
SRI ARUMUGA COTTSPIN PRIVATE LIMITED

SIXTH ANNUAL REPORT - 2009 - 2010

BOARD OF DIRECTORS

Sri. T. RAJKUMAR

Sri. K. DHANAKUMAR

Sri. T.K. DHANASHEKAR

AUDITORS

Sri. R. Rajasekar

Chartered Accountant

Coimbatore

REGISTERED OFFICE

104, Appusamy Layout
Redfields

Coimbatore - 641 045

Tamilnad.

FACTORY

Mill Premises,
Pollachi Main Road

Anamalai

Pollachi TK

Coimbatore Dt.

BANKERS

Indian Overseas Bank

Park Square Branch

1027, Avinashi Road

Upplilpalayam

Coimbatore - 641 018.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Sixth Annual General Meeting of the Company will be held on Saturday, the 12th June, 2010, at 11.00 a.m. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and the Auditors thereon.
2. To appoint a director in place of Sri T Rajkumar, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and to fix their remuneration.

Notes :

1. *A member entitled to vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy MAY NOT BE a member of the Company.*
2. *The duly completed proxy forms shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.*

Place : Coimbatore
Date : 14.05.2010

By Order of the Board
T Rajkumar
Director

DIRECTORS' REPORT

Dear members,

Your Directors have great pleasure in presenting the Sixth Annual Report of the Company along with the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ending on that date.

Financial Results :

(Rs. Lakhs)

Particulars	2009-10	2008-09
Total Income	2493.17	1980.83
Total Expenditure	2157.35	1770.04
Operating Profit	335.82	210.79
Less : Interest	135.89	111.67
Profit Before Depreciation	199.93	99.12
Less : Depreciation	45.32	29.16
Net Profit for the Year	154.61	69.96

Review of the Operations

Your Company has commanded good customer base over the weaving centres based out of Tamilnadu, Maharashtra and Westbengal. Your Directors are glad to report net profit of around Rs.155 lakhs for the year.

Your Directors wish to further modernise the mills by installing more autoconer machinery and have initiated the process by placing order for the same. Your Directors have approached banks for financing the modernisation program and are hopeful of getting the same in time.

Your Company has become a Subsidiary Company of New Horizon Leasing & Finance Limited under Section 4(1)(b)(ii) of the Companies Act 1956.

Your Directors are hopeful of reporting better profits for the current year in view of the improved demand in market conditions prevailing for the last six months.

Dividend

Since your Directors wish to strengthen the working capital base of the Company, no dividend is recommended for the year under review.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

Statutory Information

The Company has not accepted any Fixed Deposit during the year.

There is no employee drawing remuneration exceeding the limits specified under section 217(2A) of the Companies Act, 1956.

The particulars as required under section 217(1)(e) of the Companies Act, 1956 are annexed.

Directors' Responsibility Statement

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

1. All applicable Accounting Standards have been followed in the preparation of the annual accounts and that there are no material departure;
2. Such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010 and of the Profit of the Company for the year ended on that date;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

Retirement of Director

Sri T Rajkumar, Director retires by rotation at the ensuing Annual General Meeting of the Company and offers himself for reappointment.

Appointment of Auditor

Sri R Rajasekar, B.Com. FCA, the retiring auditor, being eligible for re-appointment offers himself for re-appointment

Reply to Auditor's qualification

Your company is in process of finding a suitable candidate for appointment as full time Company Secretary

Acknowledgement

Your Directors acknowledge with gratitude the co-operation received from the Indian Overseas Bank, Customers and Suppliers. Your Directors also wish to thank the members for their support and place on record their appreciation for the contribution made by the employees at all levels.

Place : Coimbatore

Date : 14.05.2010

By Order of the Board

T Rajkumar

Director

ANNEXURE TO DIRECTORS' REPORT
Particulars required under Section 217(1)(e)

Conservation of Energy

Conservation of energy continues to receive increased emphasis. Our technicians for identifying the opportunities for saving energy periodically review the ongoing processes.

Research & Development

The mill is a member of the South India Textile Research Association. The Association conducts wide range of researches applicable to textile industry.

Technology Absorption

Wherever applicable, the mill adopts advices of the South India Textile Research Association. Also, in order to gain updated knowledge, the technicians of the mill are frequently interacting with those belong to our sister concerns and other groups of mills.

Form A
Conservation of Energy

A. Power and Fuel Consumption	31.03.2010	31.03.2009
1. Electricity		
a) Purchased		
Units	6581284	4225764
Amount - Rs	30734600	21720956
Rate per Unit - Rs	4.67	4.50
2. Own Generation		
a) Through Diesel Generator		
Amount	2132781	469529
Units per litre of Diesel Oil	3.04	3.05
Cost per Unit - Rs	12.11	11.70
3. Other Fuels	Not Used	Not Used
B. Consumption per Kg of yarn:		
(Production considered at actual counts)		
Electricity (KWH)	2.72	1.32

**AUDITORS' REPORT
TO THE MEMBERS OF
SRI ARUMUGA COTTSPIN PRIVATE LIMITED**

Ladies and Gentlemen,

1. We report that we have audited the Balance Sheet of SRI ARUMUGA COTTSPIN PRIVATE LIMITED as at 31st March, 2010 and the Profit & 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.
2. We conducted the 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, disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 1 & 2 above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our Audit.
 - b) In our opinion, proper books of account as required by law have been kept so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the Books of Account.
 - d) In our opinion the Profit & Loss Account and Balance Sheet read together with the notes thereon comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

- e) On the basis of written representation received from all the Directors as of 31st March, 2010 and taken on record by the Board of Directors, We report that none of the Directors are disqualified as of 31st March, 2010 from being appointed as Directors in terms of Section 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and according to the information and explanations given to us and on the basis of such checks as we considered appropriate, the said Balance Sheet and Profit & Loss Account 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
- (i) in the case of the Balance Sheet, of the STATE OF AFFAIRS as at 31stMarch, 2010
- and
- (ii) in the case of the Profit & Loss Account, of the PROFIT for the period ended on that date
- (iii) *The company has not appointed a full time Company Secretary*

Place : Coimbatore
Date : 14.05.2010

R Rajasekar
Chartered Accountant
M.No.028404

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT
OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF
SRI ARUMUGA COTTSPIN PRIVATE LIMITED**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off substantial part of fixed assets.
- (ii) (a) The Stock in trade (including raw material) and stores, spare parts of the Company at all its locations have been physically verified by the Management during the year.
- (b) In our opinion, the procedures for physical verification of stock followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- (iii) In our opinion, the internal control procedures of the Company relating to purchases of stores, raw materials including components, plant & machinery, equipments and other similar assets and for sale of goods & services are commensurate with its size and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- (iv) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevalent market prices at the relevant time.

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

- (v) The Company has not accepted deposits from public and the provisions of Sections 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
- (vi) In our opinion, the Company's internal audit system is commensurate with its size and nature of its business.
- (vii) The provisions of the Companies Act for maintenance of Cost Records under Section 209(1)(d) are not applicable to the Company.
- (viii) (a) The Company is regular in depositing with the appropriate authorities the undisputed statutory dues relating to income tax, sales tax, service tax, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us and the records of the Company examined by us there are no dues of income tax, excise duty, cess and service tax which have not been deposited on account of any dispute.
- (ix) The Company has not incurred cash losses during the financial year covered by our audit.
- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xi) The Company has not granted loans and advances on the basis of security of pledge of shares, debentures and other securities.
- (xii) The provisions of any special statute applicable to a chit fund / nidhi / mutual benefit fund / society are not applicable to the Company.
- (xiii) The Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xiv) The Company has not given guarantees for loans taken by others from bank or financial institutions.

- (xv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- (xvii) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xviii) According to the information and explanations given to us, the Company has not raised funds by public issues during the year covered by our audit report.
- (xix) According to the information and explanations given to us and on the basis of our examination of books & records of the Company in accordance with the generally accepted auditing practices, no fraud on or by the company has been noticed or reported during the year.

Place : Coimbatore
Date : 14.05.2010

R Rajasekar
Chartered Accountant
M.No.028404

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010 Rs	31.03.2009 Rs
SOURCES OF FUNDS			
1. Share Capital	1	70,000,000	70,000,000
2. Share Application Money		30,000,000	-
3. Reserves & Surplus	2	19,444,049	10,188,179
4. Secured Loans	3	70,359,608	75,806,114
5. Deferred Taxation		3,890,612	157,320
TOTAL - A		193,694,269	156,151,613
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	122,749,117	113,357,273
Less : Depreciation		13,729,845	9,197,890
		109,019,272	104,159,383
Current Assets, Loans & Advances			
A. Current Assets			
1. Closing Stock		76,111,538	71,058,000
2. Sundry Debtors		47,444,755	22,489,805
3. Cash & Bank Balances		671,030	146,942
4. Loans & Advances		19,815,895	7,607,971
		144,043,218	101,302,718
LESS : Current Liabilities & Provisions	4	59,368,221	49,310,488
Net Current Assets		84,674,997	51,992,230
TOTAL - B		193,694,269	156,151,613

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

ANNUAL REPORT 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

PARTICULARS	SCHEDULE	AS AT	
		31.03.2010 Rs	31.03.2009 Rs
INCOME			
Sales	7	267,807,940	148,440,560
Increase / Decrease In Stock-in-trade	8	(19,222,703)	49,620,775
Other Income		732,168	21,353
TOTAL		<u>249,317,405</u>	<u>198,082,688</u>
EXPENDITURE			
Raw Material Consumption	9	160,557,457	131,159,616
Wages & Salaries	10	12,487,709	10,252,628
Repairs & Maintenance	11	1,960,204	1,782,999
Other Manufacturing Expenses	12	36,764,704	31,496,906
Interest & Financial Charges	13	13,588,877	11,166,785
Administrative Expenses	14	2,501,823	1,802,636
Marketing Expenses	15	1,463,605	507,743
Depreciation	5	4,531,955	2,916,512
TOTAL		<u>233,856,334</u>	<u>191,085,825</u>
Nett Profit (+) / Loss (-) For The Year		15,461,071	6,996,863
Brought Forward From Previous Year		10,188,179	5,278,141
Prior Year Income (+) / Expenditure (-)	16	(98,372)	(45,353)
Deferred Tax (asset) / Reserve		(3,733,292)	1,283,588
Provision For Incometax		(2,373,537)	757,884
Profit (+) / Loss (-) Transferred To Balance Sheet		<u>19,444,049</u>	<u>10,188,179</u>

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 1 SHARE CAPITAL		
Authorised Capital		
100,00,000 Equity Shares of Rs.10/- each (Previous Year 80,00,000 of Rs.10/- each)	100,000,000	80,000,000
	<u>100,000,000</u>	<u>80,000,000</u>
Issued, Subscribed and Paid-up		
70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
Share Application Money	30,000,000	—
	<u>100,000,000</u>	<u>70,000,000</u>
SCHEDULE - 2 RESERVES AND SURPLUS		
Profit & Loss Account	19,444,049	10,188,179
	<u>19,444,049</u>	<u>10,188,179</u>
SCHEDULE - 3 SECURED LOANS		
Term Loans with IOB	35,033,052	40,422,789
Cash Credit with IOB	35,326,556	35,383,325
	<u>70,359,608</u>	<u>75,806,114</u>
SCHEDULE - 4 CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	52,081,372	36,661,066
Liabilities for Expenses	3,086,540	1,588,101
Current Account with Directors	576,552	9,811,101
Provisions	3,623,757	1,250,220
	<u>59,368,221</u>	<u>49,310,488</u>

SCHEDULE – 5 FIXED ASSETS SCHEDULE FOR THE YEAR ENDED MARCH 2010

Particulars	(Rupees)									
	As on 01.04.2009	Gross Additions	Block Sales / Transfer	As on 31.03.2010	Upto 01.04.2009	Depreciation For the year	Upto 31.03.2010	Net W.D.V. as on 31.03.2010	Block W.D.V. as on 1.04.2009	
Land	1,237,500	-	-	1,237,500	-	-	-	1,237,500	1,237,500	
Buildings	12,932,497	-	-	12,932,497	1,025,668	431,945	1,457,613	11,474,884	11,906,829	
Plant & Machinery	48,263,616	32,569,338	-	80,832,954	8,110,182	4,072,343	12,182,525	68,650,429	40,153,434	
Furniture & Fixtures	147,698	-	-	147,698	22,581	9,349	31,930	115,768	125,117	
Computers	113,000	-	-	113,000	39,459	18,317	57,776	55,224	73,541	
Work in Progress	50,662,962	-	23,177,494	27,485,468	-	-	-	27,485,468	50,662,962	
Total	113,357,273	32,569,338	23,177,494	122,749,117	9,197,890	4,531,955	13,729,845	109,019,272	104,159,383	
Figures: Previous Year	58,422,181	54,935,092	-	113,357,273	6,281,378	2,916,512	9,197,890	104,159,383	52,140,803	

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2010

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 6		
CURRENT ASSETS		
Stock-in-Trade		
Cotton	29,120,533	4,913,210
Work-in-process	11,739,508	16,178,980
Yarn	33,740,407	48,610,640
Waste	548,720	461,718
Stores	962,370	893,452
	76,111,538	
Sundry Debtors		
Outstanding for more than 6 months	-	
Others	47,444,755	22,489,805
	47,444,755	
Cash in hand and with banks		
Cash in hand	638,560	
Cash with banks	32,470	146,942
	671,030	
DEPOSITS		
Electricity Board	1,343,108	
Telephone Department	5,000	
Salestax	5,000	
Deposit with Banks	11,250,548	7,221,518
	12,603,656	
LOANS & ADVANCES		
Staff and Labour Advances	442,725	
Advance For Purchases	6,769,514	386,453
	7,212,239	
	144,043,218	101,302,718

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 7 SALES		
Yarn Sales	265,169,410	146,960,920
Waste Sales	2,638,530	1,479,640
	267,807,940	148,440,560
SCHEDULE - 8 INCREASE / DECREASE IN STOCKS		
Closing Stock		
Yarn	33,740,407	48,610,640
Work-in-process	11,739,508	16,178,980
Waste	548,720	461,718
	46,028,635	65,251,338
Less : Opening Stock		
Yarn	48,610,640	15,630,563
Work-in-process	16,178,980	49,620,775
Waste	461,718	
	(19,222,703)	49,620,775
SCHEDULE - 9 RAW MATERIAL CONSUMPTION		
Opening Stock	4,913,210	6,847,394
Add : Purchases less Returns	184,515,860	129,107,569
Add : Purchase & Cleaning Expenses	248,920	117,863
Less : Closing Stock	29,120,533	4,913,210
	160,557,457	131,159,616
SCHEDULE - 10 WAGES AND SALARIES		
Salaries and Wages	11,114,061	9,127,582
Training Expenses	575,683	472,831
Staff & Labour Welfare	797,965	652,215
	12,487,709	10,252,628

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 11 REPAIRS & MAINTENANCE		
Building Maintenance	261,452	127,853
Machinery Maintenance	1,246,772	1,242,658
Electricals Maintenance	379,450	346,746
Office Maintenance	72,530	65,742
	<u>1,960,204</u>	<u>1,782,999</u>
SCHEDULE - 12 OTHER MANUFACTURING EXPENSES		
Power and Fuel	32,867,381	27,108,994
Doubling & Reeling Charges	-	1,374,381
Stores and Consumables		
Opening Stock	893,452	
Add : Purchases	3,879,501	
Add : Freight Inwards	86,740	
Less: Closing Stock	<u>962,370</u>	
	<u>3,897,323</u>	<u>3,013,531</u>
	<u>36,764,704</u>	<u>31,496,906</u>
SCHEDULE - 13 INTEREST AND FINANCIAL CHARGES		
Interest and Bank Charges	13,291,158	11,029,333
Other Financial Charges	297,719	137,452
	<u>13,588,877</u>	<u>11,166,785</u>
SCHEDULE - 14 ADMINISTRATIVE EXPENSES		
Auditor Fees	42,000	65,000
Insurance Charges	260,859	217,540
Licenses & Taxes	485,741	496,573
Security charges	427,936	351,291
Legal & Professional Charges	22,730	53,000
Postage, Telegrams & Telephones	175,773	166,457
Printing & Stationery	57,546	89,472
Travelling Expenses	534,101	184,946
Vehicle Maintenance	426,145	146,894
Donation	11,350	18,000
General Expenses	57,642	13,463
	<u>2,501,823</u>	<u>1,802,636</u>

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED
31st MARCH 2010**

PARTICULARS	AS AT	
	31.03.2010 Rs	31.03.2009 Rs
SCHEDULE - 15 MARKETING EXPENSES		
Freight Outwards	34,250	11,458
Sales commission	886,685	-
Consignment Sales Expenses	542,670	496,285
	1,463,605	507,743
SCHEDULE - 16 PRIOR YEAR INCOME & EXPENDITURE		
Income	-	-
Less : Expenditure		
Prior Year Expenses	98,372	45,353
	(98,372)	(45,353)

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

I. Significant Accounting Policies

a) General

The financial statements are prepared on historical cost basis and as per the fundamental accounting assumptions viz., going concern, consistency and accrual.

b) Fixed Assets

Fixed Assets have been stated at historical cost of acquisition, installation and commissioning less accumulated depreciation and modvat benefits on capital goods. Depreciation is charged on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

c) Inventories

Raw materials are valued at cost. Work in progress and finished goods are valued at selling price or net realizable value whichever is lower. Stores and spares are valued at cost.

II. Notes on Accounts

1. Installed Capacity	31.03.2010	31.03.2009
a) Installed Capacity in Spindles	15,576	15,576
b) There is no foreign currency transaction during the year.		
c) There are no outstandings to small scale industrial undertakings for more than 30 days		
d) Expenditure in foreign currency – Nil (Previous year – Nil)		
e) Income in foreign currency – Nil (Previous year – Nil)		
2. Quantitative Particulars	31.03.2010	31.03.2009
A) Raw Materials (kgs) Cotton		
i) Opening Stock	71,205	110,442
ii) Purchase during the year	2,932,984	1,957,961
iii) Consumption	2,584,343	1,997,198
iv) Sales	-	-
v) Closing Stock	419,846	71,205
B) Production & Sales – Kgs		
i) Opening Stock	360,078	112,082
ii) Production	1,858,718	1,339,470
iii) Sales	1,967,323	1,091,474
iv) Closing Stock	251,473	360,078

3. The Company has obtained Term Loan from Indian Overseas Bank for Rs.480 Lacs (Outstanding as on 31.3.2010 is Rs.350.33 Lacs) and also obtained Cash Credit facility for Rs.350 Lacs (Outstanding as on 31.3.2010 is Rs.353.27 Lacs) by hypothecation of machinery, land, buildings along with personal guarantee by the directors.
4. Taking into consideration in time gap due to claiming depreciation, deferred taxation for Rs.37,33,292/- (PY Rs.12,83,588/-) has been claimed in the books.
5. Sundry Debtors are considered good and unsecured consisting of the following.
 1. Sundry Debtors includes debts from the same management within the meaning of Sec 379(IB) of the Companies Act, 1956 is Nil (PY=Nil)
 2. Debts outstanding for more than 6 months is Nil (PY=Nil)
6. Amounts due from officers of the company under staff advance is Rs.442725/- (PY=Nil)
7. There is no claim against the company not acknowledged as debt.
8. Auditor remuneration Rs.42, 000/- per annum. (last year–Rs.35,000/-)
9. Commission paid to New Horizon Leasing & Finance Limited is Rs.713,967/- (PY Nil) TDS deducted is Rs.71,396/- (PY Nil)
10. In my opinion the Balance Sheet, Profit and Loss Account referred in my report comply with Accounting Standards referred in Section 211 of the Companies Act, 1956.
11. Previous year figures have been re-grouped wherever necessary.

As per my report of even date

For and on behalf of the Board

R Rajasekar
Chartered Accountant
M.No. 028404

T Rajkumar
Director

Place : Coimbatore
Date : 14.05.2010

K Dhanakumar
Director

SRI ARUMUGA COTTSPIN PRIVATE LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration Number	U17111TZ2004	State Code	18
	PTC011160		
Balance Sheet Date	31.03.2010		

II Capital Raised During the Year

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III Position of Mobilisation and Deployment of Funds (Amount in Thousands)

Total Liabilities	193,694	Total Assets	193,694
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Sources of Funds

Paid up Capital &			
Application Money	100,000	Reserves & Surplus	19,444
Secured Loans	70,360	Un-secured Loans	Nil

Application of Funds

Net Fixed Assets	109,019	Investments	Nil
Net Current Assets	85,943	Miscell. Expenditure	Nil

IV Performance of the Company

Total Income	249,317	Total Expenditure	233,856
Profit Before Tax	15,461	Profit After Tax	9,255
Earnings per Share	1.32	Dividend Rate %	-

V Generic Names of Three Principal Products

Item Code No. (ITC Code)	5205.11	Product Description	Cotton Yarn
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