs. 6,47,00,000/- (Rupees Six Crore Forty Seven Lacs Only) to 6,47,000 (Six Lacs Forty Seven Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each fully paid-up aggregating to Rs. 64,70,000/- (Rupees Sixty Four Lacs Seventy Thousand Only) and the certificate copy of the said order is received on May 05, 2010 and the same has been approved with Registrar of Companies on 20<sup>th</sup> May 2010.

The Company fixed 07<sup>th</sup> August 2010 as record date for the purpose of giving effect to the reduction of share capital. Pursuant to that, on 09<sup>th</sup> September 2010, the Company have allotted 6,47,000 (Six lakh forty seven thousand only) equity shares of Rs. 10/- each, fully paid up, to those who were shareholders on 07<sup>th</sup> August 2010.

**DIVIDEND**

Dividend could not be recommended for the financial year 2010-11 in view of brought forward loss.

**PUBLIC DEPOSITS**

The Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956.

**REVOCATION OF SUSPENSION OF SCRIP AT BSE**

Your directors are pleased to inform you that the suspension in trading of equity shares of the company imposed by the Bombay

Stock Exchange Ltd has been revoked with effect from Tuesday, October 26, 2010 under Notice No. 20101025-4 dated 25.10.2010. Trading of the Securities of the company resumed in "T" category.

**DIRECTORS****Retire by Rotation**

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Article 89 of Articles of Association of the Company, Mr. Devendra Palod, Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The brief profile of the Director being re-appointed at the ensuing Annual General Meeting forms part of notice of the ensuing Annual General Meeting.

**PREFERENTIAL ISSUE OF PREFERENCE SHARES**

Subsequent to the approval accorded by the Shareholders of the Company under Section 81 (1A) and other applicable provisions of the Companies Act, 1956, pursuant to Chapter VII of SEBI (ICDR) Regulations, 2009, Memorandum & Articles of Association of the Company to issue and allot 6% Redeemable Cumulative Non Convertible Preference Shares on preferential basis, the Board of Directors of the Company at their meeting held on October 09, 2010, has issued and allotted to Mr. Raj Kumar Sethia, a promoter, 2,78,000 (Two Lacs Seventy Eight Thousand) fully paid up 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each, aggregating to Rs. 2,78,00,000/- (Rupees Two Crores Seventy Eight Lacs Only).

The proceeds will help the Company to improve its financial ratios by increasing the net worth of the Company.

**AUTHORISED AND PAID-UP SHARE CAPITAL**

The Board of Directors of the company have re-structured and re-classified the existing Authorised Share Capital of Rs. 7,50,00,000/- divided into 75,00,000 Equity Shares into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,50,000 (Three Lacs Fifty Thousand) 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each by the creation of 3,50,000 (Three Lacs Fifty Thousand) 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each, after the approval of shareholders of the Company at the last Annual General Meeting.

The paid up share capital of the Company stands increased from Rs. 64,70,000/- divided into 6,47,000 Equity Shares of the face value of Rs. 10/- each to Rs. 3,42,70,000/- divided into 6,47,000 Equity Shares of the face value Rs. 10/- each and 2,78,000 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each.

**COMING OUT OF SICKNESS STATUS**

On the date of hearing on 19.08.2010, the BIFR bench after considering the submission made by the company, discharged the company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985 and also declared that no protection under the act will be available to the company henceforth.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of section 217(2AA) read with section 292A of the Companies Act, 1956, we the Directors of High Street Filatex Limited, state in respect of financial year 2010-11 that:

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) 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 the affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) 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) the directors have prepared annual accounts on a going concern basis.

**AUDITORS**

M/s N. Bhandari & Co., Chartered Accountants, Jaipur, retiring Auditors at the ensuing Annual General Meeting, expressed their willingness to continue as Auditors.

The Board recommends their re-appointment for the financial year 2011-12.

**AUDITORS' REPORT**

The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under section 217(3) of the Companies Act, 1956.

**PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information related to conservation of energy, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

**PARTICULARS OF EMPLOYEES**

Disclosure about particulars of employees in relation to sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Directors' report for the year ended 31<sup>st</sup> March, 2011 is not applicable as there was no employee drawing remuneration in excess of prescribed limits.

**CASH FLOW STATEMENT**

As required under Clause 32 of the Listing Agreement with the Stock Exchanges in India, a Cash Flow Statement, as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountant of India, is given along with Balance Sheet and Profit and Loss Account.

**LISTING**

The Securities of your Company are listed at Bombay Stock Exchange Limited, Jaipur Stock Exchange Limited and Calcutta Stock Exchange Association Limited. The Company has been generally regular in complying with the provisions of the Listing Agreement.

**CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE**

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report forms a part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

A Certificate from the Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

**ACKNOWLEDGEMENT**

The Directors wish to express their gratitude to all the business associates and to the Investors/Shareholders for the confidence reposed in the Company and its management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on Behalf of the Board of Directors

Kamal Kishore Ghiya  
Whole-time Director

Rajneesh Chindalla  
Director

Place: Jaipur  
Dated: 18.08.2011

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion & Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. The report herein presents the Company Overview, SWOT Analysis, Initiatives by the Company and overall outlook of the Company for the future. This outlook is based on the assessment of the current environment which may vary due to future economic and other developments in the universal arena.

**COMPANY STRUCTURE AND DEVELOPMENTS**

As you already know that our company is fully debonded. The EOU status has ceased. The company has already paid its entire debt and now is a debt free company. The company has started the operations after a long time and during the year, sales of the company is Rs.304.48 lacs and the company has achieved a net profit of Rs.8.65 lacs.

The company is looking for a strong future ahead and targeting the growth of atleast 50% for the next year. Accordingly the profit would also increase considerably.

The entire plant is being revamped, modernized and new capacity is also added. The company is also negotiating with few of the renowned companies to sell its products. The factory is becoming more or less fully operational and a good future is ahead.

We are also pleased to inform you that after a lot of struggle and persuasion the company's shares have been relisted with BSE and the average price of the company's shares is Rs. 47.5 (lowest) and Rs. 58 (highest) during the year.

We are also pleased to inform you that we have also got the activation with CDSL for demat of shares. All the shareholders are requested to demat their shares with the RTA of the company address of which is mentioned in the Annual Report and unlock the value of shares by way of demat trading.

**SWOT ANALYSIS****1. STRENGTHS**

- ◆ The Company has most strategically located plant and has adopted advanced production techniques.
- ◆ The company due to past experience and having good rapport with world's best exporters, is capable of recapturing the foreign market in short span of time.
- ◆ The Company's products are very well established foreign market. It is capable of making socks of different designs/pattern.

**2. Weakness**

The Company has got demat activation with CDSL but its application with NSDL for the same has been rejected because the company has not fulfilled the criteria for admission with NSDL but the company will try to meet the criteria and get the demat activation with NSDL in the next year. Hope we will succeed in getting the demat activation with NSDL.

**3. Opportunities**

- ◆ The opportunities now made available for sale in domestic market after debonding from 100% EOU will go a long way in adding to the strength of the company.
- ◆ Due to expansion of the manufacturing base of the company, there will be substantial increase in demand of Company's products.
- ◆ The Company will be able to use the copious potential available now in domestic market on which every Multi National Company has set their eyes upon in India.

## 4. Threats

- ◆ Stiff competition offered by other countries viz China, Bangladesh, Pakistan etc. will be converted into opportunities by dint of changes in policies being contemplated by the Govt. of India and measures like imposition of anti dumping duties which may be brought into force by Government, who is keeping eagle eye on the developments and hindering factors such as waiver of export duties/facilities being offered to their exporters by other countries. Grant of liberal financial support being provided by the Reserve Bank of India to its exporters by the Government will further help convert the outside threats into opportunities to the exporters.
- ◆ Foreign Exchange fluctuation in libor rate which at present is at low (0.9%) may effect the market and upward trend in the rate will help better realization of exports.

## ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems, which assures proper recording of transactions of its operations and also ensures protection against misuse or loss of the Company's assets. The Company has constituted an Audit Committee and has assigned to it tasks that will further strengthen the internal audit system.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of the applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include the availability of economically viable deposits, changes in Government regulations, tax regimes, economic developments in India and other incidental factors.

## ANNEXURE TO DIRECTORS' REPORT

Information 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 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2011.

## A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken : The Company is taking adequate steps for reduction in non-essential loads to conserve power by increasing the production in each run.
- (b) Additional investments and proposals are being implemented for reduction of consumption of energy. The efforts to conserve energy on other areas are in progress.
- (c) Impact of above measures: More efficient utilization of power & reduction in energy consumption has considerably reduced the expenses under the head
- (d) Total energy consumption and energy consumption per unit of production: As per Form 'A' annexed

## B. TECHNOLOGY ABSORPTION

- (a) Efforts made in technology absorption. As per Form 'B' annexed.

## C. FOREIGN EXCHANGE EARNING AND OUTGO

## (a) Total foreign exchange earned and used :

	Current Year (Rs. in Thousand)	Previous Year (Rs. in Thousand)
Total foreign exchange earnings	NIL	NIL
Total foreign exchange outgo	NIL	NIL

## FORM A

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

Particulars	Current Year (2010-11)	Previous Year (2009-10)
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
(a) Purchased		
- Unit (in lac)	2.62	0.72
- Total Amount (Rs. in lac)	9.83	1.65
- Rate (Rs./ Unit)	3.75	2.3
(b) Own Generation		
- Cost (Rs./ Unit)	NIL	NIL
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>1. ELECTRICITY (UNIT/ KG) - PRODUCT</b>	NIL	NIL

## FORM B :

## FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R &amp; D)

The future course of action for carrying out research & development will be as under:

## 1. SPECIFIC AREAS IN WHICH R &amp; D IS PROPOSED TO BE CARRIED OUT BY COMPANY :

The R & D activities of the company have been directed towards improvement in the existing product range as well as to develop new products in line with the latest trend of consumers. Continuous efforts have been made to achieve the above.

## 2. BENEFITS DERIVED :

With the introduction of R & D activities, the Company has been able to improve the quality of its products, reduce the cost and has improved environmental conditions.

## 3. FUTURE PLAN OF ACTION :

With the object of attainment of better future and growth, innovative knitting products will be developed and launched.

## 4. EXPENDITURE ON R &amp; D :

(a) Capital (if any)	: N.A.
(b) Total R & D Expenditure as a Percentage of total turnover	: N.A.

## TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

## 1. EFFORTS MADE:

Continuous efforts are being made for improvement in the existing production process and products.

## 2. BENEFITS:

The Company has been able to improve the quality of its products.

For and on Behalf of the Board of Directors

Kamal Kishore Ghiya  
Whole-time Director

Rajneesh Chindalla  
Director

Place: Jaipur  
Dated: 18.08.2011

## Corporate Governance Report for the Year 2010-11

**1. Company's Philosophy on Corporate Governance**

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Your Company believes in fair business and Corporate Governance with all its Customers. Corporate responsibility and transparency is the core of High Street Filatex Ltd.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the stock exchanges.

**2. Board of Directors**

The Board of Directors guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting.

**Composition of the Board**

The Board of Directors of your Company consists of 4 Directors of which 3 Directors are Non-executive (Independent Directors) which is 75% of the total strength of Directors in the Company. The Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry and finance. None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director.

The composition of the Board and other relevant details relating to Directors are as follows :

Name of Director	Designation	Category	Directorship in Other companies	Attendance at Board Meeting	Last AGM
Mr. Shanti Narain Kumar (ceased to be a director wef 08.03.2011)	Whole-time Director	Executive	NIL	7	YES
Mr. Rajdeep Ghiya	Director	Independent & Non-Executive	NIL	6	YES
Mr. Rajneesh Chindalia	Director	Independent & Non-Executive	NIL	6	YES
Mr. Devendra Palod	Director	Independent & Non-Executive	NIL	4	YES
Mr. Kamal Kishore Ghiya*	Whole-time Director	Executive	NIL	1	NO

\* Mr. Kamal Kishore Ghiya is appointed as Executive Additional Director on 08.03.2011.

**Notes:**

- Mr. Kamal Kishore Ghiya and Mr. Rajdeep Ghiya are related to each other.
- Directorship held by Directors, as above, do not include any alternative directorships, directorships in foreign companies, section 25 companies and private limited companies.

**Board Meetings**

During the year 2010-11, 7 meetings of Board of Directors were held with a time gap of not more than 4 months between any two meetings. The dates on which the said meetings were held were: (29.05.2010, 14.08.2010, 09.09.2010, 09.10.2010, 13.11.2010, 14.02.2011 and 08.03.2011).

**Information supplied to the Board**

The Board has complete access to all information with the Company, inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting:-

- Review of annual operating plans of business, capital budget, updates.
- Quarterly results of the company.
- Significant development in the human resources and industrial relations front.
- Non-compliance of any regulatory or statutory provision or listing requirements as well as share holders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

**Brief details of Director seeking re-appointment / appointment**  
The brief detail of Director retiring by rotation is appended to the Notice convening the 17<sup>th</sup> Annual General Meeting.

**3. Board Committees**

The Board has constituted three committees

- Audit Committee
- Shareholders'/Investors' Grievance Committee
- Remuneration Committee

These are briefly enumerated as under:

**Audit Committee****Constitution**

The Audit Committee seeks to ensure both corporate governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. The Audit Committee of the Company is constituted in compliance with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

**Composition and Attendance**

Name	Category	No. of Audit Committee Meeting Held during the year	No of Audit Committee Meeting Attended
Mr. Rajdeep Ghiya (Chairman)	Independent, Non-executive	4	4
Mr. Rajneesh Chindalia	Independent, Non-executive	4	4
Mr. Devendra Palod	Independent, Non-executive	4	4



All the members of the committee possess good knowledge of finance, accounts and basic elements of Company Law. The Audit Committee invites such of the executives as it considers appropriate i.e. the head of the finance, representatives of the Statutory Auditors, etc. to attend the Committee's meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

#### Terms of Reference

The terms of reference of the Audit Committee are in accordance with all the terms listed in Clause 49 (f) (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956 and are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Recommending to the Board the appointment, re-appointment and replacement /removal of statutory auditor and fixation of audit fee.
- Reviewing with Management, the annual financial statements before submission to the Board for approval, focusing primarily on:
  - ✓ Matters required to be included in the Directors' Responsibility Statement included in the report of the Board of Directors.
  - ✓ Any changes in accounting policies and practices thereof and reasons for the same.
  - ✓ Qualifications in draft audit report.
  - ✓ Compliance with listing and other legal requirements concerning financial statements.
  - ✓ Disclosure of related party transactions.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities

#### Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal and professional advice.

#### Audit Committee Meetings

During the financial year 2010-11, 4 meetings of the Audit Committee were held. The dates of the meetings are 29.05.2010, 14.08.2010, 13.11.2010 and 14.02.2011.

#### Shareholders'/Investors' Grievance Committee

##### Constitution

The Shareholders' / Investors' Grievance Committee is constituted in line with the provisions of clauses of the Listing Agreement entered into with the Stock Exchanges to overlook the performance of the Registrar and Share Transfer Agent and to recommend measures for overall improvement in the Quality of Investor services.

##### Composition and Attendance

Name	Category	No. of Committee Meeting Held during the year	No of Committee Meeting Attended
Mr. Devendra Palod	Independent, Non-executive	16	16
Mr. Rajneesh Chindalia	Independent, Non-executive	16	13
Mr. Rajdeep Ghiya	Independent, Non-executive	16	16

#### Terms of Reference

The Shareholders'/Investors' Grievance Committee specifically looks into various issues of the Shareholders such as registration of transfer of shares, Issue of share certificates, redressal of shareholders' complaints etc. The committee has been delegated by the Board to approve transfer / transmission of shares and to deal with all the matters related thereto.

#### Meetings

In order to expedite the working of the committee, the members of the committee will meet regularly as and when it is required. During the year 2010-11, 16 meetings of the committee were held. Dates of the Meetings are 14.04.2010, 05.06.2010, 03.07.2010, 02.08.2010, 09.09.2010, 17.11.2010, 06.12.2010, 15.12.2010, 21.12.2010, 06.01.2011, 17.01.2011, 22.01.2011, 03.02.2011, 21.02.2011, 08.03.2011 and 21.03.2011.

#### Remuneration Committee

##### Constitution

The Remuneration Committee has been constituted in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

##### Composition

The Remuneration Committee presently comprises of three members viz. Mr. Rajneesh Chindalia, Mr. Devendra Palod and Mr. Rajdeep Ghiya.

Mr. Rajneesh Chindalia is the Chairman of the Committee.

##### Terms of Reference

The Board of Directors has constituted the Remuneration Committee with a view to-

- Fixing up of remuneration payable to the Director.
- Determining the remuneration policy of the Company.
- Reviewing the performance of the employees and their compensation.
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

#### Meetings

During the year under review no meeting of the committee was held.

#### Remuneration paid to Directors:

No remuneration was paid to any executive director and non-executive directors during the year.

#### Details of shares held by Non-executive Directors as on 31<sup>st</sup> March 2011:

Name of the Director	No. of Shares Held
Mr. Rajneesh Chindalia	10
Mr. Rajdeep Ghiya	Nil
Mr. Devendra Palod	Nil

#### Compliance Officer

Ms. Chinu Gupta, Company Secretary is the Compliance Officer of the Company for complying with the requirements of the Listing Agreement entered into with the Stock Exchanges.

**4. General Body Meetings**

The details of Annual General Meetings held in the last three years are as under:

AGM	Day Date & Time	Venue	Details of Special Resolution Passed
14 <sup>th</sup>	Saturday 31.05.2008 10:30 A.M.	F-86, Hirawala Industrial Area Kanota, Jaipur	2
15 <sup>th</sup>	Friday 10.07.2009 11:00 A.M.	F-86, Hirawala Industrial Area Kanota, Jaipur	1
16 <sup>th</sup>	Saturday 25.09.2010 11:30 A.M.	F-86, Hirawala Industrial Area Kanota, Jaipur	7

**SPECIAL RESOLUTION:**

- Two Special Resolutions were passed at 14<sup>th</sup> Annual General Meeting for Alteration of Articles of Association under Section 31 of the Companies Act, 1956 and for reduction of capital under Section 100 of the Companies Act, 1956.
- One Special Resolution was passed at 15<sup>th</sup> Annual General Meeting for reduction of capital under Section 100 of the Companies Act, 1956.
- Seven Special Resolutions were passed at 16<sup>th</sup> Annual General Meeting for :
  - Appointment of Mr. Shanti Narain Kumar as a whole Time Director under section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956.
  - Delisting from Calcutta Stock Exchange Association Limited.
  - Delisting from Jaipur Stock Exchange Limited
  - Alteration of Memorandum of Association under Section 94 of the Companies Act, 1956.
  - Alteration of Articles of Association under Section 31, 94 of the Companies Act, 1956.
  - Preferential allotment of preference shares under Section 80, 81(1A) of the Companies Act, 1956.
  - Alteration of articles of Association under Section 31 of the Companies Act, 1956 regarding dematerialization of securities.

**EXTRA-ORDINARY GENERAL MEETING:**

During the last three years, no Extra-ordinary General Meeting of the members of the Company was held.

**POSTAL BALLOT:**

During the year under review, no resolution was passed by the Company's members through postal ballot. At the ensuing AGM, there is no Resolution proposed to be passed through postal ballot.

**5. Board procedures**

The Board Meetings of the Company are convened in the manner as per provision of the Act. Sufficient notice in writing is given to all the Directors for the Board Meeting and /or Committee Meetings. All important matters concerning the working of the Company along with requisite details are placed before the Board enabling them to deliberate duty at the meetings.

**6. Compliance with other mandatory requirements**

**Management Discussion and Analysis Report**  
A Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Clause 49 (IV) (F) of the Listing Agreement.

**Disclosures:****Related Party Transactions**

The Company has entered into related party transactions as set out in the notes to the accounts forming part of the Balance Sheet, which are not likely to have a conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee.

**Penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority**

Bombay Stock Exchange Ltd has imposed a re-instatement penalty of Rs. 60000 on the company for revoking the suspension in trading in equity shares of the company during the year 2010 which was paid. The company has resumed trading w.e.f. October 26, 2010.

No other penalties have been imposed on the Company by other Stock Exchanges or SEBI or any statutory authority or any matter related to Capital Market during the last three years.

**Disclosure of Risk Management**

The company has laid down the procedures to inform the members of the Board about the risk assessment and minimization procedures. The Board and Audit Committee periodically review these procedures to ensure that executive management controls risk through properly defined framework.

**Audit Qualifications**

During the period under review, there is no audit qualification in the Company's financial statements.

**Training of Board Members**

The board of directors of the company consists of professionals with expertise in their respective fields and industry. They attend workshops and seminars to keep themselves abreast with the changes in the business.

**Code of Conduct**

The Company has adopted the code of conduct and ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the same.

**CEO/CFO Certification**

A certificate from Chief Financial Officer on the financial statements of the Company has been provided elsewhere in the Annual Report.

**Disclosure of Accounting Treatment**

The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

**Means of Communication**

The Quarterly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in the newspapers to comply with the provisions of the Listing Agreement.

The financial results are published in "Financial Express" in English newspaper and in "Khabron Ki Dunya" in Hindi Newspaper.

**7. General Shareholder Information****Annual General Meeting**

Date of Annual General Meeting	26 <sup>th</sup> September, 2011
Time of the Annual General Meeting	11.30 A.M.
Venue	F-86, Heerawala, Ind. Area, Kanota, Jaipur

**Financial Calendar**

Financial Year	1 <sup>st</sup> April, 2011 to 31 <sup>st</sup> March, 2012
Results for the quarter ending on 30 <sup>th</sup> June, 2011	Within 45 days from the end of the quarter
Results for quarter ending on 30 <sup>th</sup> September, 2011	Within 45 days from the end of the quarter
Results for quarter ending on 31 <sup>st</sup> December, 2011	Within 45 days from the end of the quarter
Results for quarter ending on 31 <sup>st</sup> March, 2012	Within 45 days from the end of the quarter.

**Book Closure**

Closure of Register of Member and Share Transfer Book	Monday, 26 <sup>th</sup> September, 2011 to Wednesday, 28 <sup>th</sup> September, 2011 (both days inclusive).
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**Listing on Stock Exchanges:**

Bombay Stock Exchange Limited  
Calcutta Stock Exchange Limited  
Jaipur Stock Exchange Limited

The Company's Equity Shares are actively traded on the Bombay Stock Exchange.

**Script Code (BSE):** 531301

**Corporate Identification Number (CIN):**  
L18101RJ1994PLC008388

**ISIN for CDSL:** INE319M01011

**Stock Market Price Data**

The Monthly High and Low Quotations on Bombay Stock Exchange for the year 2010-11 were as follows;

Month*	BSE High	BSE Low
October, 2010	50.00	25.00
November, 2010	55.10	52.50
December, 2010	55.00	55.00
January, 2011	69.00	55.00
February, 2011	69.00	49.00
March, 2011	66.75	49.00

\*The trading of securities of the company has resumed from the month of October, 2010. The above data has been taken from the website of Bombay Stock Exchange Limited.

**Share Transfer System**

The shares received in physical form are processed through Registrar and Share transfer Agent, within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

**Registrar and Share transfer Agent:**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House,  
3<sup>rd</sup> Floor, 89 Madangir,  
Behind Local Shopping Centre,  
Near Dada- Hansukhanda Mandir,  
New Delhi-110062  
Tel-011 29961281, 29961282

**Distribution of Shareholding as on 31.03.2011**

Range in Numbers	No. of Shareholders	No. of Shares	% to total
Upto 5000	3216	139003	21.4842
5001-10000	35	26180	4.0464
10001-20000	19	26190	4.0479
20001-30000	6	20060	3.1005
30001-40000	NIL	N.A.	N.A.
40001-50000	1	4953	.7655
50001-100000	5	41910	6.4776
100001 And Above	9	388704	60.0779
<b>Total</b>	<b>3293</b>	<b>647000</b>	<b>100</b>

**Categories of Shareholders as on 31.03.2011**

	No. of Shares	Percentage
<b>A. Promoter Holding</b>		
Indian Promoter	196464	30.37
Foreign Promoter	NIL	N.A.
Sub Total	196464	30.37
<b>B. Public Holding</b>		
Institutions	10000	1.55
Body Corporate	170814	26.4
Individual	265042	40.96
NR/OCB's	4680	0.72
Sub Total	450538	69.63
<b>Total Share Holding</b>	<b>647000</b>	<b>100</b>

**Dematerialization of Shares**

The Company has acquired demat activation with CDSL on 01.07.2011 and ISIN of the company is INE319M01011. Kindly send your shares to your respective DP for dematerialization of shares.

**Address for Correspondence**

Registered Office : D-67, Janpath, Shyam Nagar,  
Jaipur-302019 (Raj.)  
Factory Address : F-86, Heerawala, Ind. Area,  
Kanota, Jaipur-303012 (Raj.)

**Communication through E-mail (Green Initiative in Corporate Governance)**

The Ministry of Corporate Affairs ('Ministry') has taken a 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices/documents including Annual Report to its shareholders through electronic mode, to the registered e-mail addresses of the shareholders.

With a view to enable the company to send various notices/documents including Annual Report to the shareholders in the future through electronic mode, all the shareholders of the company are hereby requested to update their e-mail ID with the RTA of the company if shares are held in physical form or with their respective DP if shares held in dematerialized form.

**COMPLIANCE CERTIFICATE**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company forms the part of the Annual report.

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE CODE**

To the Members of  
High Street Filatex Ltd.

We have examined the compliance of conditions of Corporate Governance by High Street Filatex Limited for the year ended on 31<sup>st</sup> March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliances of the conditions of the 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 the Corporate Governance. It is neither an audit nor an expression of the 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, and the representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

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 N. Bhandari and Co.,  
Chartered Accountants

Date : 18.08.2011

Place : Jaipur

(N. Bhandari)  
Partner

**CERTIFICATION FROM CFO**

To the Board of Directors of  
High Street Filatex Ltd.

Kamal Kishore Ghiya, Whole-time Director and CFO of the company certify that :

- a. I have reviewed the financial statements and the cash flow statement for the year 2010-11 and that to the best of my knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year 2010-11 which are fraudulent, illegal or violative of the Company's code of conduct;
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which I am aware of and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee -
  - Significant changes in internal control over the financial reporting during the year 2010-11;
  - Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

Place: Jaipur  
Date: 18.08.2011

K.K. Ghiya  
(CFO)

**AUDITORS' REPORT**

The Members,  
HIGH STREET FILATEX LTD  
(Formerly known as Uni Legwears (India) Ltd.)  
JAIPUR.

We have audited the attached Balance Sheet of HIGH STREET FILATEX LTD (formerly known as Uni Legwears (India) Ltd.) as at 31st March, 2011 and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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.

1. 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.
2. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
3. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon give 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;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and

- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

for N. BHANDARI & CO.,  
Chartered Accountants  
Firm Reg No : 03185C

PLACE : JAIPUR

(N. BHANDARI)  
Partner

Date : 18/08/2011

M. No. 71710

**ANNEXURE TO THE AUDITORS' REPORT TO THE  
MEMBERS OF HIGH STREET FILATEX LTD  
(FORMERLY KNOWN AS UNI LEGWEARS (INDIA) LTD)  
(REFERRED TO IN THE PARAGRAPH 1 OF OUR REPORT  
OF EVEN DATE)**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is regular program 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) The company has not disposed off any substantial part of the fixed assets during the year.
- (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 in verification between the physical stocks and the book records were not material.
- (iii) (a) The company had not granted any loans, secured or unsecured to any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and condition on which loans have been given by the company are, prima facie, not prejudicial to the interest of the company.
- (c) There being no such loans, receipt of principal amount, interest and overdue amount is not applicable.
- (d) The company had taken unsecured loan from 2 persons covered in the register maintained under section 301 of the companies act, 1956. The maximum amount involved during the year is Rs 303.92 Lacs and the year-end balance of loans taken from such parties was Rs. 13.72 Lacs.
- (f) In our opinion, the rate of interest and other terms and condition on which the loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of

- the company.
- (g) The company is regular in repaying the principal amounts as stipulated and no interest is payable on such loan.
- (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 purchases of its inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in the pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and has complied with the provisions of section 58A and 58AA of the companies act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. 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 applicable to company in this connection.
- (vii) In our opinion, the company has an internal audit system commensurate with the nature and the size of the business.
- (viii) As informed to us, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) of the Companies Act, 1956 for such companies.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, Service Tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, a demand of Rs 1,42,048.00 raised by Land & Building Tax Deptt has not been deposited by the company as the same is disputed and the matter is being contested in appropriate court. Rs 92,035 has been deposited with ESI under protest for period relating to Oct 07 to Dec 08 and the matter is sub judice.
- (x) The accumulated losses of the company are more than fifty percent of its net worth (without considering revaluation reserve). The company has not incurred cash losses during the financial year covered by our audit or in the previous financial year.
- (xi) The company had not defaulted in repayment of dues to bank or financial institution during the year under reference.
- (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.
- (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 generally dealing in or trading in shares, securities, debentures and other investments. Proper records have been maintained of the transactions and contracts and timely entries have been made therein, in connection with occasional investment made by the company. The investments, shares, securities etc ( if any) has been held by the company in its own name, except to the extent of the exemption granted under section 49 of the act.
- (xv) The company has not given any guarantees for loans taken by other from banks or financial institutions.
- (xvi) During the period covered by our audit report, the company has not taken any fresh term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has allotted 6% Cumulative Non Convertible Preference Shares amounting to Rs 278 Lacs to a party covered in register maintained u/s 301 in terms of decision of Shareholders. The price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) During the period covered by our audit report, the company has not issued any debentures.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues.
- (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 N. BHANDARI & CO.,  
Chartered Accountants  
Firm Reg No : 03185C

PLACE : JAIPUR

(N. BHANDARI)  
Partner  
M. No. 71710

Date : 18/08/2011

## Balance Sheet as at 31st March 2011

PARTICULARS	SCHEDULE	AS AT 31/3/2011 (Rs.)	AS AT 31/3/2010 (Rs.)
<b>I SOURCE OF FUNDS</b>			
<b>1 SHARE HOLDERS FUNDS</b>			
Capital	1	34,270,000.00	64,700,000.00
Reserves and Surplus	2	91,205,907.68	91,536,742.68
<b>2 LOAN FUNDS</b>			
Unsecured Loans	3	4,482,827.00	33,242,827.00
<b>TOTAL</b>		<b>129,958,734.68</b>	<b>189,479,569.68</b>
<b>I APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>			
Gross Block	4	130,814,234.04	130,814,234.04
Less -Depreciation		99,227,593.77	96,701,054.71
Net Block		31,586,640.27	34,113,179.33
<b>2 INVESTMENTS</b>			
	5	3,000.00	3,000.00
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A CURRENT ASSETS</b>			
Inventories		1,995,927.00	742,491.00
Sundry debtors		2,656,073.00	1,242,067.00
Cash and bank balances		107,711.61	610,460.61
<b>B LOANS &amp; ADVANCES</b>			
		792,502.00	489,513.00
		<b>5,552,213.61</b>	<b>3,084,531.61</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Liabilities	7	1,097,238.00	930,256.00
Provisions		200,000.00	0.00
		<b>1,297,238.00</b>	<b>930,256.00</b>
<b>NET CURRENT ASSETS</b>			
		<b>4,254,975.61</b>	<b>2,154,275.61</b>
<b>4 MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			
		0.00	0.00
<b>5 PROFIT AND LOSS ACCOUNT</b>			
		94,114,118.81	153,209,114.75
<b>TOTAL :</b>		<b>129,958,734.68</b>	<b>189,479,569.68</b>

As per our report of even date attached,  
For N. BHANDARI & CO.  
Chartered Accountants  
Firm Reg. No: 03185C

For and on behalf of the Board

(N. Bhandari)  
Partner  
M.No. 71710  
Place : Jaipur  
Date : 18/08/2011

K.K Ghiya  
(W.T. Director)

Rajdeep Ghiya  
(Director)

Chinu Gupta  
( Company Secretary)

**PROFIT & LOSS ACCOUNT For the year ended on 31ST March 2011**

PARTICULARS		For the year 31.3.2011 (Rs.)	For the year 31.3.2010 (Rs.)
<b>INCOME</b>			
Sales of socks		8,048,444.00	856,976.00
Sales of Yarn		19,153,456.00	4,918,652.00
Job work of Socks		3,246,930.00	0.00
Profit on sale of shares		0.00	123,900.00
Liabilities no longer required written off		22,448.00	2,215,000.00
Misc income cash discount		63,433.00	0.00
Increase/(Decrease) in Stock	8	164,175.00	(484,824.00)
<b>TOTAL</b>		<b>30,698,886.00</b>	<b>7,829,704.00</b>
<b>EXPENDITURE</b>			
Material Cost	9	23,281,095.00	4,503,011.00
Personnel Expenses	10	1,152,658.00	56,583.00
Manufacturing Expenses	11	2,166,881.00	261,216.70
Administrative Expenses	12	837,552.00	265,865.77
Finance expenses	13	0.00	175,828.00
Depreciation	4	2,195,704.08	829,958.00
		<b>29,633,890.08</b>	<b>6,082,462.47</b>
Profit ( Loss) for the year before Taxation		1,064,995.94	1,537,241.53
Less : Provision for Taxation		200,000.00	0.00
Profit/(Loss) after Taxation		864,995.94	1,537,241.53
Add: Reduction of Share Capital		58,230,000.00	0.00
Profit ( Loss) for the year available for appropriation		59,094,995.94	0.00
Balance brought forward from previous year		(153,209,114.75)	(154,746,356.28)
<b>Balance Carried to Balance Sheet</b>		<b>(94,114,118.81)</b>	<b>(153,209,114.75)</b>

The schedules referred to above form an integral part of Profit & loss Account.

As per our report of even date attached,  
For N. BHANDARI & CO.  
Chartered Accountants  
Firm Reg. No: 03185C

For and on behalf of the Board

(N. Bhandari)  
Partner  
M.No 71710  
Place : Jaipur  
Date : 18/08/2011

K.K Ghiya  
(W.T. Director)

Rajdeep Ghiya  
(Director)

Chinu Gupta  
( Company Secretary)



**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011 AND PROFIT & LOSS ACCOUNT  
FOR THE PERIOD ENDED 31-3-2011**

**Schedule - 1 : Share Capital**

		AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b>Authorised:</b>			
4,000,000	Equity Shares of Rs. 10/- each (Previous year 75,00,000 Equity Shares of Rs. 10/- each)	40,000,000.00	75,000,000.00
350,000	6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- ( Previous Year nil)	35,000,000.00	0.00
		<b>75,000,000.00</b>	<b>75,000,000.00</b>
<b>Issued</b>			
647,000	Equity Shares of Rs. 10/- each (Previous year 64,70,000 Equity Shares of Rs. 10/- each)	64,70,000.00	64,700,000.00
<b>Subscribed and paid up</b>			
647,000	Equity Shares of Rs. 10/- each (Previous year 64,70,000 Equity Shares of Rs. 10/- each) fully called up.	6,470,000.00	64,700,000.00
278,000	6% Redeemable Cumulative Non Convertible Preference shares of Rs. 100/- ( Previous Year nil)	27,800,000.00	0.00
		<b>34,270,000.00</b>	<b>64,700,000.00</b>

**NOTE:-** Authorised Capital was rearranged in 4,000,000 Equity Shares having nominal value of Rs. 10 each and 350,000 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- each vide decision of shareholders in Annual General Meeting held on 25th September 2010.

Issued, Subscribed and Paid Up Capital was reduced from 6,470,000 Equity shares of Rs. 10/- each to 647,000 Equity Shares of Rs. 10/- each consequent to decision of reduction of share capital approved by shareholders and High Court of Rajasthan.

278,000 6% Cumulative Non Convertible Preference Shares of Rs. 100/- each were issued fresh on 9th October 2010 as per decision of shareholders .

**Schedule - 2 : Reserve & Surplus**

		AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
Capital Reserve		70,188,260.80	70,188,260.80
Revaluation Reserve of Land and Building.		21,348,481.88	21,403,621.88
Less: Depreciation on revaluation		330,835.00	55,140.00
Net Revaluation reserve of land and building.		21,017,646.88	21,348,481.88
Total Reserve & Surplus		<b>91,205,907.68</b>	<b>91,536,742.68</b>

**SCHEDULE-3**

<b>UNSECURED LOANS</b>		AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
(A) FROM DIRECTOR		718,000.00	718,000.00
(B) FROM OTHERS		3,764,827.00	32,524,827.00
<b>TOTAL</b>		<b>4,482,827.00</b>	<b>33,242,827.00</b>

## SCHEDULE -4 : FIXED ASSETS

Fixed Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Bal. as on 1-4-2010	on Bal. as of revaluation On 1.4.2010	Addition during the year	Bal. as on 31-3-2011	Depreciation Upto 31-3-2010	as Revaluation	During the year	Total upto 31.3.2011	As on 31-3-2011	As on 31-3-2010
Land	287419.00	16443581.00	0.00	16731000.00	0.00	0.00	0.00	0.00	16731000.00	16731000.00
Building	13325959.12	4960040.88	0.00	18286000.00	4833526.86	330835.00	445088.00	5609449.86	12676550.14	13452473.14
Plant & Machinery	89260950.97	0.00	0.00	89260950.97	87005080.91	0.00	1455869.06	89260949.97	1.00	1455870.06
Electric fitting	3581712.33	0.00	0.00	3581712.33	1870635.87	0.00	170132.00	2040767.87	1540944.46	1711076.46
Furniture & Fixture	1506844.06	0.00	0.00	1506844.06	1038081.03	0.00	95384.00	1133465.03	373379.03	468763.03
Office equipment	539728.64	0.00	0.00	539728.64	267296.99	0.00	25638.00	292934.99	246793.65	272437.65
Computer & softwares	392736.00	0.00	0.00	392736.00	371171.00	0.00	3593.00	374764.00	17972.00	21565.00
Vehicle	515262.04	0.00	0.00	515262.04	515262.04	0.00	0.00	515262.04	0.00	0.00
<b>Total</b>	<b>109410612.16</b>	<b>21403621.88</b>	<b>0.00</b>	<b>130814234.04</b>	<b>96701054.71</b>	<b>330835.00</b>	<b>2195704.06</b>	<b>99227593.77</b>	<b>31586640.20</b>	<b>34113179.34</b>
FIGURE FOR PREVIOUS Year	(109388449.16)	(21403621.88)	(22163.00)	(130814234.04)	(95815956.71)	(55140.00)	(829958.00)	(96701054.71)	(34113179.34)	(34976114.34)

Note : Depreciation on revalued part of Building is transferred to revaluation Reserve and balance amount of depreciation is charged to Profit & Loss A/c.

Total life of Building was considered 30 years and residual life as on 1-4-09 was 15 years and depreciation is computed @ 6.67% so as to write off the entire value in residual life of Assets

2. Depreciation on Plant & Machinery is restricted up to the amount of net block i.e Rs. 1455869.06/- leaving a residual value of Rs 1/-

## SCHEDULE -5 : INVESTMENT ( AT COST)

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b>A. GOVT. SECURITIES</b>		
National Saving Certificate pledged with Govt. Deptt. as security (at face value)	3,000.00	3,000.00
	<u>3,000.00</u>	<u>3,000.00</u>

## Schedule -6 : Current Assets, Loans &amp; Advances

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b>A CURRENT ASSETS</b>		
1 INVENTORIES (As taken, valued and certified by the Management)		
(a) Raw Material (At cost)	483,139.00	562,668.00
(b) Goods for Trading	778,739.00	0.00
(c) Finished & Semi Finished Good (At estimated cost)	343,998.00	179,823.00
(d) Packing Material	27,200.00	0.00
(e) Goods in Transit	362,851.00	0.00
	<u>1,995,927.00</u>	<u>742,491.00</u>
2 SUNDRY DEBTORS (Unsecured )		
(a) Debts outstanding for a period Exceeding six months( considered good)	0.00	0.00
(b) Others ( considered good)	2,656,073.00	1,242,067.00
	<u>2,656,073.00</u>	<u>1,242,067.00</u>
3 CASH & BANK BALANCES		
(a) Cash in Hand	84,401.36	509,197.36
(b) Balances with Scheduled Banks in Current Account	23,310.25	101,263.25
	<u>107,711.61</u>	<u>610,460.61</u>
<b>B LOANS AND ADVANCES</b> (Unsecured, Considered good) (Advances recoverable in cash or in kind or for value to be received)		
Advances to suppliers	444,666.00	250,345.00
Prepaid expenses	0.00	7,873.00
Deposits (Security) with Govt. and other authorities	153,495.00	153,989.00
Deposit with ESI Department	92,035.00	0.00
Tax deducted at source/ Advance Tax	102,306.00	77,306.00
	<u>792,502.00</u>	<u>489,513.00</u>

## Schedule - 7 : Current Liabilities &amp; Provisions

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	807,461.00	525,387.00
Outstanding Expenses	272,678.00	42,625.00
Advance received from customer	0.00	300,000.00
Statutory Liabilities	17,199.00	62,244.00
	<u>1,097,238.00</u>	<u>930,256.00</u>
<b>B. PROVISIONS</b>		
Provisions for Taxation	200,000.00	0.00
	<u>200,000.00</u>	<u>0.00</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
SCHEDULE-8: INCREASE/( DECREASE) IN STOCK

	AS AT 31.3.2011 (Rs.)	AS AT 31.3.2010 (Rs.)
FINISHED & SEMI FINISHED GOODS-CLOSING STOCK	343,998.00	179,823.00
LESS: OPENING STOCK	179,823.00	664,647.00
	<u>164,175.00</u>	<u>(484,824.00)</u>

**Schedule - 9 : Material Cost**

	Cotton	Nylon,Elastic & Rubber	Lycra	TOTAL
<b>A: Material cost for manufacturing</b>				
Opening Stock of Raw Material	112820.00	72305.00	15857.00	200982.00
	(8993.27)	(17666.80)	(203871.70)	(230531.77)
Purchases	5054826.44	1063830.02	0.00	6118656.45
	(241917.00)	(127040.00)	(56801.00)	(425758.00)
Material Returned Back	0.00	0.00	0.00	0.00
	(8993.27)	(17666.80)	(203871.70)	(230531.77)
Closing stock	454776.00	28363.00	0.00	483139.00
	(112820.00)	(72305.00)	(15857.00)	(200982.00)
Goods In Transit	362851.00	0.00	0.00	362851.00
	0.00	0.00	0.00	0.00
Cost Of material consumed	4350019.44	1107772.02	15857.00	5473648.45
	(129097.00)	(54735.00)	(40944.00)	(224776.00)
<b>B. Material cost of goods sold</b>				
Opening Stock of Material	361686.00	0.00	0.00	361686.00
	(0.00)	(0.00)	(0.00)	(0.00)
Purchases	17741007.56	483491.98	0.00	18224499.55
	(4639921.00)	(0.00)	(0.00)	(4639921.00)
Closing stock	778739.00	0.00	0.00	778739.00
	(361686.00)	(0.00)	(0.00)	(361686.00)
Cost Of material sold	17323954.56	483491.98	0.00	17807446.55
	(4278235.00)	(0.00)	(0.00)	(4278235.00)

**Schedule - 10 : Personnel Expenses**

	For the year ended 31/3/2011 (Rs.)	For the year ended 31/3/2010 (Rs.)
Salaries & Wages( including Pf and esi)	1,144,736.00	56,583.00
Staff Welfare Expenses	7,922.00	0.00
	<u>1,152,658.00</u>	<u>56,583.00</u>

**Schedule - 11 : Manufacturing Expenses**

	For the year ended 31/3/2011 (Rs.)	For the year ended 31/3/2010 (Rs.)
Power & Fuel	1,002,179.00	165,843.50
Stores & Spares	40,159.00	4,900.00
Freight & Cartage	85,815.00	0.00
Central excise duty on Dbonding	0.00	49,590.20
Packing Material	507,915.00	
Repair & Maintenance		
- Building	118,867.00	27,595.00
- Plant & Machinery	411,946.00	13,288.00
	<u>2,168,881.00</u>	<u>261,216.70</u>

**SCHEDULE-12: ADMINISTRATIVE EXPENSES**

	For the year ended 31/3/2011 (Rs.)	For the year ended 31/3/2010 (Rs.)
1. Advertisement & Publicity	142,961.00	11,510.00
2. Bank Charges	4,158.00	1,664.00
3. Audit Fee	25,000.00	11,225.00
4. Conveyance	9,351.00	200.00
5. Filing Fees	5,700.00	9,050.00
6. Miscellaneous Expenses	2,884.00	298.77
7. Postage, Telephone, Telegram	108,354.00	28,500.00
8. Printing & Stationery	118,945.00	14,908.00
9. Legal & Professional	214,412.00	74,050.00
10. Listing expenses	97,975.00	18,170.00
11. Sales Promotion	920.00	0.00
12. Stock Exchange Fee	0.00	80,584.00
13. Economic Rent	83,840.00	0.00
14. Share Transfer exp.	23,052.00	15,706.00
	<b>837,652.00</b>	<b>265,865.77</b>

**SCHEDULE-13: Finance charges**

	For the year ended 31/3/2011 (Rs.)	For the year ended 31/3/2010 (Rs.)
1. Interest to Stressed assets	0.00	175,828.00
stabilisation fund.	0.00	175,828.00

## SCHEDULE - 14

## Significant Accounting Policies

## A. Basis of Preparation of Financial Statements

- A The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted by the Company
- B The Company generally follows mercantile system of accounting, recognises significant items of income and expenditure on accrual basis

## B. Fixed Assets and Depreciation

- A Fixed Assets are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all the pre-operative expenses and the financing cost of borrowings related to the pre production period. In case of revaluation of assets cost of acquisition is substituted by appropriate value in terms of valuation by competent professional
- B Depreciation on Fixed Assets is provided on straight line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired during the year is charged on pro rata basis & part of the month is considered as a full month. Depreciation on revalued assets is recomputed so as to write off the entire value in residual life of assets.

## C. Foreign Currency Transactions

- A Export Sales- At the rates as on the date of negotiation or collection, where export bills are negotiated after the close of the year, then at the year end rate when not covered by forward contract.
- B Expenditure- At the rates as on the date of transaction, receivables, creditors and outstanding liabilities are translated at the rate as at the close of the year, or at forward contract rate, wherever applicable.
- C Foreign Currency Loans for acquiring Fixed Assets and outstanding at the close of the Financial Year - At the contracted /prevailing rate of exchange, at the close of the year. The gain or loss due to decrease/ increase in rupee liability due to fluctuations in rates of exchange is adjusted to the cost of the assets acquired through these loans. The depreciation on such increase/ decrease in value of assets is provided for prospectively on residual life of the assets.

## D. Investments : Investments are stated at cost.

## E. Inventories: Stock of Raw Material, spare parts and work in process are valued at cost. Finished goods are valued at lower of direct cost or net realisable value.

## F. Expenditure During Construction Period : Expenditure incurred on projects during implementation is capitalised and apportioned to various assets on commissioning of the project.

## G. Preliminary, Capital Issue and Deferred Revenue Expenses : Preliminary, capital issue expenditure are written off in 10 years from the year of commercial production.

## H. Retirement Benefit : Gratuity:- Provision for gratuity is made on the basis of actual accrued liability.

## SCHEDULE - 15 Notes on Accounts:

1. The previous years figures have been re-worked, re grouped,

re-arranged and re classified wherever necessary.

	Current Year (Rs.)	Previous Year (Rs.)
2. Contingent Liabilities		
Claims against company not acknowledged as debts*	1,42,048.00	1,42,048.00
*Demand of Rs.1,42,048 raised by Land & Building Tax Deptt. which is challenged by the company in appropriate court.		
Deposited with Esi Under Protest against demand for	92035.00	0.00
The period from October 2007 to December 2008. The factory was closed for this period. This demand is being challenged by the company in appropriate court.		
3. In terms of decision of Shareholders company has issued 278,000 Shares as 6% Cumulative Non Convertible Preference Shares of Rs 100/- each on 9th October 2010. Due to inadequacy of distributable surplus no dividend could be declared/ paid on such Shares. A sum of Rs 7,97,442 has accumulated as dividend for the period under reference on such Cumulative Preference shares, payable as and when distributable surplus arises and dividend is declared.		
4. In the opinion of Board of Directors the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.		
5. Loans & Advances due from Directors - Nil and due from officers Rs. Nil (Maximum amount due at any time during the year Rs. NIL )		
6. Due to non availability of reliable information regarding SSI status of suppliers/sundry creditors, information regarding outstanding toward them can not be ascertained. However the amount is not likely to be significant.		
7. In terms of decision of Board of Directors, revaluation of Land and Building of the company was got done during 2008-09 by approved valuer so as to represent the true realizable value of assets. The cost of acquisition in case of land and written down value in case of building was substituted with value arrived as per revaluation report and the difference was credited to revaluation reserve. Accordingly depreciation is calculated on revalued portion of building as adjusted to write off entire value in residual life and the same has been shown reduced from revaluation reserve		
8. The accounting of deferred tax in terms of "Accounting Standard (AS22) on "Accounting for Taxes on Income" results in deferred Tax Assets. However in view of sickness of the company there is no certainty of realization of such assets in a reasonable period of time, hence the same has not been accounted for.		
9. Related Party Disclosure as per Accounting Standard (AS 18) issued by Institute of Chartered Accountants of India.		
Name of The Party	Raj Kumar Sethia	
Nature of Relationship	Promoter	
Unsecured Loan op. balance	294.14 lacs Cr.	
Received During the Year	2.60 lacs Cr.	
6% Redeemable Cumulative Non Convertible Preference		
Shares issued on conversion of Unsecured loan	278.00 lacs Dr.	
Loan repaid during the Year	12.20 lacs Dr.	
Closing Balance as on 31-3-2011	6.54 lacs Cr.	
No interest has been given on the loan.		

Name of the Party	High Street Fashions Pvt Ltd	Golden Girl Fashions
Nature of relationship	Directors of this company are close relative of Promoters.	Proprietor is Promoter of our company and is also relative of other Promoters.
Op. Balance	1101967.00 dr.	8155 dr.
Purchases	235038	0
Sales	28030908	0
Receipts	27709438	0
Closing Balance	1188401 dr.	8155.00 dr.

- 10 Segments are identified in line with the Accounting Standard 17 ( AS17) taking into account the organisation structure. Expenses which were identified were attributed directly i.e manufacturing and depreciation related to Socks segment only and other expenses were attributed on pro-rata basis of sale value.

#### Segment Reporting

##### (a) Primary Segment Information

The company's operation primarily relates to manufacturing of Knitted socks, head band and wrist band and trading in yarn. Accordingly segments have been identified in line with Accounting Standard on Segment Reporting "AS-17". Sale of socks and yarn are the primary segment and there is no other segment.

Details of business segments are as follows :

Particulars	2010-11	2009-10
1 Segment Revenue		
(a) Manufacturing of Socks	11285374	856976
(b) Trading of Yarn	19153456	4918652
(c) income from other sources	85881	2338900
Total	30534711	8114528
less: Intersegment Revenue	0	0
Turnover/ Income from Operation	30534711	8114528
2 Segment wise result ( Before Interest & tax		
(a) Manufacturing of Socks	454785	-1220279
(b) Trading of Yarn	524330	594449
(c) income from other sources	85881	2338900
Total	1064996	1713070
less: Interest paid	0	175828
less: Unallocable charges/ expenditure	0	0
Total Profit before tax	1064996	1537242
3 Capital Employed( Segment assets- Segment Liabilities)		
(a) Manufacturing of Socks	29324570	2088763
(b) Trading of Yarn	2037219	938885
Total	31361789	3027628

#### Secondary segment information

The company caters mainly to the need of Indian market and there is no Export sale, therefore no reportable geographical segments.

	2010-11	2009-10
11 Earning per share ( Accounting Standard 20)		
Profit (Loss) after Tax as per Profit and Loss a/c	864,995.94	1537241.53
Number of equity shares	847000	8470000
Basic Earning Per Share	(1.34)	(.24)
Diluted Earning Per Share	(0.33)	(.24)

12. In view of paucity of funds no salary were paid to any of the Director for the financial year, however in view of directors confirmations not to avail any remuneration, no provision for liability is required.
13. In Terms of Provisions of Accounting Standard 28 ( AS28) issued by The Institute of Chartered Accountants of India the company had provided for loss due to impairment of assets during 2004-05. The Value in use being uncertain due to sickness of unit, recoverable amount has been reduced from carrying amount and resultant loss (impairment loss) was debited to balance of Profit and Loss a/c. In view of high obsolescence rate of machinery the board had decided to provide depreciation on original value of block of machinery
14. Additional information pursuant to the provision of Schedule VI of the Companies Act 1956 for current Year.

## A: CAPACITIES &amp; PRODUCTION

ANNUAL CAPACITY			
UNIT	LICENCED (AS PER E.O.U REGISTRATION)	INSTALLED	ACTUAL PRODUCTION
Knitted Socks 2010-11 Pairs	21.00 Lakh	21.00 lakh	349868 pairs
& Stockings 2009-10 Pairs	(21.00 lakh)	(21.00 lakh)	(3653) pairs

## B SALES AND STOCKS

	UNIT	OPENING STOCK		PRODUCTION	SALES/TRANSFER	CLOSING STOCK		
		Qty	Value Rs.	Qty	Qty	Value Rs.	Qty	Value Rs.
Finished Socks	Pairs	6088.00	100452.00	331009.00	337097.00	8017629.94	0.00	0.00
( socks)		(35785.00)	(536775.00)	(31912.00)	(81609.00)	(814928.00)	(6088.00)	(100452.00)
Finished Stockings	Pcs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
( stocking)		(2010.00)	(38190.00)	(0.00)	(2010.00)	(4020.00)	(0.00)	(0.00)
Semi finished	Pairs	4576.00	59488.00	349868.00	335333.00		19111.00	343998.00
( socks)		(8.00)	(80.00)	(0.00)	(0.00)	(0.00)	(4576.00)	(59488.00)
Semi finished	Pcs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
( stocking)		(1410.00)	(16920.00)	(0.00)	(1410.00)	(2820.00)	(0.00)	(0.00)
Rejected Goods	Pairs	42.00	504.00	4324.00	4366.00	26196.00	0.00	0.00
( socks)		(14579.00)	(51027.00)	(42.00)	(14579.00)	(29158.00)	(42.00)	(504.00)
Yarn on machine	Kg	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		(0)	(0)	(0)	(0)	(0)	0.00	(0)
waste	Kg	4559.76	19379.00	58.30	4618.06	4618.06	0.00	0.00
( socks and stockings)		(5099.87)	(21675.00)	(0)	(0.00)	(0.00)	(5099.87)	(21675.00)

Notes( Figure shown in brackets relate to previous year)

## C. Raw Material Consumption

Consumption	2010-2011		2009-2010	
	Qty (Kg.)	Value (Rs.)	Qty (Kg.)	Value (Rs.)
Cotton	25280.29	4350019.44	1392.00	129097.07
Nylon , Elastic & Rubber	4102.02	1107772.02	135.80	32466.86
Lycra/Spandex ( Imported)	0.00	0.00	85.92	22268.47
Spandex Indigenous	64.74	15857.00	167.17	40944.43
TOTAL	29447.05	5473648.45	1780.89	224776.84

## D. Value of Imported and indigenous Raw material consumed and Percentage thereof

	2010-2011		2009-2010	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of total Consumption
Indigenous	5473648.45	100.00	224776.84	100.00
Imported	0.00	0.00	0.00	0.00
	5473648.45	100.00	224776.84	100.00



		2010-11	2009-10
15	Expenditure /Income in foreign Currency		
	C.I.F. Value of Imports	0.00	0.00
	Raw Material	0.00	0.00
	Spares	0.00	0.00
	Expenditure in foreign Currency( on payment basis) On account of		
		2010-11	2009-10
		0.00	0.00
	Travelling	0.00	0.00
	<b>Earning in foreign Exchange</b>		
	F.O.B Value of Export	0.00	0.00
16	<b>BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE</b>		
I)	Registration Details	State Code	17
	Registration No. 8386		
	Balance sheet Date 31/3/2011		
II)	Capital Raised during the year	(Amount in Rs/lakhs)	
	Public Issue NIL	Right Issue	NIL
	Bonus Issue NIL	Private Placement	278.00
III)	Position of Mobilisation and Deployment of Funds		
	Total Liabilities 1299.59	Total Assets	1299.59
	<b>Sources of Funds</b>		
	Paid-up-capital 342.70	Reserves and Surplus	912.06
	Secured Loans 0.00	Unsecured Loans	44.83
	<b>Application of Funds</b>		
	Net Fixed Assets 315.87	Investments	0.03
	Net Current Assets 42.55		
	Accumulated Losses 941.14		
IV)	<b>Performance of Company</b>		
	Turnover/(Total Income) 305.35	Total Expenditure	294.70
	Profit before Tax 10.65	Profit after Tax	8.65
	Earning per Share (Rs) 1.34	Dividend Rate %	NIL
V)	<b>Generic Names of principal Products of Company</b>		
	1. Item Code No. (ITC Code)61159200		
	Product Description Knitted socks		

As per our report of even date attached,

For and on behalf of the Board

For N. BHANDARI & CO.  
Chartered Accountants  
Firm Reg. No: 03185C  
( N. Bhandari )  
( Partner )  
M.No. 71710  
Place : Jaipur  
Date : 18.08.2011

K.K Ghiya  
(W.T. Director)

Rajdeep Ghiya  
(Director)

Chinu Gupta  
(Company Secretary)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Current Year 2010-11 (Rs. In lacs)	Previous Year 2009-10 (Rs. In lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	10.65	15.37
Adjustments for :		
Depreciation	21.96	8.30
Prior years adjustment	0.00	0.00
Profit/ Loss on sale of fixed Assets / or from Investment etc	0.00	(22.15)
Interest & other income on investments	0.00	(1.23)
Interest	0.00	1.76
Operating profit before working capital changes	32.61	2.05
Adjustments for :		
Trade and other Receivables	(17.17)	(14.02)
Inventories	(12.53)	1.53
Trade Payables	1.67	2.14
Cash generated from operations	4.57	(8.30)
Interest paid	0.00	0.00
Direct taxes paid	0.00	(0.49)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>4.57</b>	<b>(7.81)</b>
Extraordinary items-Deferred Revenue Expenses		
Net Cash from operating activities :	4.57	(7.81)
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.00	0.22
Sales of fixed assets	0.00	0.00
Acquisitions of Companies (As per Annexure)		
Purchases of Investments		
Loans/Deposits Received back	0.00	0.00
Sales of Investments	0.00	(1.40)
Interest received and other income	0.00	0.00
Dividend received		
Net cash used in investing activities	0.00	(1.18)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	278.00	
Proceeds from long term borrowings	0.00	107.07
Repayment of Long term loans	(287.60)	(93.00)
Dividends paid		
Preliminary Expenses	0.00	0.00
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(9.60)</b>	<b>14.07</b>
Net increase/(decrease) in cash and cash equivalents ( A+B+C)	(5.03)	5.08
Cash and Cash Equivalents as at 1-4-2010 ( Opening Balance)	6.10	1.02
Cash and Cash equivalents as at 31-3-2011( Closing Balance)	1.07	6.10

K.K.Ghiya  
(W.T. Director)

Rajdeep.Ghiya  
(Director)

Chinu Gupta  
( Company Secretary)

**AUDITORS' CERTIFICATE**

We have examined the above cash flow statement of High street filatex ltd, which has been compiled from and is based on the audited financial statements for the year ended 31st March 2011 and 31st March 2010. To the best of our knowledge and belief and according to the information and explanation given to us, it has been prepared in accordance with the requirements of listing agreement with the stock exchange.

For N. BHANDARI & CO.

Chartered Accountants

Firm Reg. No: 03185C

( N. Bhandari)

( Partner )

M.No. 71710

Place : Jaipur

Date : 18/08/2011

**HIGH STREET FILATEX LTD.**

Regd. Office : D-67, JANPATH, SHYAM NAGAR, JAIPUR

**PROXY FORM**

Folio No. ....

No. of Shares .....

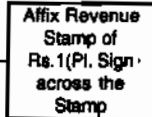
I/we \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a member/members of M/S HIGH STREET FILATEX LIMITED, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy in my our absence to attend and vote for me/us and on my/our behalf at the 17th ANNUAL GENERAL MEETING of the company to be held on Wednesday, Sept 28, 2011 at 11.30 A. M. at F-86, HEERAWALA, INDUSTRIAL AREA, KANOTA, JAIPUR, the factory of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature \_\_\_\_\_



**NOTE:**

This instrument appointing proxy must be deposited at the registered office of the company at D-67, JANPATH, SHYAM NAGAR, JAIPUR not less than 48 hours before the commencement of the meeting.

**HIGH STREET FILATEX LTD.**

Regd. Office : D-67, JANPATH, SHYAM NAGAR, JAIPUR

17<sup>TH</sup> ANNUAL GENERAL MEETING – 28<sup>TH</sup> SEPT. , 2011

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting venue)

Folio No. \_\_\_\_\_

No. of shares \_\_\_\_\_

I hereby record my presence at the 17th Annual General Meeting of the company held on Wednesday, Sept 28, 2011 at 11.30 A. M. at F-86, HEERAWALA, INDUSTRIAL AREA, KANOTA, JAIPUR, the factory of the company.

Signature of the Member \_\_\_\_\_

Signature of the Proxy \_\_\_\_\_

Name of the Member \_\_\_\_\_

Name of the Proxy \_\_\_\_\_

**BOOK POST**  
**(Printed Matter)**

**HIGH STREET FILATEX LTD.**  
F-86, HIRAWALA INDUSTRIAL AREA, KANOTA, DISTT. JAIPUR, INDIA