



# **HIGH STREET FILATEX LIMITED**



**18<sup>th</sup> ANNUAL REPORT  
2011-2012**

**CORPORATE INFORMATION****KEY MANAGERIAL PERSONS****Board of Directors:**

Kamal Khishore Ghiya : Executive & WTD  
Rajneesh Chindaliya : Director  
Rajdeep Ghiya : Director  
Devendra Palod : Director

**Company Secretary &****Compliance Officer:**

CS Kiran Geryani

**Registered Office:**

B-17, IInd Floor,  
22 Godown Industrial Area,  
Jaipur-302006  
Ph. No.0141-2214074, 2211658  
Fax No. 0141-2212984  
www.highstreetfilatex.com

**Factory :**

F-86, Hirawala Industrial Area,  
Kanota, Jaipur-302012  
E-mail: highstreet.filatex@gmail.com

**Auditors:**

M/s N.Bhandari & Co.  
Chartered Accountants  
35, Keshav Nagar,  
Hawa Sarak,  
Jaipur-302019

**Corporate Advisors:**

M/s Vikram Saraf & Associates  
Company Secretaries  
210, Mukhija Chambers,  
M.I.Road,  
Jaipur-302001

**Registrar & Share Transfer Agent:**

Beetal Financial & Computer Services Pvt. Limited  
"Beetal House"  
3<sup>rd</sup> Floor, 99 Madangir,  
New Delhi-110062  
Ph. No. 011-29961281,29961282

**Bankers:**

State Bank of Bikaner & Jaipur  
State Bank of India

**Listed At:**

Bombay Stock Exchange Limited, Mumbai  
Calcutta Stock Exchange Limited, Kolkata  
Jaipur Stock Exchange Limited, Jaipur

**NOTICE OF 18<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of High Street Filatex Limited will be held on Tuesday, the 25<sup>th</sup> day of September, 2012 at 11.30 A.M. at its registered office i.e. B-17, IInd Floor, 22 Godam Industrial Area, 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 March 31, 2012 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajdeep Ghiya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s N. Bhandari & Co. , Chartered Accountants (Firm Reg. No. 03185C) , the retiring auditors, as the Statutory Auditors of the Company, who hold office from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

Jaipur, August 22, 2012

By order of the Board

Registered Office:  
B-17, IInd Floor,  
22 Godam Industrial Area, Jaipur-302006

Sd/-  
**(CS Kiran Geryani)**  
Company Secretary &  
Compliance Officer

**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 Saturday the September 22, 2012 to Tuesday, the September 25, 2012 (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. Pursuant to Clause 49 of the Listing Agreement, Profile of Director seeking re-appointment in the forthcoming AGM, is annexed to this notice .
7. 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-110062, Tel-011 29961281, 29961282.
8. It is to inform that shares of your Company have the demat activation with Central Depository Services (India) Limited. The ISIN number allotted is INE319M01011.

**ANNEXURE TO THE NOTICE OF 18<sup>TH</sup> AGM**

Name of the Director	Mr. Rajdeep Ghiya
Date of Birth	19-07-1986
Date of appointment	20-03-2006
Qualifications	B.Com
Expertise in specific functional areas	Diploma in Finance & Business with wide managerial exposure
Directorship in other Public Limited Companies	NIL
Chairmanship/Membership of Committees in other Public Limited Companies	NIL
Shares held in the Company	Nil

**DIRECTORS' REPORT**

**Dear Members,**

Your Directors have immense pleasure in presenting the 18<sup>th</sup> Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year ended on March 31, 2012.

**FINANCIAL PERFORMANCE**

The performance of the Company for the Financial Year ended March 31, 2012 is summarized as below:

Particulars	(Rs. in Lacs)	
	Year ended on	
	31-03-2012	31-03-2011
Sales	240.74	304.48
Other Income	0.00	0.85
Increase / (Decrease) in stock	(.77)	5.81
<b>Total Income</b>	<b>239.97</b>	<b>311.15</b>
Less: Manufacturing & other expenses	228.76	278.55
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>11.20</b>	<b>32.6</b>
Less: Depreciation	7.39	21.95
<b>Profit/(Loss) after Depreciation before tax</b>	<b>3.80</b>	<b>10.64</b>
Less: Provision for Taxation	.75	2
Less: Taxation for earlier period	(.08)	0.00
<b>Profit after Taxation</b>	<b>3.13</b>	<b>8.65</b>

**DEMATERIALIZATION OF SHARES**

The demat activation of your Company is in process with NDSL for providing better facilities to the shareholders like trading with shares more conveniently and etc. At present 67.48% of paid up capital of the Company is held in dematerialized form with CDSL.

**DIVIDEND**

Dividend could not be recommended for the Financial Year 2011-12 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.

**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. Rajdeep Ghiya, 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.

Due to resignation of Mr. Shanti Narain from the post of whole time Director of the Company, Mr. Kamal Kishore Ghiya is appointed as the Whole Time Director of the Company w.e.f April 01, 2011 for looking after day to day business and affairs of the Company.

Also for the better and effective control in the secretarial department and due to resignation of prior Company Secretary, your management has appointed CS Kiran Geryani, member of ICSI due to her vast experience in secretarial issues as the Company Secretary & Compliance Officer of the Company to look after all the secretarial and other main issues of the Company w.e.f. June 16, 2012.

**EFFECT OF COMING OUT OF SICKNESS STATUS**

After the discharge of the Company from the purview of Sick Industrial Companies (Special Provisions) Act, 1985, the Company is indulged in the new business activities and executing all the projects successfully and thus trying to recover from all earlier losses for the profitability of the shareholders.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to 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 2011-12 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 & AUDITORS' REPORT**

M/s. N. Bhandari & Co., Chartered Accountants, Jaipur, Statutory Auditors of the Company, retires at the ensuing Annual General Meeting, and confirmed their eligibility and willingness to accept the office, if reappointed. The Board of Directors in its meeting on August 22, 2012 has recommended the appointment of M/s. N. Bhandari & Co., Chartered Accountants, Jaipur as Statutory Auditors of the Company at the ensuing Annual General Meeting for the Financial Year 2012-13.

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 March 31, 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 Limited. The Company has been generally regular in complying with the provisions of the Listing Agreement.

## CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report forms a part of this Annual Report. The Company has complied with all the disclosures and requirements 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, its management and to the Investors/ Shareholders for the confidence reposed in the Company and supporting the Company during all crucial issues. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution to the Company.

For and on Behalf of the Board of Directors  
Sd/- Sd/-

Jaipur (K.K. Ghiya) (Rajneesh Chindalia)  
August 22, 2012 Whole-time Director Director

## ANNEXURE TO DIRECTORS' REPORT

Particulars as prescribed 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 March 31, 2012.

### I. CONSERVATION OF ENERGY

(a) **Energy Conservation measures taken** : The Company has taken appropriate steps and made necessary arrangements to conserve and optimize the use of energy through improved operational methods and other means. It is

taking adequate steps for reduction in non-essential loads to conserve power by increasing the production in each run. Also various energy conservation awareness programmes and training sessions are conducted for maintenance personnel.

(b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy** : The Company is making constant efforts to locate all the possible areas where additional investment can be considered for conservation of energy.

(c) **Impact of above measures** : The above measures have resulted in environment protection and more efficient utilization of power & reduction in energy consumption has considerably reduced the expenses and cost of production of goods..

(d) Total energy consumption and energy consumption per unit of production: As per Form 'A' below.

### “FORM A” FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

Particulars	Current Year (2011-12)	Previous Year (2010-11)
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
(a) Purchased		
- Unit (in lac)	3.34	2.62
- Total Amount (Rs. In lac)	12.55	9.83
- Rate (Rs./ Unit)	3.75	3.75
(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

### II. TECHNOLOGY ABSORPTION

#### “FORM B” FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)

#### • RESEARCH & DEVELOPMENT:

a.) **Specific areas in which R & D is proposed to be carried out by the Company** : The R & D activities of the Company have been directed towards improvement in the existing product range such as different types of socks used worldwide, medically treated socks, diabetic socks, aloe vera and anti bacterial treated socks etc. as well as to develop new products in line such as leggings, designer wrist bands and headbands etc. with the latest trend of consumers. Continuous efforts have been made to achieve the above.

- b.) **Benefits derived** : With the introduction of R & D activities, the Company has been able to improve the quality of its products, cost reduction, better customer satisfaction, reduction of wastage and has improved environmental conditions.
  - c.) **Future plan of action** : With the object of attainment of better future and growth, innovative knitting products will be developed and launched and wide new range of socks for all type of age groups , wrist bands and headbands will be produced.
  - d.) **Expenditure on R & 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:**
    - a.) **Efforts made** : Continuous efforts are being made for improvement in the existing production process and products through better machines with upgraded technology.
    - b.) **Benefits** : The Company has been able to improve the quality of its products. Also there is reduced labour due to machines with upgraded technology.
    - c.) **Technology Imported:** Nil
- III. FOREIGN EXCHANGE EARNING AND OUTGO:**  
Nil

For and on Behalf of the Board of Directors

Jaipur **(Kamal Kishore Ghiya) (Rajneesh Chindalia)**  
August 22, 2012 Whole-time Director Director

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company believes and aims to be a responsible corporate citizen. It has always tried to contribute in the best possible manner in social sectors.

High Street since its inception carried on the belief of creating wealth through business and utilize some part of it for deprived segment of the society.

CSR in High Street means philanthropic work, management engagement and deploying the core competencies to address social problems. Company employees often volunteer in various social programmes under the Company banner. Some of the notable activities are environmental awareness promotion, reduction in consumption of paper through programmes like double side printing, reduced scale printing and reusing one sided paper. Same types of innovative efforts are done in reducing usage of water and electricity. Also the Company has installed modern safety and security systems so that employees are well protected from any danger.

Company employs competent personnel for managing Fire Extinguishers, Electrical Supervisors and security personnel to manage any occupational danger.

For High Street , building a successful business and creating positive social impact are not separate objectives.

**CORPORATE GOVERNANCE REPORT**

**1. Company’s Philosophy on Code of Governance:**  
The Company believes that Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of the business. Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Corporate accountability, responsibility and transparency are the core of High Street Filatex Limited.

The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to improve upon them and adopt the best practices. Corporate Governance is not merely compliance and not simply a matter of creating checks & balances. It is an ongoing measure of superior delivery of Company’s objects with a view to translate opportunities in reality.

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company is in compliance and has ensured with all the provisions of Corporate Governance. A report on the implementation of provisions of Corporate Governance is furnished hereunder:

**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.

**i.) 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. Thus the composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with Stock Exchanges. The Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry and finance.

ii.) Attendance of each Director at the Board Meetings, last AGM are given below:

Name of Director	Category	Directorship In Other companies	No. of Board Meetings During the Year		Whether Last AGM attended
			Held	Attended	
Mr. Kamal Kishore Ghiya	Executive	NIL	13	12	Yes
Mr. Rajdeep Ghiya	Independent & Non-Executive	NIL	13	12	Yes
Mr. Rajneesh Chindalia	Independent & Non-Executive	NIL	13	12	Yes
Mr. Devendra Palod	Independent & Non-Executive	NIL	13	11	Yes

# 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.

iii.) Pursuant to Clause 49(1)(C) (ii) and as per the annual disclosures, 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.

#### iv.) Board Meetings-

The Board of Directors met to discuss and decide on Company's business policy, and strength apart from other normal Board business. During the year 2011-12, 13 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:

12-04-2011, 13-05-2011, 20-07-2011, 26-07-2011, 11-08-2011, 18-08-2011, 05-09-2011,  
28-10-2011, 14-11-2011, 05-01-2012, 27-01-2012, 02-02-2012, 14-02-2012

#### ❖ 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:-

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the Company.
3. Significant development in the human resources and industrial relations front.
4. 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 individual detail of Directors seeking appointment/ reappointment at the ensuing Annual General Meeting of the Company are provided in the Explanatory Statement accompanying the notice of Annual General Meeting.

#### ❖ Code of Business Conduct and Ethics for Directors and Senior Management:

The Code is applicable to all Directors, Executives as well as Non-Executives and Senior Management Personnel. A copy of the Code has been circulated to all members and also posted on the Company's Website- "[www.highstreetfilatex.com](http://www.highstreetfilatex.com)".

#### Pursuant to Clause 49(1)(D)(ii), DECLARATION regarding compliance of Code of Conduct:

I, Kamal Kishore Ghiya, Whole Time Director of High Street Filatex Limited, hereby declares that all the members declare that all the members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct of the Company, applicable to them as laid down by the Board of Directors in terms of above Clause, for the year ended March 31, 2012.

For High Street Filatex Limited

Sd/-

(Kamal Kishore Ghiya)

Whole Time Director

#### 3. Committees of Board:

Currently, the Board of the Company has three sub-committees namely:

- I. Audit Committee
- II. Shareholders'/Investors' Grievance Committee
- III. Remuneration Committee

These are briefly enumerated as under:



**I. Audit Committee:** 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.

**a.) Terms of Reference-**

The terms of reference of the Audit Committee are in accordance with all the terms listed in Clause 49 (II) (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.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**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.

**b.) Composition and Attendance-**

The Audit Committee seeks to ensure both corporate governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities.

Name	Category	No. of Audit Committee Meeting Held during the year	No. of Audit Committee Meetings 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.

**a.) Audit Committee Meetings-**

During the Financial Year 2011-12, 5 meetings of the Audit Committee were held. The dates of the meetings are 13-05-2011, 11-08-2011, 18-08-2011, 14-11-2011 & 14-02-2012. The necessary quorum was present in all the meetings. The Audit Committee Meetings are usually held at the registered office of the Company.

**I. Shareholders'/Investors' Grievance Committee**

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. The Company has always valued its customer relationships.

**a.) Terms of reference of the Investors' Relation Committee are broadly as under-**

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.

**b.) Composition and Attendance-**

Name	Category	No. of Audit Committee Meeting Held during the year	No. of Audit Committee Meetings Attended
Mr. Devendra Palod	Independent, Non-executive	19	18
Mr. Rajneesh Chindalia	Independent, Non-executive	19	15
Mr. Rajdeep Ghiya	Independent, Non-executive	19	16

**c.) Meetings-**

In order to expedite the working of the committee, the members of the committee meet regularly as and when it is required. During the year 2011-12, 19 meetings of the committee were held. Dates of the Meetings are: 06-04-2011, 12-04-2011, 22-04-2011, 04-05-2011, 14-05-2011, 13-06-2011, 23-06-2011, 25-07-2011, 02-08-2011, 05-09-2011, 15-09-2011, 03-10-2011, 19-10-2011, 21-10-2011, 04-11-2011, 23-11-2011, 02-12-2011, 13-12-2011, 04-02-2012



**d.) Details of Complaints:**

- No. of Complaints received and solved during the year- Q1- Nil, Q2- Nil, Q3- 1, Q4- Nil
- No pending complaints were there as on March 31, 2012.

e.) Mr. Devendra Palod acts as the Chairman of the Investor Relation Committee. Company Secretary of the Company acts as the Secretary of the Committee.

**II. Remuneration Committee** - The Remuneration Committee Meeting is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and as per the provisions of the Companies Act, 1956.

**a.) 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.

**b.) Meetings** - During the year under review no meeting of the committee was held.

**c.) Composition, name of Members and Chairperson-** 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.

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.

**d.) Remuneration paid to Directors:**

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

- Non-executive Directors shareholding as on March 31, 2012:**

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

**Compliance Officer**

Ms. Kiran Geryani, Company Secretary is the Compliance Officer of the Company w.e.f. June 16, 2012 for complying with the requirements of the Listing Agreement entered into with the Stock Exchanges.

**4. General Body Meetings**

**a.) Location and time and other details of Annual General Meetings held in the last three years are as under:**

AGM	Day Date & Time	Location	Details of Special Resolution Passed
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	5
17 <sup>th</sup>	Wednesday 28-09-2011 11.20 A.M.	F-86, Hirawala Industrial Area Kanota, Jaipur	1

**Details of Special Resolutions:**

- 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.
- Five Special Resolutions were passed at 16<sup>th</sup> Annual General Meeting for:
  - Delisting from Calcutta Stock Exchange Association Limited.
  - Delisting from Jaipur Stock Exchange Limited
  - 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.
- One Special Resolution for Alteration of Articles of Association for allowing the Company to pass resolutions by postal ballot under Section 192A.

**b.) Extra-Ordinary General Meeting:**

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

**c.) Postal Ballot:**

Pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, the following Ordinary Resolution was passed by Postal Ballot on August 22, 2012:

i.) Authorizing the Board under Section 293(1)(a) , selling, leasing or otherwise disposing off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole , or substantially the whole of any such undertaking.

Postal Ballot notice along with the explanatory statement dated August 22 ,2012 and postal ballot forms and prepaid postage envelopes were dispatched to the shareholders on August 24, 2012 .The last date of the receipt of duly filled of Postal Ballot Form is September 24, 2012.

The Company has appointed Mr. Manoj Maheshwari, Practising Company Secretary as a scrutinizer for processing and evaluating the Postal Ballot Form.

**5. Disclosures:**

**a.) Materially significant 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.

**b.) 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.

**c.) 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.

**d.) 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 duly at the meetings.

**e.) Compliance with other mandatory requirements-** Management Discussion and Analysis Report: A Management Discussion and Analysis Report forms part of this Annual Report and include discussion on various matters specified under Clause 49 (IV) (F) of the Listing Agreement. During the year, there have been no materials, financial and commercial transaction made by the Company Management where they have personal interest that may have a potential conflict with the interest of the Company at large.

**f.) Strictures or Penalties -** Bombay Stock Exchange Ltd has imposed a re-instatement penalty of Rs. 60,000 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 strictures or penalties have been imposed on the Company either by the Stock Exchanges or SEBI or any statutory authority for non-compliance of any matter related to Capital Market during the last three years.

**g.) Compliance with other non- mandatory requirements-**

**• Compliance with Code of Conduct and Whistle Blower Mechanism-** The Company has laid down a Code of Conduct and Ethics for all directors and senior management. The Code of Conduct of the Company lays down that the employees shall promptly report and suggest without hesitating in reporting a violation or breach to the concerned superior. The Code provides that the Company shall support and protect employees for doing so.

The code has been circulated to all the members of the Board and senior management and they have affirmed

compliance required under Clause 49 of the Listing Agreement. No personnel have been denied access to the Audit Committee.

**• 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.

**• CEO/CFO Certification-** A certificate from Chief Financial Officer of the Company on the financial statements of the Company forms part in this Annual Report.

**6. 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 Clause 41 of the Listing Agreement.

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

The Stock Exchanges where the Company is listed is regularly informed for all corporate announcements and results. The Company results and official news releases are displayed on the Company's website i.e. "[www. highstreetfilatex.com](http://www.highstreetfilatex.com)"

**7. General Shareholder Information**

**• Annual General Meeting**

Date of Annual General Meeting	September 25, 2012
Time of the Annual General Meeting	11.30 A.M.
Venue	B-17, IInd Floor, 22 Godown Ind. Area, Jaipur-302006

**• Financial Calendar**

Financial Year	April 1, 2011 to March 31, 2012
Results for the quarter ending on June 30, 2011	Within 45 days from the end of the quarter
Results for quarter ending on September 30, 2011	Within 45 days from the end of the quarter
Results for quarter ending on December 31, 2011	Within 45 days from the end of the quarter
Results for quarter ending on March 31, 2012	Within 45 days from the end of the quarter

**• Book Closure**

Closure of Register of Member and Share Transfer Book	Saturday, September 22, 2012 to Tuesday, September 25, 2012 (both days inclusive).
---	--

**• Dividend Payment Date:** During the year, no dividend is paid by the Company , therefore dividend payment date will be not be applicable.

• **Listing on Stock Exchanges:** The shares of the Company are listed at-

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.

• **Scrip Code (BSE):** 531301

• **Corporate Identification Number (CIN):** L18101RJ1994PLC008386

• **ISIN for CDSL:** INE319M01011

• **Stock Market Price Data:** The Monthly High and Low Quotations on Bombay Stock Exchange for the year 2011-12 were as follows;

Month	BSE High	BSE Low	Month	BSE High	BSE Low
Apr., 2011	54.60	50.00	Oct., 2011	50.00	25.00
May, 2011	55.00	52.00	Nov., 2011	55.10	52.50
June, 2011	55.65	53.00	Dec., 2011	55.00	55.00
July, 2011	64.35	58.40	Jan., 2012	69.00	55.00
Aug., 2011	60.00	60.00	Feb., 2012	58.50	57.90
Sept., 2011	63.00	58.00	Mar., 2012	55.60	58.00

The above data has been taken from the website of Bombay Stock Exchange Limited.

• **Registrar and Share transfer Agent:** The Company has appointed a Registrar for dematerialization and physical transfer of shares of the Company. The details of Company registrar is given below:

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-110062  
Tel-011 29961281, 29961282  
E-mail : beetalrta@gmail.com

• **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. For this purpose share transfer committee meeting meets often as and when required. A half yearly compliance certificate with share transfer formalities as required under Clause 47(c) of the Listing Agreement is obtained from a Practising Company Secretary and a copy of same is submitted to Stock Exchange also.

• **Distribution of Shareholding as on March 31, 2012:**

Range in Numbers	No. of Shareholders	No. of Shares	% to total
Upto 5000	3199	139782	21.6046
5001-10000	30	22400	3.4621
10001-20000	20	26900	4.1577
20001-30000	8	20660	3.1932
30001-40000	NIL	N.A.	N.A.
40001-50000	1	4953	.7655
50001-100000	5	41910	6.4776
100001 And Above	7	390395	60.3393
<b>Total</b>	<b>3270</b>	<b>647000</b>	<b>100</b>

• **Categories of Shareholders as on March 31, 2012:**

	No. of Shares	%
<b>A. Promoter Holding</b>		
Indian Promoter	196464	30.37
Foreign Promoter	NIL	N.A.
<b>Sub Total</b>	<b>196464</b>	<b>30.37</b>
<b>B. Public Holding</b>		
Institutions	10000	1.55
Body Corporate	170414	26.339
Individual	265442	41.03
HUF	20	0.00
NRI/OCB's	4660	0.72
<b>Total</b>	<b>450536</b>	<b>69.63</b>
<b>Total Share Holding</b>	<b>647000</b>	<b>100</b>

• **DEMATERIALIZATION OF SHARES**

The Company has acquired demat activation with CDSL on July 01, 2011 and ISIN of the Company is INE319M01011. Kindly send your shares to your respective DP for dematerialization of shares.

67.48% of the paid up capital of the Company is held in dematerialized form and are frequently traded.

Also, the Company has started the procedure for demat activation with NSDL in May, 2012.

During 2011-2012, the Company has changed its registered office within local limits and thus has complied with all statutory compliances.

• **Address for Correspondence**

Registered Office : B-17, IInd Floor, 22 Godam  
Industrial Area, Jaipur-302006  
Factory Address : F-86, Heerawala, Ind. Area,  
Kanota, Jaipur-303012 (Raj.)

• The CFO Certification & Corporate Governance Compliance Certificate from statutory auditor of the Company forms part of this Annual Report.

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

(As Per Clause 49(VII) of the Listing Agreement)

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

We have examined the compliance of conditions of Corporate Governance by High Street Filatex Limited for the year ended on March 31, 2012, 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

Sd/-  
**(N. Bhandari)**  
Partner

Place: Jaipur  
Date: August 22, 2012

**CERTIFICATION FROM CFO**

(As Per Clause 49(V) of the Listing Agreement)

To,  
The Board of Directors,  
High Street Filatex Limited,  
Jaipur

I, Kamal Kishore Ghiya, Whole-time Director and CFO of the Company, to the best of my knowledge and belief, certify to the Board that :

- a) I have reviewed the financial statements and the Cash Flow Statement for the year ended on March 31, 2012 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 2011-12 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 2011-12;
  - Significant changes in accounting policies during the year 2011-12 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.

Yours truly,  
**For High Street Filatex Limited**

Sd/-  
**(Kamal Kishore Ghiya)**  
Whole Time Director & CFO

Place: Jaipur  
Date : August 22, 2012

## **MANAGEMENT DISCUSSION & 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**

The Company has recovered itself from the sickness status and has recovered its losses upto a extent. The Company has already paid its entire debt and now is a debt free company. Also it is successfully running its operations and after a long time is able to achieve all its objectives and during the year, sales of the company is Rs. 240.74 lacs and the company has achieved a net profit after tax of Rs. 3.13 lacs.

The Company is looking for a strong future ahead and targeting the growth of atleast 60% for the next year. Accordingly the profit would also increase considerably. Its future aim is to improve its financial position.

Though the Company and its management is fully devoted towards producing new range of socks, wrist bands, head bands and other related products in order to fulfill its object of increasing profits.

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.

### **SWOT ANALYSIS**

#### **1. STRENGTHS:**

- The Company has most strategically located plant and has adopted advanced production techniques.
- We are also pleased to inform you that we are already connected with CDSL for dematerialization of shares and the process of connection with NSDL has been started in May, 2012 as the Company with its hard work, has fulfilled the criteria for admission with NSDL. Hope the same to be successful in next two-three months. This will result into reducing the market lot of shares on BSE and thus shareholders will be able to trade in Company's shares more conveniently and without any problems. This all has become possible due to your support to the Company.
- The Company due to past experience and having better goodwill 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 in foreign market. It is capable of making socks of different designs/patterns.

#### **2. Weakness:**

- The financial position of the Company is still not improved according to the set objectives. The management is trying its best to bring the Company in a better position by next year.

#### **3. Opportunities:**

- 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 much potential available now in the domestic market on which every Multi National Company has set their eyes upon in India.

#### **4. Threats:**

- Due to high competitive pressure in the market, the Company has to operate in this competitive scenario and acquire a grip in the market to hold its foot firmly and upkeep the brand name.
- Technology Obsolescence: These are the days when technology takes no time to become obsolete. Thus to be at par with its competitors the Company has to ensure that it constantly updates and upgrades its technology.
- Adverse change in the Government Policies may affect in the business operations of the Company.
- Exchange Rates: Since the Company uses India as a major source of manpower, the exchange rates of the rupee vis-à-vis the US dollar and other currencies affect its ability to compete. The Company attempts to minimize the foreign exchange exponent by taking appropriate measures wherever required.

### **ADEQUACY OF INTERNAL CONTROL**

The Company has a professional & 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. This also provides adequate safeguards & effective monitoring of its transactions.

### **HUMAN RESOURCE DEVELOPMENT**

Human Resource Development is very essential in an organization. The management continues to lay emphasis on identifying, developing the talent on organization with a view to retain them and further training to those who capable of handling additional responsibilities. This works to increase employee satisfaction.

### **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. Financials of the Company is detailed in the Financial Accounts of the Company forming part of the Annual Report.

### **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.



**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, 2012 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 31<sup>st</sup> March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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, 2012; 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

**(N. BHANDARI)**

Partner

M. No. 71710

PLACE : JAIPUR

Date : August 22, 2012

**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 1 person covered in the register maintained under section 301 of the companies act, 1956. The maximum amount involved during the year is Rs 7.18 Lacs and the year-end balance of loans taken from such parties was Rs. 7.18 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 not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
- (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

**(N. BHANDARI)**

Partner

M. No. 71710

PLACE : JAIPUR

Date : August 22, 2012



**BALANCE SHEET AS AT MARCH 31, 2012**

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	34,270,000.00	34,270,000.00
(b) Reserves and Surplus	2	(2,925,427.88)	(2,908,211.13)
(c) Money Received against share warrants		-	-
<b>(2) SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	4,545,327.00	4,482,827.00
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	4	2,428,941.50	1,080,039.00
(c) Other current liabilities	5	4,601.00	17,199.00
(d) Short-term provisions	6	75,000.00	200,000.00
<b>TOTAL</b>		<b>38,398,441.62</b>	<b>37,141,853.87</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	30,515,970.26	31,586,640.26
(ii) Intangible Assets		-	-
(iii) Capital Work-in progress & Pre-operative Exp.		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	8	364,666.00	347,836.00
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments	9	3,000.00	3,000.00
(b) Inventories	10	1,267,234.00	1,995,927.00
(c) Trade receivables	11	5,702,273.00	2,656,073.00
(d) Cash and cash equivalents	12	365,734.36	107,711.61
(e) Short-term loans and advances	13	179,564.00	444,666.00
(f) Other current assets		-	-
<b>TOTAL</b>		<b>38,398,441.62</b>	<b>37,141,853.87</b>

Notes to the financial statements

1 to 23

As per our report of even date attached,

For and on behalf of the Board of Directors

**For N. BHANDARI & CO.**

Chartered Accountants

Firm Reg. No: 03185C

Sd/-  
**(N. Bhandari)**  
 Partner  
 M.No. 71710

Sd/-  
**K.K Ghiya**  
 (W.T. Director)

Sd/-  
**Rajdeep Ghiya**  
 (Director)

Sd/-  
**CS Kiran Geryani**  
 ( Company Secretary  
 & Compliance Officer)

Place : Jaipur  
 Date: 22-08-2012

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

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>III. INCOME</b>			
<b>A. CONTINUING OPERATIONS</b>			
I. Revenue from operations	14	24,074,558.00	30,448,830.00
II. Other Income	15	-	85,881.00
<b>III. TOTAL REVENUE (I +II)</b>		<b>24,074,558.00</b>	<b>30,534,711.00</b>
<b>IV. Expenses:</b>			
(a) Cost of materials consumed	16	10,369,753.00	5,473,648.45
(b) Purchase of Trading Goods		8,234,409.50	18224499.55
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	77,559.00	(581,228.00)
(d) Employee benefit expenses	18	1,823,015.00	1,152,658.00
(e) Finance costs	19	2,111.00	-
(f) Depreciation and amortization expense	7	739,835.00	2195704.06
(g) Other expenses	20		
Manufacturing expenses	20.1	2,111,520.50	2,166,881.00
Administrative expenses	20.2	336,037.75	837,552.00
<b>TOTAL EXPENSES</b>		<b>23,694,240.75</b>	<b>29,469,715.06</b>
<b>V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>380,317.25</b>	<b>1,064,995.94</b>
VI.. Exceptional items		-	-
<b>VII. Profit / (Loss) before extraordinary items and tax (V+VI)</b>		<b>380,317.25</b>	<b>1,064,995.94</b>
VIII. Extraordinary items		-	-
<b>IX. Profit / (Loss) before tax (VII+VIII)</b>		<b>380,317.25</b>	<b>1,064,995.94</b>
X. Tax expense:			
(a) Current tax expense for current year		75,000.00	200,000.00
(b) (Less): MAT credit (where applicable)		0.00	0.00
(c) Current tax expense relating to prior years		(8,301.00)	0.00
(d) Net current tax expense		0.00	0.00
(e) Deferred tax		0.00	0.00
<b>XI. Profit / (Loss) from continuing operations (IX- X)</b>		<b>313,618.25</b>	<b>864,995.94</b>
<b>B. DISCONTINUING OPERATIONS</b>			
XII. Profit / (Loss) from discontinuing operations (before tax)		0.00	0.00
XIII. Profit / (Loss) from discontinuing operations		0.00	0.00
<b>C. TOTAL OPERATIONS</b>		<b>313,618.25</b>	<b>864,995.94</b>
XIV. Profit / (Loss) for the year (11 + 13)		<b>313,618.25</b>	<b>864,995.94</b>
XV. Earnings per share (of ₹ 10/- each):			
(a) Basic		0.48	1.34
(b) Diluted		0.48	0.34
Notes to the financial statements	1 to 23		

As per our report of even date attached, For and on behalf of the Board of Directors

**For N. BHANDARI & CO.**

Chartered Accountants

Firm Reg. No: 03185C

Sd/-  
**(N. Bhandari)**  
 Partner  
 M.No. 71710  
 Place : Jaipur  
 Date: 22-08-2012

Sd/-  
**K.K Ghiya**  
 (W.T. Director)

Sd/-  
**Rajdeep Ghiya**  
 (Director)

Sd/-  
**CS Kiran Geryani**  
 ( Company Secretary  
 & Compliance Officer)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND  
FOR THE YEAR ENDED MARCH 31, 2012**
**Note 1. SHARE CAPITAL**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	Amount in Rs.	No of Shares	Amount in Rs.
(a) Authorised				
Equity shares of ' 10/- each with voting rights	4,000,000	40,000,000.00	4,000,000	40,000,000.00
Redeemable preference shares of '100/- each (6% Redeemable Cumulative non Convertible)	350,000	35,000,000.00	350,000	35,000,000.00
(b) Issued				
Equity shares of ' 10/- each with voting rights	647,000	6,470,000.00	647,000	6,470,000.00
Redeemable preference shares of '100/- each (6% Redeemable Cumulative non Convertible)	278,000	27,800,000.00	278,000	27,800,000.00
(c) Subscribed and fully paid up				
Equity shares of ' 10/- each with voting rights	647,000	6,470,000.00	647,000	6,470,000.00
Redeemable preference shares of '100/- each (6% Redeemable Cumulative non Convertible)	278,000	27,800,000.00	278,000	27,800,000.00
(d) Subscribed but not fully paid up	-	-	-	-
		34,270,000.00		34,270,000.00

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 & High Court of Rajasthan has approved the same vide its order dtd 22nd April 2010.

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

Arrears of fixed cumulative dividends on preference shares as at 31 March, 2012 ' 2465442/- (As at 31 March, 2011 '797442/-)

The Preference shares are not be redeemable before three Years ( i.e 8th October 2013) and not later than five years i.e 8th October 2015 from the date of allotment.

**Note 1.1 - The details of shareholders holding more than 5% shares:**

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No of Shares	% held	No of Shares	% held
NEETA SETHIA	40,930	6	40,930	6
RAJ KUMAR SETHIA	150,581	23	150,580	23
CABTECH INDIA PVT LTD	86,074	13	86,074	13
TECHMECH STEEL PVT LTD	32,500	5	32,500	5
MOTI LAL BAID	41,150	6	-	-
<b>Total</b>	351,235	54	310,084	48

Particulars	As at	
	March 31, 2012	March 31, 2011
<b>Note 2. RESERVES &amp; SURPLUS</b>		
2.1 <b>Capital Reserve</b>		
As per last Balance Sheet	70,188,260.80	70,188,260.80
2.2 <b>REVALUATION RESERVE ON LAND &amp; BUILDING</b>		
As per last Balance Sheet	21,017,646.88	21,348,481.88
Less: Utilised for set off against depreciation	330,835.00	330,835.00
Closing Balance	20,686,811.88	21,017,646.88
2.3 <b>Profit and Loss Account</b>		
As per last Balance Sheet	(94,114,118.81)	(153,209,114.75)
Profit for the year	313,618.25	59,094,995.94
Closing Balance	(93,800,500.56)	(94,114,118.81)
<b>TOTAL</b>	<b>(2,925,427.88)</b>	<b>(2,908,211.13)</b>

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Note 3. LONG TERM BORROWINGS</b>		
3.1 Bonds / debentures		
3.2 Term loans		
3.2.1 From banks		
3.2.2 Secured		
3.2.3 Unsecured		
3.2.4 From other parties		
3.3 Deferred payment liabilities		
3.4 Deposits -Unsecured from Dealers		
3.5 Loans and advances from related parties	-	-
3.5.1 Secured	-	-
3.5.2 Unsecured	718,000.00	718,000.00
3.6 Long-term maturities of finance lease obligations	-	-
3.7 Other loans and advances	-	-
3.7.1 Secured	-	-
3.7.2 Unsecured from others	3,827,327.00	3,764,827.00
	<u>4,545,327.00</u>	<u>4,482,827.00</u>
<b>Note 4. Trade Payables</b>		
4.1 Sundry trade Creditors	2156174.50	807461.00
4.2 Outstanding Expenses	272767.00	272578.00
<b>TOTAL</b>	<b>2,428,941.50</b>	<b>1,080,039.00</b>
<b>Note 5. Other Current Liabilities</b>		
Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, etc.)	4,601.00	17,199.00
<b>TOTAL</b>	<b>4,601.00</b>	<b>17,199.00</b>
<b>Note 6. Short Term Provisions</b>		
Provision for Income Tax	75,000.00	200,000.00
<b>TOTAL</b>	<b>75,000.00</b>	<b>200,000.00</b>

### Note 7: FIXED ASSETS

Tangible Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Bal. As on 1/4/2011	Op Bal as of revaluation on 1-4-2011	Addi- tion during the year	Bal. As on 3/31/2012	Depre- ciation Upto 3/31/2011	On Revaluation	During the Period	Total upto 3/31/2012	As on 3/31/2012	As on 3/31/2011
Land										
Leasehold	287419.00	16443581.00	0.00	16731000.00	0.00	0.00	0.00	0.00	16731000.00	16731000.00
Building										
Owned	13325959.12	4960040.88	0.00	18286000.00	5609449.86	330835.00	445088.00	6385372.86	11900627.14	12676550.14
Plant & Machinery										
Owned	89260950.97	0.00	0.00	89260950.97	89260949.97	0.00	0.00	89260949.97	1.00	1.00
Electric fitting										
Owned	3581712.33	0.00	0.00	3581712.33	2040767.87	0.00	170132.00	2210899.87	1370812.46	1540944.46
Furniture & Fixture										
Owned	1506844.06	0.00	0.00	1506844.06	1133465.03	0.00	95384.00	1228849.03	277995.03	373379.03
Office equipment										
Owned	539728.64	0.00	0.00	539728.64	292934.99	0.00	25638.00	318572.99	221155.65	246793.65
Computer & software										
Owned	392736.00	0.00	0.00	392736.00	374764.00	0.00	3593.00	378357.00	14379.00	17972.00
Vehicle										
Owned	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>99227593.77</b>	<b>330835.00</b>	<b>739835.00</b>	<b>100298263.77</b>	<b>30515970.28</b>	<b>31586640.28</b>
FIGURE FOR PREVIOUS Year	(109410612.16)	(21403621.88)	0.00	(130814234.04)	(96701054.71)	(330835.00)	(2195704.06)	(99227593.77)	(31586640.28)	(34113179.34)

7.1 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 ( i.e date of revaluation) was 15 years and depreciation is computed @ 6.67% on revalued assets so as to write off the entire value in residual life of Assets.

7.2 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/-

7.3 The Leasehold land was allotted on 99 year lease w.e.f. 4-10-1991 by RIICO.

7.4 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 the entire value in residual life and the same has been shown reduced from revaluation reserve.

7.5 (i) Details of sums added to assets on revaluation during the preceding 5 years:

Particulars	Year				
	31-Mar-12	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08
Opening balance	21017646.88	21348481.88	21403621.88	-	-
Written off on reduction of capital	-	-	-	-	-
Date	-	-	-	-	-
Amount	-	-	-	-	-
Written off on revaluation or Depreciation	-	-	-	-	-
Date	3/31/2010	3/31/2010	3/31/2010	-	-
Amount	-	-	-	-	-
Added on revaluation - Land	-	-	-	-	-
Date	-	-	-	10/5/2008	-
Amount	-	-	-	16443581.00	-
Added on revaluation - Building	330835	330835	55140	-	-
Date	-	-	-	10/5/2008	-
Amount	-	-	-	4960040.88	-
Balance as at 31 March	20686811.88	21017646.88	21348481.88	21403621.88	-

7.6 Depreciation and amortisation relating to continuing operations:

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
Depreciation and amortisation for the year on tangible assets	1,070,670.00	2,526,539.06
Depreciation and amortisation for the year on intangible assets	-	-
Less: Utilised from revaluation reserve	330,835.00	330,835.00
Depreciation and amortisation relating to discontinuing operations	-	-
Depreciation and amortisation relating to continuing operations	739,835.00	2,195,704.06

Particulars	As at March 31, 2012	As at March 31, 2011
-------------	-------------------------	-------------------------

**Note 8. Long Term Loans and Advances**

8.1 **Capital advances**

8.2 **Security deposits**

8.2.1 Secured, considered good

8.2.2 Unsecured, considered good

8.3 **Advance income tax - Unsecured, considered good**

8.4 **Balances with government authorities**

Unsecured, considered good

(i) CENVAT credit receivable

(ii) VAT credit receivable

(iii) ESI Demand Under Protest

(Deposited with ESI under protest against demand for the period from October 2007 to December 2008 during which period the factory was closed. This demand has been challenged by the company in appropriate court.)

8.5 Other loans and advances

8.6 Loans & Advances due from Directors – Nil and due from officers Rs. Nil (Maximum amount due at any time during the year Rs. NIL)

**NOTE -9 : CURRENT INVESTMENT (AT COST)**

A. GOVT. SECURITIES

National Saving Certificate pledged with Govt. deptt. As security (at face value)

	170325.00	153495.00
	102,306.00	102,306.00
	92,035.00	92,035.00
	-	-
	-	-
	-	-
	364,666.00	347,836.00
	3,000.00	3,000.00
	3,000.00	3,000.00

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Note 10. Inventories</b>		
a Raw Material	201,413.00	483139.00
a.1 Goods In Transit	-	362851.00
b Stock-in-trade	49,981.00	778739.00
c Finished & Semi Finished Good (At estimated cost)		
Finished Goods- Socks	518,049.00	0.00
Semi Finished goods	457,808.00	343998.00
Rejected Goods ( At realisable Value)	12,420.00	0.00
Waste goods ( At realisable value)	6,920.00	0.00
d Packing Material	20,643.00	27200.00
<b>TOTAL</b>	<b>1,267,234.00</b>	<b>1,995,927.00</b>
10.1 Inventories are taken and valued at lower of cost or net realisable value as certified by the management. Cost is valued on Average rate method for raw material and FIFO method for others.		
10.2 Finished goods and work in progress are valued at lower of cost or net realisable value. Cost of finished goods includes cost of conversion and other cost incurred in bringing the inventories to their present location and condition.		
<b>Note 11. Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	-
Other Trade receivables		
Unsecured, considered good	5,702,273.00	2,656,073.00
<b>TOTAL</b>	<b>5,702,273.00</b>	<b>2,656,073.00</b>
<b>Note 12. Cash and Cash Equivalents</b>		
12.1 Cash on hand	334,278.36	84,401.36
12.2 Cheques, drafts on hand	-	-
12.3 Balances with banks		
(i) In current accounts	23804.00	14778.00
(ii) In deposit accounts	-	-
(iii) In earmarked accounts for Share Allotment	7652.00	8532.25
<b>TOTAL</b>	<b>365,734.36</b>	<b>107,711.61</b>
<b>Note 13. Short Term Loans and Advances</b>		
<b>Unsecured &amp; Considered Good</b>		
(a) Loans and advances to related parties	-	-
(b) Security deposits	-	-
(c) Loans and advances to employees	-	-
(d) Prepaid expenses - Unsecured, considered good	8,224.00	-
(e) Balances with government authorities	-	-
<b>Unsecured, considered good</b>		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	5,957.00	-
(iii) Ed. Cess & SHEC	-	-
(f) Inter-corporate deposits	-	-
(g) Advance to suppliers	165,383.00	444,666.00
<b>TOTAL</b>	<b>179,564.00</b>	<b>444,666.00</b>
13.1 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.		
Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
<b>Note 14. Revenue from Operations</b>		
<b>Sale of Products -Manufactured goods</b>		
Socks	7391749.00	8048444.00
Job work revenue from Socks manufacturing	6431949.00	3246930.00
<b>Sale of Products -Traded goods</b>		
Yarn	11100609.00	19153456.00
Less: Excise Duty	(849,749.00)	-
<b>Net Revenue from Operations</b>	<b>24,074,558.00</b>	<b>30,448,830.00</b>

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
<b>Note 15. Other Income</b>		
Liabilities no longer required written off	0.00	22,448.00
Misc income cash discount	0.00	63,433.00
<b>TOTAL</b>	<b>-</b>	<b>85,881.00</b>

**Note 16. Cost of Material Consumed**

Particulars	Cotton	Nylon,Elastic & Rubber	Lycra	TOTAL
<b>A: Material cost for manufacturing</b>				
Opening Stock of Raw Material	<b>454776.00</b>	<b>28363.00</b>	<b>0.00</b>	<b>483139.00</b>
	(112820.00)	(72305.00)	(15857.00)	<b>(200982.00)</b>
Purchases	<b>8966000.00</b>	<b>759176.00</b>	<b>0.00</b>	<b>9725176.00</b>
	(5054826.44)	(1063830.02)	0.00	<b>(6118656.45)</b>
Closing stock	<b>168094.00</b>	<b>33319.00</b>	<b>0.00</b>	<b>201413.00</b>
	(454776.00)	(28363.00)	0.00	<b>(483139.00)</b>
Goods In Transit	0.00	0.00	0.00	<b>0.00</b>
	(362851.00)	0.00	0.00	<b>(362851.00)</b>
Cost Of material consumed	<b>9615533.00</b>	<b>754220.00</b>	<b>0.00</b>	<b>10369753.00</b>
	(4350019.44)	(1107772.02)	(15857.00)	<b>(5473648.45)</b>
<b>B. Material cost of goods sold</b>				
Purchases	8234409.50	0.00	0.00	<b>8234409.50</b>
	(17741007.56)	(483491.98)	(0.00)	<b>(18224499.55)</b>
(Figures in brackets ( ) relates to previous year)				

**Note 17. Change in Inventories**

Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
<b>Inventories at the end of the year:</b>		
Finished goods	518049.00	0.00
Work-in-progress	477148.00	343998.00
Stock-in-trade	49981.00	778739.00
<b>Total</b>	<b>1,045,178.00</b>	<b>1,122,737.00</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	0.00	100452.00
Work-in-progress	343998.00	79371.00
Stock-in-trade	778739.00	361686.00
<b>Total</b>	<b>1,122,737.00</b>	<b>541,509.00</b>
<b>Net (increase) / decrease</b>	<b>77559.00</b>	<b>(581228.00)</b>

**Note 18. Employee Benefit Expenses**

Salary & Wages	<b>1,779,874.00</b>	<b>1,103,147.00</b>
Employers Contribution to P.F. and E.S.I.	<b>34,154.00</b>	<b>41,589.00</b>
Staff Welfare	<b>8,987.00</b>	<b>7,922.00</b>
<b>TOTAL</b>	<b>1,823,015.00</b>	<b>1,152,658.00</b>

**Note 19. Finance Costs**

Interest expense on:		
19.1 Borrowings		
a )Bank Loan	-	-
b) Other loans & Security Deposits	-	-
19.2 Trade payables	-	-
19.3 Other borrowing costs		
a) Interest on tds & Excise duty.	2111.00	0.00
	<b>2111.00</b>	<b>0.00</b>

**Note 20. Other Expenses**
**20.1 MANUFACTURING EXPENSES**

1 Power & Fuel	1255482.00	1,002,179.00
2 Stores & Spares	186832.00	40,159.00
3 Freight & Cartage	8018.00	85,815.00



Particulars	For the year ended 31/03/2012	For the year ended 31/03/2011
4 Packing Material	619855.50	507,915.00
5 Repair & Maintenance		
- Building	22809.00	118,867.00
- Plant & Machinery	18,524.00	411946.00
<b>TOTAL</b>	<b>2111520.50</b>	<b>2166881.00</b>
<b>20.2 ADMINISTRATIVE EXPENSES</b>		
1. Advertisement & Publicity	92,342.00	142961.00
2. Bank Charges	2963.25	4158.00
3. Audit Fee	25000.00	25000.00
4. Conveyance	13410.00	9351.00
5. Filling Fees	1000.00	5700.00
6 .Miscellaneous Expenses	4833.50	2884.00
7. Postage ,Telephone, Telegram	12706.00	108,354.00
8. Printing & Stationery	30776.00	118945.00
9. Legal & Professional	35565.00	214412.00
10. Listing expenses	41914.00	97975.00
11. Sales Promotion	0.00	920.00
12. Stock Exchange Fee	26196.00	0.00
13. Economic Rent	8221.00	83840.00
14. Security charges	18025.00	-
15. Share Transfer exp.	23086.00	23,052.00
<b>TOTAL</b>	<b>336037.75</b>	<b>837552.00</b>
20.3 Payments to the auditors comprises		
As auditors - statutory audit	20000.00	20000.00
For taxation matters	5000.00	5000.00
For other services	-	-
<b>TOTAL</b>	<b>25000.00</b>	<b>25000.00</b>

## Note 21 Significant Accounting Policies

- 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
- i 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.
  - ii 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.
  - iii 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 are stated at cost.
- E 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.

**Note 22 Notes on Accounts**

- 1 The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figure have accordingly been regrouped/reclassified, to correspond with the current year's classification/ disclosure.
- 2 Contingent Liabilities
- |  |           |           |
|--|-----------|-----------|
|  | 2011-12   | 2010-11   |
| Claims against company not acknowledged as debts*  | 142048.00 | 142048.00 |
| * Demand of Rs.1,42,048 raised by Land & Building Tax Deptt.<br>Which is challenged by the company in appropriate court. | 92035.00  | 92035.00  |
- (Deposited with ESI under protest against demand for the period from October 2007 to December 2008 during which period the factory was closed . This demand has been challenged by the company in appropriate court.)
- 3 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.
- 4 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.
- 5 Related Party Disclosure as per Accounting Standard (AS 18) issued by Institute of Chartered Accountants of India.

Name of the Party	High Street Fashions Pvt Ltd	Golden Girl Fashions	Raj Kumar Sethia
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.	Promoter of our Company
Op. Balance	1188401.00 dr.	63580.00 cr.	654274.00 cr,
Purchases	6451752.00	0.00	0.00
Sales	19416985.00	0.00	0.00
Receipts	16620575.00	0.00	62500.00
Payments	103000.00	63580.00	
Closing Balance	1436941 cr.	0.00	716774.00 cr.

- 6 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:

(In Lacs)

Particulars	2011-12	2010-11
Segment Revenue		
(a) Manufacturing of Socks	129.74	112.95
(b) Trading of Yarn	111.00	191.53
(c) income from other sources	0.00	0.86
Total	240.74	305.34
less : Intersegment Revenue	0.00	0.00
Turnover/ Income from Operation	240.74	305.34
Segment wise result (Before Interest & tax)		
(a) Manufacturing of Socks	-3.65	4.55
(b) Trading of Yarn	7.48	5.24
( c ) income from other sources	0.00	0.86
Total	3.83	10.65
less: Interest paid	0.02	0.00
less: Unallocable charges/ expenditure	0.00	0.00
Total Profit before tax	3.81	10.65
Capital Employed (Segment assets- Segment Liabilities)		
(a) Manufacturing of Socks	312.52	293.25
(b) Trading of Yarn	1.68	20.37
<b>Total</b>	<b>314.20</b>	<b>313.62</b>

Secondary segment information

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

7 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.

8 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 was 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.

9 Expenditure /Income in foreign Currency	2011-12	2010-11
C.I.F. Value of Imports	0	0
Raw Material	0	0
Spares	0	0
Expenditure in foreign Currency( on payment basis) On account of Travelling	0	0
Earning In foreign Exchange		
F.O.B Value of Export	0	0

10 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details		State Code- 17	
Registration No.		8386	
Balance sheet Date		31st March, 2012	
II) Capital Raised during the year			( Amount in Rs/lakhs)
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III) Position of Mobilisation and Deployment of Funds			
Total Liabilities	383.98	Total Assets	383.98
EQUITY & LIABILITIES			
Paid-up-capital	342.70	Reserves and Surplus	-29.25
Non Current Liabilities	45.45	Current Liabilities	25.09
ASSETS			
Net Fixed Assets	305.16	Investments	0.00
Current Assets	75.18	Non Current Assets	3.64
IV) Performance of Company			
Turnover/(Total Income)	240.75	Total Expenditure	236.94
Profit before Tax	3.80	Profit after Tax	3.14
Earning per Share (Rs)	0.48	Dividend Rate %	NIL
V) Generic Names of principal Products of Company			
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 of Directors

**For N. BHANDARI & CO.**

Chartered Accountants

Firm Reg. No: 03185C

Sd/-

**(N. Bhandari)**

Partner

M.No. 71710

Place : Jaipur

Date: 22-08-2012

Sd/-

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

Sd/-

**Rajdeep Ghiya**  
(Director)

Sd/-

**CS Kiran Geryani**  
( Company Secretary  
& Compliance Officer)

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

(Rs. In lacs)

	Year Ended March 31, 2012	Year Ended March 31, 2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	3.80	10.65
Adjustments for :		
Depreciation	7.40	21.96
Prior years adjustment	0.08	0.00
Profit/ Loss on sale of fixed Assets / or from Investment etc	0.00	0.00
Interest & other income on investments	0.00	0.00
Interest	0.02	0.00
Operating profit before working capital changes	11.31	32.61
Adjustments for :		
Trade and other Receivables	(27.81)	(17.17)
Inventories	7.29	(12.53)
Trade Payables	12.11	1.67
Cash generated from operations	2.89	4.57
Interest paid	0.02	0.00
Direct taxes paid	0.75	0.00
CASH FLOW BEFORE EXTRAORDINARY ITEMS	2.12	4.57
Extraordinary items-Deferred Revenue Expenses		
Net Cash from operating activities :	2.12	4.57
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.00	0.00
Sales of fixed assets	0.00	0.00
Acquisitions of Companies (As per Annexure)		
Purchases of Investments		
Loans/Deposits Received back/ Loans given	(0.17)	0.00
Sales of Investments	0.00	0.00
Interest received and other income	0.00	0.00
Dividend received		
Net cash used in investing activities	(0.17)	0.00
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	0.00	278.00
Proceeds from long term borrowings	0.63	0.00
Repayment of Long term loans	0.00	(287.60)
Dividends paid		
Preliminary Expenses	0.00	0.00
NET CASH FROM FINANCING ACTIVITIES	0.63	(9.60)
Net increase/(decrease) in cash and cash equivalents ( A+B+C)	2.58	(5.03)
Cash and Cash Equivalents as at 1-4-2011 ( Opening Balance)	1.07	6.10
Cash and Cash equivalents as at 31-3-2012( Closing Balance)	3.66	1.07

Sd/-  
**K.K Ghiya**  
(W.T. Director)

Sd/-  
**Rajdeep Ghiya**  
(Director)

Sd/-  
**CS Kiran Geryani**  
(Company Secretary & Compliance Officer)

**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 2012 and 31st March 2011. 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  
Sd/-  
**(N. Bhandari)**  
Partner  
M.No. 71710

Place : Jaipur  
Date: 22-08-2012

**HIGH STREET FILATEX LIMITED**

Venue : B-17, IIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006  
18<sup>th</sup> Annual General Meeting on Tuesday, September 25, 2012

**PROXY FORM**

I/we \_\_\_\_\_, resident of \_\_\_\_\_ in the district of \_\_\_\_\_ in the State of \_\_\_\_\_ being a shareholder of **M/S HIGH STREET FILATEX LIMITED**, hereby appoint \_\_\_\_\_, resident of \_\_\_\_\_, in the district of \_\_\_\_\_, in the state of \_\_\_\_\_ as my/our proxy in my our absence to attend and vote for me/us and on my/our behalf at the 18th ANNUAL GENERAL MEETING of the Company to be held on Tuesday , Sept 25, 2012 at 11.30 A. M. at **B-17, IIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006**, the registered office of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Name of Shareholder :

Registered Folio No. :

No. of Shares Held :

DP ID :

Client ID :

**Affix Revenue Stamp of Re. 1 (Pl. sign across the stamp)**

**NOTES:**

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not to be a member.
3. This form in order to be effective must be duly stamped, signed and completed and must be deposited at the registered office of the Company at **B-17, IIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006** not less than 48 hours before the commencement of the meeting.

**HIGH STREET FILATEX LIMITED**

Venue : B-17, IIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006  
18<sup>th</sup> Annual General Meeting on Tuesday, September 25, 2012

**ATTENDANCE SLIP**

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

DP ID \_\_\_\_\_

Client ID \_\_\_\_\_  
(If shares are in Demat Form)

Folio No. \_\_\_\_\_  
(If shares are in Physical Form)

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

No. of Shares Held \_\_\_\_\_

Name of Proxy \_\_\_\_\_  
(To be filled in only when a Proxy attends a Meeting)

I hereby record my presence at the 18th Annual General Meeting of the Company held on Tuesday, September 25, 2012 at 11.30 A. M. at **B-17, IIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006** the registered office of the Company.

\_\_\_\_\_  
Signature of the Member/Proxy/  
Authorized Representative

**NOTES:**

1. A Member/ Proxy should bring his/her Annual Report for reference at the meeting.
2. Only member/proxy can attend the meeting. No minors would be allowed at the meeting.
3. Member/ Proxy who wish to attend the meeting must bring this attendance slip to meeting and handover at the entrance duly filled in and signed.

**BOOK-POST  
(Printed Matter)**

**HIGH STREET FILATEX LIMITED**

Venue : B-17, IIIND FLOOR, 22 GODOWN INDUSTRIAL AREA, JAIPUR-302006