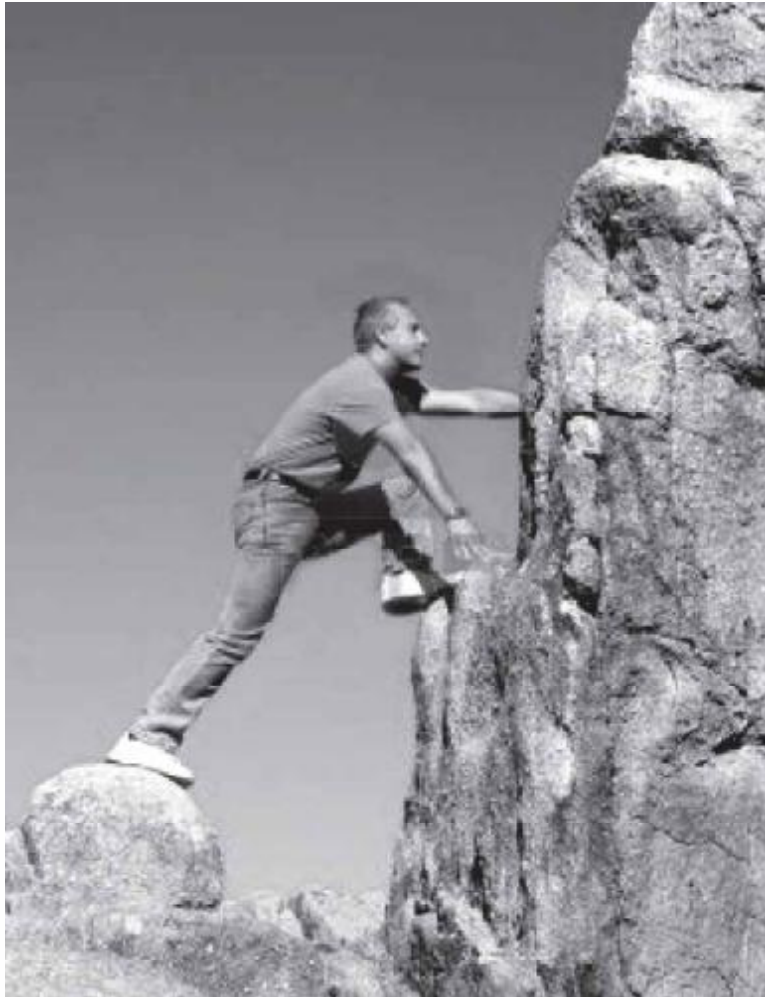


 **Maharaja Shree
UMAID MILLS LIMITED**



**71st ANNUAL REPORT
2010-11**

Regd Office: 706, Krishna, 224, AJC Bose Road, Kolkata 700 017
Head Office : Jodhpur Road, Pali 306 401(Rajasthan) INDIA
visit us at : www.msumindia.com

Board of Directors :

Mr. LN BANGUR, *Chairman & Managing Director*
 Mr. GOVIND SHARDA, *Executive Director*
 Mr. YOGESH BANGUR, *Director (CA&S)*
 Mrs. ALKA BANGUR, *Director*
 Mr. SS KOTHARI, *Director*
 Mr. CHANDRAVADAN DESAI, *Director*
 Mr. AMITAV KOTHARI, *Director*
 Mr. GR AGARWAL, *Director*

Auditors :

M/s BD GARGIEYA & CO., JAIPUR

Bankers :

BANK OF BARODA
 ICICI BANK LTD.
 IDBI BANK LTD.
 STATE BANK OF BIKANER & JAIPUR
 STATE BANK OF INDIA

Regd. Office :

ROOM NO. 706, 7TH FLOOR, "KRISHNA"
 224, AJC BOSE ROAD
 KOLKATA – 700017 (W.B.)

Head Office and Works :

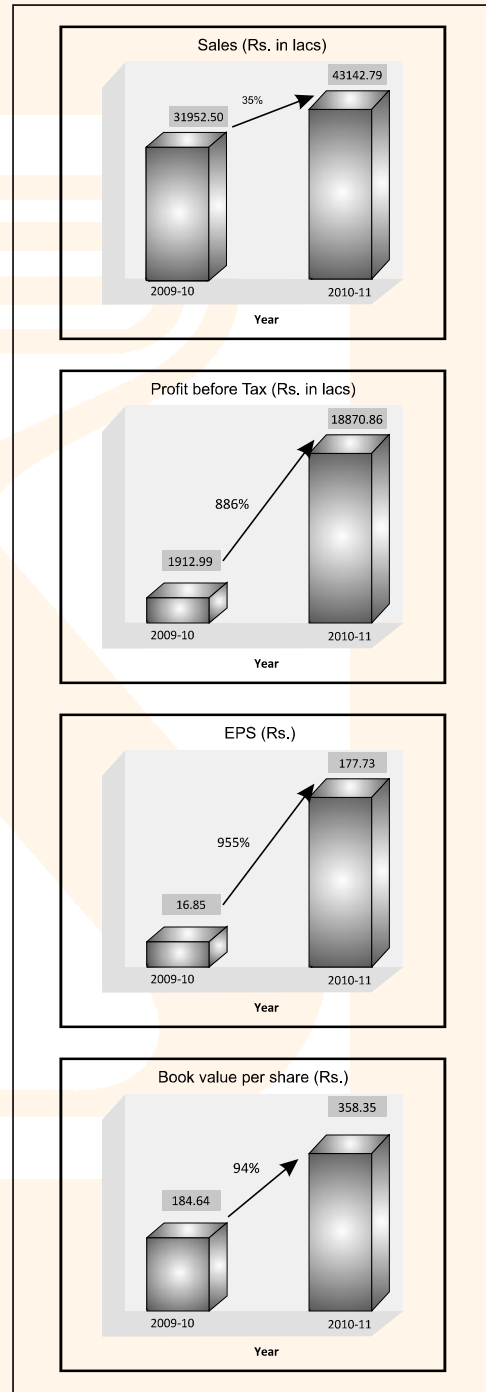
Jodhpur Road
 PALI – 306 401 (Rajasthan)

Important Communication to Members on Green Initiative

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings, with their respective Depository Participants.

Members who hold shares in physical form are requested to download the "E- Communication Registration Form" from our website: www.msumindia.com under "financials" and send the duly filled-in and signed form to Company Secretary, Maharaja Shree Umaid Mills Limited, 706, Krishna, 224, AJC Bose Road, Kolkata-700 017 (W.B.)

BUILDING STRENGTH



BOARD OF DIRECTORS

NON INDEPENDENT DIRECTORS



Mr. L.N. Bangur
Chairman & Managing Director



Mrs. Alka Bangur



Mr. Yogesh Bangur
Director (Corporate Affairs & Strategy)



Mr. Govind Sharda
Executive Director

INDEPENDENT DIRECTORS



Mr. S. S. Kothari



Mr. C. V. Desai



Mr. Amitav Kothari



Mr. G. R. Agrawal

FACILITIES



CMD's Communique



Dear Shareholders,

During the last financial year, the Company has delivered another robust performance that can be attributed to our diversified product portfolio and market mix.

Your Company, has recorded highest turnover and highest operating profits during the year. This all has led to strengthening of our belief that the industry has lot of scope for the value accretion.

The frequent regulatory intervention through multiple policy changes during the year has worked as a deterrent to the industrial psychology and could have repercussions in the short term.

The second phase of expansion cum modernisation of the existing facilities is underway with financial closure in place. The new project is expected to generate high-end fabric that would strengthen the sustainable business model practised by the Company over last seven decades.

The challenges of the current economic scenario are offering a lot of opportunities as well. We are confident of maintaining the growth momentum given our strategic initiatives and the infrastructure built in terms of our knowledge, skills, market understanding and management capabilities where we continue to invest in. I believe, we have built a firm platform from which we can take the Company to the next level of growth.

I express sincere thanks to each of the business associates and stakeholders for the continued faith and support and expect them to continue to repose their confidence for Weaving Another Success Run.

Warm regards,

LN BANGUR

Chairman and Managing Director

NOTICE is hereby given that the 71st Annual General Meeting of the members of MAHARAJA SHREE UMAID MILLS LIMITED will be held at Club House, The Tollygunge Club Ltd., 120, Deshpriya Sasmal Road, Kolkata 700033 on Friday the 30th day of September, 2011 at 10.00 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Directors' Report, the Audited Balance Sheet as at 31st March, 2011 and the Profit & loss Account for the year ended on that date.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Alka Bangur, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. G.R. Agarwal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors for the current year and to fix their remuneration.

Special Business

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

“RESOLVED that Mr. Yogesh Bangur, who was appointed as an Additional Director of the Company with effect from 12th April, 2011 by the Board of Directors under Article 92 of the Articles of Association and who ceases to hold office as such Director on the date of this Annual General Meeting pursuant to section 260 of the Companies Act, 1956 : and in respect of whom the Company has received a notice in writing U/Sec.257 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

“RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the reappointment of Mr. LN Bangur as Chairman and Managing Director of the Company for a further period of 3 years with effect from 11th August, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement.”
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

“RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Mr. Govind Sharda as Whole-time Director designated as Executive Director of the Company for a further period of 3 years with effect from 11th August, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement.”

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

“RESOLVED that pursuant to the provisions of sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Mr. Yogesh Bangur as Whole-time Director designated as Director (Corporate Affairs & Strategy) of the Company for a period of 3 years with effect from 12th April, 2011 on the remuneration as per the terms and conditions set out in the Explanatory Statement.”

Kolkata
Aug. 5, 2011

For and on Behalf of the Board
P.K. Ojha
Company Secretary

NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item Nos.6, 7, 8 & 9 above is annexed hereto and form part of the Notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A Proxy Form in order to be effective, must reach the Company not less than 48 hours before the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2011 to 30th September, 2011 (both days inclusive).
4. Dividend, when declared, will be payable to those members whose names appear on the Register of Members as on 30th September, 2011.
5. Information to Shareholders as prescribed in clause 49 of Listing Agreement in respect of Appointment/ Re-appointment as Directors, is given at Annexure-A attached to this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Mr. Yogesh Bangur has been appointed by the Board, in its meeting held on 9th April, 2011, as an Additional Director with effect from 12th April, 2011 in accordance with the provisions of section 260 of the Companies Act, 1956 and the Article 92 of the Articles of Association of the Company. Mr. Yogesh Bangur holds his office as Additional Director till the ensuing Annual General Meeting. A notice U/Sec. 257 of the Companies Act, 1956 has been received from a member of the Company signifying his intention to propose the candidature of Mr. Yogesh Bangur for appointment as a Director of the Company.

The Board recommends the resolution for approval by the members.

None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur is interested or concerned in the proposed resolution.

Item No. 7

Mr. LN Bangur was reappointed as the Chairman & Managing Director of the Company in the meeting of the Board held on 8th August, 2008 for a term of three years with effect from 11th August, 2008, which was approved by the shareholders in the 68th Annual General Meeting held on 30th September, 2008. The said term is expiring on 10th August, 2011.

Members of the Company are aware that Mr. LN Bangur as industrialist has vast experience in Textile as well as other businesses. Under his leadership, the Company has been registering steady progress and growing from strength to strength.

The Board of Directors at the meeting held on 5th August, 2011, took a view that in the context of the ever increasing competitive climate for the industry and in the best interests of the Company, it is desirable that Mr. L. N. Bangur should continue to lead the Company as its Chairman & Managing Director for a further period of 3 years.

The Board of Directors of the company other than Mr. L. N. Bangur and Mr. Yogesh Bangur, in the said meeting held on 5th August, 2011, unanimously decided to reappoint Mr. L. N. Bangur as Chairman & Managing Director with effect from 11th August, 2011 for a period of 3 years, subject to approval of the members in the ensuing Annual General Meeting.

The terms and conditions as to the remuneration of Mr. LN Bangur for his reappointment as Chairman & Managing Director, as recommended by the Remuneration Committee are as follows :

- I. **Salary** : Mr. LN Bangur would be eligible to get an annual salary not exceeding Rupees One Crore including all allowances and perquisites excluding Commission as may be applicable to the senior management team members of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove by the Board of Directors from time to time.
- II. **Commission** : Commission on net profits of the company in each year computed in accordance with Section 349 of the Companies Act, 1956 subject to such limit as may be determined by the Board in accordance with such performance parameters but shall not exceed an amount equal to the annual salary for the relevant year.
- III. Use of Company's car for official purposes, cell phone, telephone / internet facility at residence, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.
- IV. In the event of loss or inadequacy of profits in any financial year, the Chairman and Managing Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended from time to time.
- V. The Chairman and Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- VI. The re-appointment of three years may be determined by either party by giving three months' notice in writing to the other party.
- VII. None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur, is concerned or interested in the resolution.

VIII. This may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.

IX. The Board recommends the resolution for approval by the members.

Item No. 8

Mr. Govind Sharda was appointed as a Whole Time Director of the Company in the meeting of the Board held on 8th August, 2008 for a term of three years with effect from 11th August, 2008, which was approved by the shareholders in the 68th Annual General Meeting held on 30th September, 2008. The said term is expiring on 10th August, 2011.

The Board of Directors of the company other than Mr. Govind Sharda, in their meeting held on 5th August, 2011, unanimously decided to reappoint Mr. Govind Sharda as Whole Time Director designated as Executive Director with effect from 11th August, 2011 for a period of 3 years, subject to approval of the members in the ensuing Annual General Meeting.

The terms and conditions as to remuneration of Mr. Govind Sharda for his reappointment as Executive Director as recommended by the Remuneration Committee are as follows:

- I. **Salary** : Mr. Govind Sharda would be eligible to get an annual salary not exceeding Rs. 48 Lacs including all allowances and perquisites as may be applicable to the senior management team members of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove by the Board of Directors from time to time.
- II. Use of Company's car for official purposes, cell phone, telephone / internet facility at residence, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.
- III. In the event of loss or inadequacy of profits in any financial year, the Executive Director shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 and as may be amended from time to time.
- IV. The appointment of three years may be determined by either party giving three months' notice in writing to other party.
- V. The Whole-time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- VI. None of the Directors, except Mr. Govind Sharda is concerned or interested in the resolution.
- VII. This may be treated as an abstract of the terms of appointment pursuant to Section 302 of the Companies Act, 1956.
- VIII. The Board recommends the resolution for approval by the members.

Item No.9

The Board of Directors at their meeting held on 9th April, 2011, has appointed Mr. Yogesh Bangur as Whole-time Director designated as Director (Corporate Affairs & Strategy) for a period of 3 years with effect from 12th April, 2011 subject to approval of the members in the ensuing Annual General Meeting on terms and conditions as to remuneration recommended by Remuneration Committee as set out herein below :

- I. **Salary** : Mr. Yogesh Bangur would be eligible to get an annual salary not exceeding Rs. 48 Lacs including all allowances and perquisites as may be applicable to the senior management team members

of the Company. His salary would be subject to periodic revision within the overall ceiling defined hereinabove.

II. Perquisites :

- a. Housing : Mr. Yogesh Bangur may be provided by Company the facility of residential accommodation as per Company's own convenience and availability.
- b. Leave : Leave in accordance with the rules applicable to the managerial staff of the Company.
- c. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Director (Corporate Affairs & Strategy).

III. Use of Company's car for official purposes, cell phones, encashment of leave at the end of tenure and benefits applicable under the group insurance benefit's scheme for employees and gratuity fund will not be considered as perquisites.

IV. In the event of loss or inadequacy of profits in any financial year, the Director (Corporate Affairs & Strategy) shall be paid remuneration by way of salary, allowances and perquisites as specified under Para 1(B) of Section II in Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended from time to time.

V. The appointment of three years may be determined by either party giving three months' notice in writing to other party.

VI. The Whole time Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

VII. None of the Directors, except Mr. LN Bangur, Mrs. Alka Bangur and Mr. Yogesh Bangur, is concerned or interested in the resolution.

VIII. Abstract of the terms of appointment of Mr. Yogesh Bangur as Whole time Director has already been circulated to the members pursuant to Section 302 of the Companies Act, 1956.

IX. The Board recommends the resolution for approval by the members.

Kolkata
Aug. 5, 2011

For and on Behalf of the Board
P.K. Ojha
Company Secretary

ANNEXURE – ‘A’ ATTACHED TO THE NOTICE DATED 5TH AUGUST, 2011
(as required under clause 49 of the Listing Agreement)
Information on appointment/re-appointment of Director

Name	Mr. L. N. Bangur	Mrs. Alka Bangur	Mr. Yogesh Bangur	Mr. Govind Sharda	Mr. G R Agarwal
Date of Birth & Age	26.08.1949 62Yrs.	29.11.1954 57 Yrs.	08.11.1983 28 Yrs.	09.11.1966 45 Yrs.	15.08.1945 66 Yrs.
Qualifications	B.Com.	M.B.A.	M.Sc in Programme and Project Management	B. Com (Hons.) C.A.	B.Sc.,B. Text., M.Tech., PGDBM
Nature of Appointment	Reappointment w.e.f. 11.08.2011 as Chairman & Managing Director	Retiring by Rotation and seeking reappointment as a Director	Appointment as Director (Corporate Affairs & Strategy) w.e.f. 12.04.2011	Reappointment as Executive Director w.e.f. 11.08.2011	Retiring by Rotation and seeking reappointment as a Director
Expertise in specific functional areas	Industrialist, Chairman & Managing Director of the Company since 11.8.1993	Industrialist	Experience in Corporate and Strategy Planning	Finance, Management and Business Administration	Textile Technology & Engineering
Directorship held in other public limited companies	<ol style="list-style-type: none"> 1. The Andhra Pradesh Paper Mills Ltd 2. The Peria Karamalai Tea & Produce Co. Ltd. 3. Digvijay Investments Ltd. 4. M. B. Commercial Co. Ltd. 5. Amalgamated Development Ltd. 6. Placid Limited 7. The Kishore Trading Co. Ltd. 8. Shree Krishna Agency Ltd. 9. The Swadeshi Commercial Co. Ltd. 10. The General Investment Co. Ltd. 11. Samay Books Limited 12. Allied Dealcomm Ltd 13. The Peria Tea (India) Ltd 	<ol style="list-style-type: none"> 1. The Peria Karamalai Tea & Produce Co. Ltd. 	None	<ol style="list-style-type: none"> 1. Allied Dealcomm Ltd 	None

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure to present the 71st Annual Report together with the Audited Accounts of the Company for the year ended on 31st March, 2011.

The Financial Results are given hereunder :

Particulars	(Rs. in Lacs)	
	Year ended on 31.03.2011	Year ended on 31.03.2010
Net Sales / Income	43142.79	31952.50
Gross Profit before depreciation and interest	5203.26	2910.40
Interest	536.40	611.99
Cash Profit before taxes	4666.86	2298.41
Depreciation	1196.34	1185.16
Profit before Exceptional Items	3470.52	1113.25
Exceptional/ Non-Operating Items	15400.34	799.74
Profit before taxes	18870.86	1912.99
Provision for taxes	3514.60	457.48
Profit after tax for the period	15356.26	1455.51
Balance brought forward from previous year	1521.69	796.97
Tax Adjustments for earlier years (net)	0.33	21.92
Provision for diminution in the value of investments w/back	155.77	-
Profit available for appropriation	17034.05	2274.40
Appropriations		
Proposed Dividend	432.00	216.00
Tax on Proposed Dividend	71.75	36.71
Transferred to General Reserve	2000.00	500.00
Balance carried to Balance Sheet	14530.30	1521.69

BUSINESS

Owing to bullish market conditions prevalent till March 2011, the turnover increased by 35% in value terms during the year with a disproportionate change in the sales volume of both yarn and fabric. The increase in value is largely consequent upon the spurt in the prices of the basic raw material, i.e. cotton owing to

different regulatory policy decisions taken at different points of time.

During the year, your Company made a successful venturing into the trading activities for the fabrics segment as test marketing before launching new products with the business expansion.

DIVIDEND

Your Directors are pleased to recommend payment of Rs.5.00 per equity share (previous year: Rs. 2.50) for the year ended on 31st March 2011 on the fully paid up shares of Rs 10 each. The total outgo would be to the tune of Rs. 503.75 lacs (previous year: Rs. 252.71 lacs) including Corporate Dividend Tax. The Company intends to save resources in view of planned expansion/upgradation of its manufacturing capabilities.

NEW BUSINESS DEVELOPMENT

Your Company has already taken initiatives to move up in the textile value chain. Having completed the first phase of modernisation cum expansion plan, the Company has already done financial closure for the second phase of expansion cum modernisation to cement its position in the higher value added fabrics. The major capital expenditure orders are in the process of finalisation.

SALE OF ASSETS

During the year, your Company disposed off a part of its assets located at Jaipur, namely, land and building. The sale proceeds have been reported in the financial statements as part of the exceptional items / non-operating items.

SCHEME OF RE-ARRANGEMENT

In line with the SEBI directives on the subject, the promoter group has reduced its holding in the Company below the threshold norm of 75% to meet the preliminary requisites of implementation of the scheme of re-arrangement.

With the changes in the statutes over the period of time, and the opportunities offered by them, the Company is in the process of re-visiting the scheme for seeking requisite approvals.

INVESTMENT IN ASSOCIATE COMPANIES

During the year, your Company has acquired 100% equity of Iota Mtech Private Ltd, a strategic investment. During the year, your Company, alongwith its affiliates has entered into an agreement for sale of its entire shareholding in the Andhra Pradesh Paper Mills to IP Holding Asia Singapore PTE. Ltd, an affiliate of International Paper Company, USA. The sale is

subject to receipt of requisite approvals and other conditions.

Exclusivity fees received pursuant to the above transaction has been reported in the financial statements under the head of exceptional items / non-operating items.

MANAGEMENT DISCUSSION AND ANALYSIS

The detailed analysis is appended herewith and form part of the Directors' report.

CORPORATE GOVERNANCE

A compliance report on Corporate Governance has been annexed as part of the Annual Report along with Auditors' Certificate in compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

LISTING / DELISTING OF THE EQUITY SHARES

The equity shares of your Company are listed at the Bombay Stock Exchange and the Calcutta Stock Exchange. The annual listing fees have been paid to these Stock Exchanges and there is no intent of the management to delist the shares from either of the Stock Exchanges.

DIRECTORS

Mrs. Alka Bangur and Mr. GR Agrawal retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointment at the ensuing Annual General Meeting.

Mr. Amit Mehta resigned as Director with effect from 13th June, 2011. The Board places on record its warm appreciations for the services rendered by him during his tenure.

PUBLIC DEPOSITS

There are no public deposits with the Company.

PARTICULARS OF EMPLOYEES

The Ministry of Corporate Affairs (MCA) vide its notification no. G.S.R. 289 (E) dated 31st of March 2011 has amended the Companies (Particulars of Employees) Rules, 1975. In view of the amended rules, there are no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNING/OUTGO

The information required under the provision of section 217(1)(e) of the Companies Act is set out in the annexure to the Directors' Report.

AUDITORS

M/s BD Gargieya & Co., Chartered Accountants (Firm Regn. No.: 001072C) who are the Statutory Auditors of the Company, hold office, in accordance

with the provisions of the Companies Act, 1956 upto the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letter from them giving their consent to act as Auditors of the Company and stating that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based upon the representations received from the Operating Management, confirm that:

- i. in the preparation of the Annual Accounts for the year ending on 31st March 2011, the applicable accounting standards have been followed and there has been no material departure;
- ii. appropriate accounting policies have been selected by them and applied the same consistently and made judgements and estimates that 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 2011 and of its profits for the year ending on that date;
- iii. proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Annual Accounts for the period ended on 31st March 2011 have been prepared by them on a going concern basis.

ACKNOWLEDGEMENT

The Directors express their gratitude to Financial Institutions, Banks and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank all business associates for the confidence reposed by them in the Company. The employees of the Company have contributed significantly to achieve the financial performance. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excel in the time to come.

For and on behalf of the Board
Kolkata
August 5, 2011

LN Bangur
Chairman and Mg. Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION :		Current Year	Previous Year
		2010-2011	2009-2010
(1) Electricity			
a) Purchased from JVVNL			
Units	('000 Units)		
Total Amount	('000 Rs.)	62,658	71,897
Cost/Unit	(Rs.)	2,88,880	3,27,767
		4.61	4.56
b) Purchased through Open Access			
Units	('000 Units)		
Total Amount	('000 Rs.)	22,257	-
Cost/Unit	(Rs.)	92,465	-
		4.15	-
c) Own Generation			
Through Furnace Oil Generator			
Units	('000 Units)	829	13,461
Total Amount	('000 Rs.)	5,415	63,191
Cost/Unit	(Rs.)	6.54	4.69
(2) COAL/OTHERS (Used in Boilers for generation of Steam)			
Quantity	(Tonnes)	13,506	12,025
Total Cost	('000 Rs.)	77,011	58,885
Average Rate	(Rs.per Tonne)	5,702	4,897
(3) Furnace Oil			
Quantity	(K Ltrs.)	195	3,299
Total Amount	('000 Rs.)	5,125	62,561
Average Rate	(Rs./Ltr.)	26.23	18.96
B. CONSUMPTION PER UNIT OF PRODUCTION :			
(1) Electricity (Units)			
	Fabrics (per '000 Mtrs.)	705.18	7,88.39
	Yarn (per M.T.)	3,080.61	3,136.88
(2) Coal (M.T.)			
	Fabrics (per '000 Mtrs.)	0.49	0.48
	Yarn (per M.T.)	0.10	0.09

The figures given in Entry 'B' above with regard to consumption of different types of energy/fuel per unit of production are only gross averages and are not comparable from year to year on account of the inherent factors about the denominators used in the prescribed format of the Annexure; and because of such vast number of variables that go into computations as above, variations are inescapable.

FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- A. RESEARCH AND DEVELOPMENT (R & D) :**
- Specific areas in which R & D carried out by the Company and benefits derived as a result thereof : Process control and improving quality standards of the existing products.
 - Future plan of action : Diversifying into yarns/fabrics better value has been in process.
 - Expenditure on R & D : Not accounted for separately.
- B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**
- Efforts, in brief, made towards technology absorption, adaptation and innovation.
 - Benefits derived as a result of the above efforts.
 - Information regarding Technology imported during last 5 years.
- The Company is having plans to update the technology of the equipment by continued further modernisation.
- C. FOREIGN EXCHANGE EARNINGS & OUTGO :**
- Activities relating to exports; initiatives taken to increase exports; developments of new export markets for products and services, and export plan: Management endeavour for selective product quality upgradation continues.
 - Total foreign exchange earnings & outgo
 - Foreign exchange earnings Rs. 708.13 Lacs
 - Foreign exchange outgo Rs. 313.04 Lacs

MANAGEMENT DISCUSSION AND ANALYSIS

We are living through a unique period in the economic history. The ever mounting pressure of inflationary economic conditions, frequent regulatory interventions, negative sentiments for sovereign bankruptcy of EU members and mounting pressure on US economy are some of the factors that impacted the industrial growth paradigm all through the year, not to mention of local political issues.

Fiscal 2011 began with revival of buoyancy in the textile industry. The year witnessed too many events happening all through the year for the segment with lot many capacities announced for addition. Many of the projects under execution had been brought back on fast track.

Partially due to negative geo-political views about international economies and partially due to frequent regulatory intervention, the off-take of cotton yarn in the overseas segment got adversely impacted. Going forward, the overhang of global recession, if continued, would have bearing on exports. However, long term prospects remain intact owing to higher domestic demand supported with a stable and consistently growing economy.

With frequent speculative measures initiated by the regulatory authorities about export of cotton with uncertainty in the Go and the No-Go from policy view point provided alternate source of supply to otherwise loyal market or else some of the manufacturers migrated from cotton to synthetics to shrink the market size. After registering historic highs, the cotton prices registered historic dives and all agencies in-between the value chain were hammered during both the phases. Artificial barriers created for facilitating exports of cotton and yarn initially brought optimism that finally turned out to be over protective approach.

The year under review had a decent crop size of cotton, sufficient for the domestic demand as well as export markets. The uncertain, unpredictable and sometimes illogical policy decisions changed business sentiments so frequently in the sector that deterred the sustainable growth of the industry. The industry finds it difficult to change the business plan overnight in line with the policy decisions.

All through the financial year, across the industry and across the geographical territories, labour migration towards the employment guarantee scheme of the Government nodal agencies pressurised the industry for the loss of production. The organised sector found it harder to manage the work force to enhance productivity forcing it to go for higher level of automation that could permanently impact the employment opportunities for the work forces. A balanced view of re-deploying the work forces back in industry needs be evaluated by the policy makers to have a sustainable employment opportunity for all deserving candidates.

With the national economy having grown in the vicinity of 8%, the domestic demand remaining robust, introduction of export incentives for cotton and yarn, though late in the crop season cycle, would offer lot of scope for the exploitation of international territories.

We need to review performance of the Company in this backdrop. The comprehensive report hereunder should be read in conjunction with the audited financial statements and schedules appended thereto for the periods under reference.

The discussion contains some forward looking statements based upon the intent and perception of the management of the Company. However, the actual outcome may be influenced by the external factors.

OPERATIONAL PERFORMANCE FOR THE YEAR

The year that has gone by witnessed a better performance of the Company in its history with a robust growth in sales supported by a strong profitability. The major events, apart from the spiralling prices of cotton, that would impact the growth trajectory of the Company in positive mode, in mid to long term are:

1. Establishment of institutional sales segment for the products;
2. Establishment of new products in the market with launch of new brands; and
3. Moving towards higher value addition segment in fabric business.

INCOME

The revenues registered growth of 35% during the year, growing from Rs. 31953 lacs to Rs. 43143 lacs. The volume growth in business was negligible, partially due to production losses caused by labour shortage. The price realisation improved in yarn as well as fabric business. Owing to higher profitability in domestic market with a national distribution network, the focus was confined to the domestic marketing. However, the Company intends to re-build its export market for the chosen products.

During the year, the Company entered into institutional business for sale of its fabric products to create inroads into the bulk market wherein the operational efficiency can be leveraged to generate additional volumes and margins.

Order book for the products of the Company continued to gain strength in line with the trend in the industry.

MAJOR COSTS

Input Costs

With uncertainty in the export potential of cotton, the cotton season began in anticipation of lower availability of fibre and prices firmed up. With indecisive support of the policies, the prices of benchmarking S-6 varieties of cotton registered more than 100% surge as compared to previous year to fuel the speculative trades. Before intervention by the ministry of textile and imposition of restriction on cotton exports, the prices peaked to unacceptable levels, eventually register a historic slide. Prices of the cotton increased by 47%, while the prices of other manmade fibre advanced by 20% during the year. For a part of the year, increase in the input fibre prices had cascading effects on the realisation of processed fibres and therefore, the total input costs advanced from 64% of sales in PY to 67% of sales.

Manufacturing Costs

81 % of the manufacturing costs are accounted for by the power and fuel costs (PY 78%). The total P&F costs have been brought to the level of 11% of sales from 14% after absorbing 16% increase in coal costs and 1% increase in grid power costs partially due to higher average realisation of finished products.

During the current financial year, the Company sourced a part of its power requirement from the group captive usage generation facilities and the open access that has enabled it to check the cost of sourcing power.

Manpower Costs

The entire manufacturing operations are manpower intensive. The year under review witnessed a significant migration of work forces to various infrastructure projects run by the government. However, abundance of skilled officers / engineers ensures the optimal operating outcome. During the year, the manpower costs have gone up by 13% from Rs.2257 lacs to Rs. 2554 lacs. The costs as percentage to sales have reduced from 7% to 6% owing to higher realisation of finished products.

Selling and General Administration Costs

The costs rose disproportionately high for the strategic initiatives made during the year including establishment of the new market and new products. The costs are expected to be investment for the value creation in the time to come.

Financial Costs

Overall financing costs reduced from Rs 612 lacs to Rs 536 lacs during the year despite increase in working capital deployment owing to the higher cotton procurement costs.

During the current year, working capital loans reduced despite higher level of inventories due to partial utilisation of funds generated through exceptional transactions .

Term Loans' costs were up by 39% primarily due to delayed disbursement of TUFs subsidy by the Govt of India, though at the gross level, the interest costs have increased by 4% due to new loan availed towards the end of the previous financial year for modernisation cum expansion phase-I.

Exceptional Items/Non-Operating Items

- a. During the year, the Company disposed off its property located at Jaipur for Rs 15650 lacs.
- b. The Company has received an amount of Rs 1825 lacs pursuant to an exclusivity

agreement entered into with a strategic investor for sales of its holding in the equity share capital of the Andhra Pradesh Paper Mills Ltd.

- c. The Company made strategic investment in Zandu Realty Ltd. However, the investments were sold during the year only incurring a loss of Rs 353 lacs.
- d. The Company has contested certain government levies related to statutory duties, taxes and other obligations imposed under different statutes / orders. Pending the final disposal of the cases at whatever level, as a matter of abundant caution, the Company has created provisions against the demands raised by the different authorities amounting to Rs 1720 lacs.

All these items are essentially non-recurring, one time and exceptional in nature, not pertaining to the operations of the current financial year. However, the items at (d) above may be liable to be reversed once authoritative disposal of the pending cases is pronounced. On reversal, the items would be added to the profits of the relevant financial year as exceptional / non-operating items.

During the year, the Company, along with its affiliates has entered into an agreement for strategic divestment of its entire shareholding in the Andhra Pradesh Paper Mills to IP Holding Asia Singapore PTE. Ltd, an affiliate of International Paper Company, USA. The sale is subject to receipt of requisite approvals and other conditions precedent thereto and expected to take place in the following financial year.

PROFITS AND PROFITABILITY

Earnings before Depreciation, Interest and Taxes & Appropriations (EBDITA) from operations rose from Rs. 2910 lacs to Rs.5203 lacs, registering 79% growth.

Cash Profits after tax rose to Rs. 16352 lacs from Rs. 2550 lacs. Profits After Tax rose from Rs. 1456 lacs to Rs. 15356 lacs. Earnings per Share (face value Rs. 10) for the year stands at Rs. 177.73 against Rs. 16.85 in previous year.

FINANCIAL CONDITION AND CASH FLOW MANAGEMENT

The growth in the earning was skewed towards the end of the year with the surge in the input and output prices. The processed inventories increased by 91% from previous year level, significantly due to the increase in the cost of manufacturing, while the debtors' level went up by 112 % to Rs. 4531 lacs. Debtors above 180 days remain range bound, less than 1% of total outstanding.

The total working capital borrowing level declined from Rs. 7067 lacs to Rs. 6217 lacs, partially due to utilisation of own funds consequent to monetisation of property at Jaipur. The basic application of the working capital is meant for procurement of inputs, the inventory whereof went up from Rs. 6848 lacs to Rs. 10632 lacs.

During the year, the Company exercised its right to the share warrants subscribed in the Andhra Pradesh Paper Mills Ltd apart from open market purchases and the total investments therein increased by Rs 1404 lacs. The Company also made investments in other corporate entities / mutual funds / Bonds to the tune of Rs 2432 lacs during the year.

During the year, execution of the first phase of expansion-cum-modernisation plan was completed.

During the year, the Company generated positive cash flow for Rs. 779 lacs (previous year: Rs. 204 lacs). With a cordial relation with the money market agencies, the Company foresees no adversary to its competence to mobilise funds.

SWOT ANALYSIS

Strengths and Opportunities

State of the Art technology, machinery know-how and vertically integrated operations gives the Company an edge as compared to most of the players in the industry. Products of the Company have got a very long life cycle hence, no obsolescence / substitution possibility.

Greater understanding of the market due to wider presence across the country provides an advancement opportunity to deliver the market

requirements well before the competition. A strong client base backed with stronger service history provides the sustenance of the model.

Though a larger basket of the products are sold in domestic market, presence in international market through its distribution network provides a hedge against the market vagaries.

The manufacturing facilities are situated in the cotton belt to ensure easier and economical sourcing of cotton.

Stiff competition may force closure of inefficient manufacturers. It provides potential for inorganic growth. With its strong financial base, the Company is prepared to avail such opportunities.

The Company is present in more than one product segments of textiles to insulate itself against the adverse movements in any one sector.

Challenges and Threats

Sourcing of cotton, the major raw-material, depends upon the monsoon conditions and of late, on unpredictable policy decisions. Such conditions could have impact on the entire textile industry.

Cotton being the major raw material and India being the second largest producer and consumer of the cotton, the crop size of other countries can impact the costs of the material and consequently, profitability.

With globalised economic environment and free trade across the borders, the competition from outside India could disturb the economics of the entire industry. However, being a part of the larger economy, the Government policies are expected to provide the requisite protection to the domestic industry.

OUTLOOK

Towards the end of the current financial year, the Company could be looking at part implementation of the second phase of its expansion program, which is expected to open up a new market within the expertise area of the Company.

Cotton, notwithstanding increase in the acreage, is expected to remain stable during the following crop season. The recent turbulence in the market is expected to emphasize the necessity of a stable policy pronouncement that would enable the industry to have a solid plan for business growth. The export market is expected to open up with settlement of EU and US crisis. However, foreign currency fluctuation would have to be watched out carefully.

REPORT ON CORPORATE GOVERNANCE

The Directors are pleased to present the Company's Report on Corporate Governance.

Corporate governance is most often viewed as both the structure and the relationships that determine corporate direction and performance. The Board of Directors is typically central to Corporate Governance. Its relationship to the other primary participants, typically shareholders and management, is critical. Additional participants include employees, customers, suppliers, and creditors. The Corporate Governance framework also depends on the legal, regulatory, institutional and ethical environment of the community. Corporate Governance is about working ethically and finding a balance between economic and social goals. It includes the ability to function profitably while obeying laws, rules and regulations.

Corporate Governance is a reflection of our culture, policies, our relationship with stakeholders and society, and our commitment to values.

The Company has been adopting preeminent Corporate Governance policies; practices and ethical principle to ensure the transparency at all level.

Company's Governance Philosophy on Corporate Governance

The philosophy on Corporate Governance of the Company envisages a systemic process of direction and control to enhance its wealth-generating capacity. The Company believes that its operations and actions should meet stakeholders' aspirations as well as societal expectations and enhance the long-term shareholder value. Our governance practices endeavor to sustain trusteeship, transparency, empowerment and ethical corporate control.

Trusteeship believes to protect the right of the entire stakeholders whether large or small.

Transparency believes in appropriate and timely disclosures.

Empowerment believes that performance combined with accountability should improve effectiveness, thereby enhancing shareholder value.

Ethical corporate control believes in setting up perfect values of ethical behaviour, both in internal and external relationships.

The Company's Corporate Governance Framework is based on following principles:

- Constitution of the Board comprise with independent directors and expert professionals;
- Strengthening the Committees of the Board;
- Timely disclosures to all shareholders;
- Regular review of internal control system; and
- Review of the operations and actions to discharge the social responsibilities.

1. BOARD OF DIRECTORS :

Board Composition

As at 31.03.2011, the Board consists of 8 Directors, out of which 4 are Independent Directors. The composition of Board and category of Directors are as under :

Name of the Director/Promoter	Category	Directorship in other public limited companies and Committee Membership		
		Other Directorship	Committee Chairmanship	Committee Membership
Mr. LN Bangur	Promoter-Executive	14	3	3
Mrs. Alka Bangur	Promoter-Non-Executive	2	-	-
Mr. Chandravadan Desai	Independent-Non-Executive	-	-	-
Mr. Amitav Kothari	Independent-Non-Executive	2	1	1
Mr. SS Kothari	Independent-Non-Executive	2	-	-
Mr. Govind Sharda	Non-Promoter-Executive	1	-	-
Mr. Amit Mehta*	Non-Executive- Non-Independent	3	-	-
Mr. GR Agarwal	Independent-Non-Executive	-	-	-

* Mr. Amit Mehta has ceased to be a Director of the company w.e.f. 13th June 2011

None of the Director is related to any other Director except Mr. LN Bangur & Mrs. Alka Bangur.

2. BOARD MEETING AND PROCEDURE :

The power of decision-making is vested in the body constituted by the shareholders comprises adequate number of Directors; however some powers can be exercised only after the requisite resolution(s) passed in Shareholders' Meeting in accordance with the provisions of Companies Act, 1956.

Board Meeting is a systematic process that makes the decision making process efficient. The following matters are regular Agenda items of the Board Meeting: -

- Working and Operations of the business
- Budget and plans
- Annual, half-yearly and quarterly financial results
- Declaration of Dividend
- Appointment/Resignation of the managerial persons
- Proposal for borrowings, investments etc.
- Delegation of power and authority.

The Board meets at least once in a quarter. Five Board Meetings were held during the previous year.

Attendance of Directors at Board Meetings and last Annual General Meeting was as follows :

Name of Director	No. of Board Meetings Attended	Attendance at the last AGM
Mr. LN Bangur	7	Yes
Mrs. Alka Bangur	2	No
Mr. Chandravadan Desai	5	Yes
Mr. Amitav Kothari	5	Yes
Mr. SS Kothari	6	Yes
Mr. Govind Sharda	6	Yes
Mr. Amit Mehta	6	Yes
Mr. GR Agarwal	5	Yes

3. DETAILS OF BOARD MEETINGS HELD DURING THE PERIOD :

Eight Board Meetings were held during the year 2010-11, as against minimum requirement of four meetings. The maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

S.No	Date	Place	Board Strength	No. of Directors Present
1	07.04.2010	Hotel Hilton Towers, Nariman Point, Mumbai	8	3
2	22.05.2010	7, Munshi Premchnd Sarani, Hastings, Kolkata – 700 022	8	7
3	31.07.2010	Tolly Club, 120, Deshpran Seshmal Road, Kolkata – 700 033	8	7
4	20.08.2010	A-2, Prithviraj Road, C-Scheme, Jaipur – 302 005	8	4
5	15.09.2010	7, Munshi Premchand Sarani, Hastings, Kolkata – 700 022	8	4
6	30.10.2010	-do-	8	6
7	01.02.2011	-do-	8	8
8	29.03.2011	-do-	8	3

4. BOARD COMMITTEES :

Board has constituted three functioning committees in accordance with provisions of Companies Act, 1956 and Listing agreement, namely: -

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

Details of each committee are provided as under:

(A) Audit Committee :

Composition: The Audit committee comprises two independent Directors and one non-executive Director, namely Mr. GR Agarwal, Mr. Amitav Kothari and Mrs. Alka Bangur.

Objective: The primary objective of the Committee is to monitor and provide effective supervision of the financial reporting process to ensure reliability and timeliness of disclosures while ensuring integrity and quality of the reports.

Terms of Reference: The Committee interacts with the audit agencies involved in the validation of the financial disclosures and assesses the adequacy of checks and controls in the business. The broader responsibilities of the Committee are as under:

1. Facilitate two-way communication between the auditors and the Board;
2. Assurance to the independence of the auditors by taking suitable steps including appointment, Fixation of compensation, removal and defining the audit charter, when required.
3. Review of the quarterly and annual financial statements, whether audited / unaudited or reviewed by the auditors including the approval of the management's discussion and analysis of financial performance and reports forming part of the Directors' report in the annual report of the Company. The following points would specifically be approved by the audit committee:

- a. Review of related party transactions.
- b. Review of contingent liabilities of the Company that may have significant implications on the financial health of the Company.
- c. Review the change, if any, in the accounting policies / practices and relevant qualifications / disclosures by the auditors.
- d. Compliances with the relevant accounting standards.
- e. Compliances with the stock exchange and legal requirements concerning financial statements.
4. Review, approve and monitor the code of ethics that the senior management and financial personnel of the Company must adhere to.
5. Review and approval of the risk management policy of the Company.
6. Approval of the financial reports / results for consideration of the Board.

Meeting of Audit Committee

The Audit Committee met four times during the year on 22.05.2010, 31.07.2010, 30.10.2010 and 01.02.2011. The attendance of the committee members to these meetings was as follows:

Name of Director	Status of the Director	No. of Meetings Attended
Mr. GR Agarwal	Chairman	4
Mr. Amitav Kothari	Member	3
Mrs. Alka Bangur	Member	2

The Chief Financial Officer (CFO)/Executive Director is invited in the meeting of Audit Committee.

(B) Shareholders'/Investors' Grievance Committee:
Composition:

The Shareholders'/Investors' Grievance Committee comprises three Directors namely Mr. SS Kothari – Chairman, Mrs. Alka Bangur and Mr. Govind Sharda.

Terms of Reference:

The Shareholders'/Investors' Grievance Committee, inter alia, considers the matter relating to transfer/transmission of Shares, issue of Duplicate Share Certificates, Dematerialization/ Rematerialisation of Shares, redressal of shareholders'/ investors' grievances etc. The committee regular reviews the services provided by Registrars and Transfer Agent to shareholders.

Meeting:

Four meetings of the Committee were held during the financial year 2010-11, i.e. on 22.05.2010, 31.07.2010, 30.10.2010 and 01.02.2011. The attendance of the committee members to these meetings was as follows:

Name of Director	Status of the Director	No. of Meetings Attended
Mr. SS Kothari	Chairman	4
Mrs. Alka Bangur	Member	2
Mr. Govind Sharda	Member	4

(C) Remuneration Committee:
Composition:

The Remuneration Committee comprises three Independent Directors, namely Mr. SS Kothari – Chairman, Mr. Chandravadan Desai and Mr. Amitav Kothari.

Terms of Reference:

Remuneration Committee recommends/reviews the remuneration of Executive members of the Board.

Meeting:

The Remuneration Committee met on 22.05.2010. The attendance of the committee members to the meeting was as follows:

Name of Director	Status of the Director	No. of Meetings Attended
Mr. SS Kothari	Chairman	1
Mr. Chandravadan Desai	Member	1
Mr. Amitav Kothari	Member	1

Remuneration Policy:

The Company's remuneration policy is based upon the market phenomena, performance and qualitative appraisal.

Remuneration of Directors:

The Details of Remuneration paid to the Directors during the year are as under: (Rs. in Lacs)

Name of Director	Salary	Contribution to PF	Commission on profits	Perquisites and other benefits	Sitting Fees	Total
Mr. LN Bangur (CMD)	33.51	4.02	4.35	20.10	-	61.98
Mrs. Alka Bangur	-	-	2.50	-	0.18	2.68
Mr. Chandravadan Desai	-	-	2.50	-	0.15	2.65
Mr. Amitav Kothari	-	-	2.50	-	0.24	2.74
Mr. SS Kothari	-	-	2.50	-	0.30	2.80
Mr. Govind Sharda (ED)	12.12	1.45	-	10.93	-	24.50
Mr. Amit Mehta	-	-	2.50	-	0.18	2.68
Mr. GR Agarwal	-	-	2.50	-	0.27	2.77

5. GENERAL BODY MEETING:
a) Annual General Meeting:

Venue, date and time of the Annual General Meetings held during last 3 years are as follow:

Year	Venue	Date	Time
2008	Sitaram Seksaria Auditorium of Bhartiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata 700 017 (WB)	30.09.2008	3.00 p.m.
2009	-do-	19.09.2009	11.30 a.m.
2010	Club House, The Tollygunge Club Ltd. 120, Deshpran Sasmal Road, Kolkata 700 033	31.07.2010	11.00 a.m.

b) Special Resolution(s) passed in previous 3 AGMs

Date	Matter
30.09.2008	Appointment of Mr. Yogesh Bangur on place of profit u/s 314(1B) of the Companies Act, 1956
30.09.2008	Re-appointment of CMD
30.09.2008	Appointment of Whole-time Director
31.07.2010	Payment of Commission to the Directors (other than Managing/Whole-time Director)
31.07.2010	Increase in remuneration of Whole-time Director - Mr. Govind Sharda

c) Details of Extra-Ordinary General Meeting and Resolution passed through Postal Ballot during the year:-

There was no Extraordinary General Meeting held during the year 2010-11. There was a Special Resolution u/s 372A of The Companies Act, 1956 passed through Postal Ballot in the year 2010-11. The effective date of passing the resolution was 02-11-2010.

6. DISCLOSURES ON RELATED PARTY TRANSACTION:

During the year there were several related party transactions executed by the Company but none of the transaction was prejudicial to the interest of Company and investors. All the transactions were made on arms length price. The details of transactions are given under "Notes on Accounts – Schedule 19" forming part of the Annual Report.

7. OTHER DISCLOSURE:

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

No penalties have been levied or strictures have been passed by SEBI, any of the Stock Exchanges or any other Statutory Authority on any matters relating to capital markets, in the last three years.

8. CEO/CFO CERTIFICATION:

As per the clause 49 of the Listing Agreement, the Chairman & Managing Director, Mr. LN Bangur being the CEO and the Executive Director, Mr. Govind Sharda being the CFO, have jointly furnished to the Board, the requisite certificate before the meeting of the Board of Directors held on 26th May 2011.

9. MEANS OF COMMUNICATION:

Financial Results

The quarterly and half yearly results are published in one English daily newspaper circulating in whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the Company is situated i.e. Kolkata. The results of the last quarter of the year are, however, published alongwith the Annual Audited Results.

Annual Report

Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Management Discussion & Analysis Report, and other relevant/important information is circulated to members and other entitles.

Website:

The company website www.msumindia.com displays adequate information and financial results.

Corporate Filing

Pursuant to clause 52 of the Listing Agreement, Financial Results, and Shareholding Patterns etc. are also posted to www.corpfiling.co.in.

E-mail IDs for Shareholders/Investors

Investors may send their query/feedback to kolkata@msumindia.com.

10. GENERAL SHAREHOLDERS' INFORMATION :

- a. Company Registration Details Corporate Identity Number (CIN) of the company is L17124WB1939PLC128650. Referencing this no., a person can obtain the details about the company with ROC at www.mca.gov.in

- b. Registrar and Transfer Agent (Physical/ Electronic Shares) Maheshwari Datamatics Pvt. Ltd.
6 Mangoe Lane, Surendra Mohan Ghosh Sarani, 2nd Floor,
Kolkata – 700 001. Phone: 033-2243-5809/5029 Fax: 033-
2248-4787 E-mail ID : mdpl@cal.vsnl.net.in
- c. Date, Time and Venue of AGM 30th September, 2011 at 10.00 a.m. at Club House, The
Tollygunge Club Ltd., 120, Deshpran Sasmal Road, Kolkata
700 033.
- d. Financial Calendar/
Financial Year 1st April to 31st March every year
Quarterly Financial reporting Within one month from the end of each quarter except the fourth
quarter when Audited Annual Results are published within two
months.
- e. Date of Book Closure 23rd September, 2011 to 30th September, 2011 (both days
inclusive)
- f. Dividend Payment Within 30 days from 30th September, 2011 (the date of the next
AGM), if any, as may be approved by the members of the
Company as recommended by the Board.
- g. Share Transfer System Share transfer is normally effected within a period of 15 days
from the date of receipt, if all required documentation are
submitted. All requests for dematerialization of shares are
processed and confirmation is given to the depositories within
15 days. The Company obtains a certificate of compliance in
respect of share transfer from a practicing company secretary
pursuant to clause 47 (c) of the Listing Agreement.
- h. Stock Code BSE - 530059
CSE - 10023019
- i. International Security
Identification Number (ISIN) INE087D01013
- j. Listing at Stock Exchanges The Bombay Stock Exchange Ltd., Mumbai;
The Calcutta Stock Exchange Ltd., Kolkata
- k. Market Price Data The market price and volume of the Company's shares traded
in The Bombay Stock Exchange Ltd. (BSE), Mumbai and The
Calcutta Stock Exchange Ltd. (CSE), Kolkata during the year
2010-11 are as follows:

Year	BSE		CSE*		VOLUME	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	BSE (Nos.)	CSE (Nos.)
2010-11						
April	148.50	107.50	-	-	12969	-
May	138.00	99.25	-	-	23341	-
June	152.70	115.05	-	-	8893	-
July	176.00	131.10	-	-	42431	-
August	288.00	155.30	-	-	343844	-

September	293.10	240.10	-	-	80895	-
October	252.00	215.45	-	-	19634	-
November	260.30	205.00	-	-	16637	-
December	266.05	208.30	-	-	772135	-
January	269.00	207.20	-	-	273407	-
February	256.00	194.00	-	-	223679	-
March	351.20	200.00	-	-	102137	-

* There was no trading of shares at CSE during the year.

I. Distribution of Shareholding as on 31st March, 2011 :

No. of shares held	No. of share-holders	% of share-holders	No. of shares held	% of share-holding
Up to 500	1879	88.22	2,39,788	2.78
501 to 1000	114	5.35	88,845	1.03
1001 to 2000	51	2.39	79,225	0.92
2001 to 3000	20	0.94	49,243	0.57
3001 to 4000	12	0.56	46,016	0.53
4001 to 5000	3	0.14	14,200	0.16
5001 to 10000	8	0.38	58,450	0.68
10001 & above	43	2.02	80,64,233	93.33
Total	2130	100.00	86,40,000	100.00

m. Categories of share holding as on 31st March, 2011 :

Shareholders Category	No. of shares held	% of total shares held
Promoters & Promoter Group	64,65,000	74.83
FIs	NIL	NIL
FIIIs	NIL	NIL
Mutual Funds	NIL	NIL
Banks	NIL	NIL
Corporate Bodies	15,13,575	17.52
NRIs	23,750	0.27
Others	6,37,675	7.38
Total	86,40,000	100.00

n. Dematerialisation of Shares : As on 31st March, 2011, 71.90% of the Company's equity shares have been dematerialised. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in the dematerialised form with effect from 26.12.2000.

o. Plant Location : Maharaja Shree Umaid Mills Ltd.,
Jodhpur Road, Pali - 306401 (Rajasthan)

CEO/CFO DECLARATION

This is to declare that as a measure of following sound Corporate Governance practices and the requirements of the Listing Agreements, the Company has framed a Code of Conduct to be observed by the members of the Board of Directors and the Functional Heads of the Company.

This is to state that all the members of the Board of Directors and the Functional Heads of the Company have furnished their affirmations for due observance and compliance on their part of the Code of Conduct laid down as above and there is no non-compliance thereof during the year ended 31st March, 2011.

Kolkata
August 5, 2011

Govind Sharda
Executive Director
CFO

LN Bangur
Chairman & Managing Director
CEO

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of **Maharaja Shree Umaid Mills Ltd.**

We have reviewed the compliance of conditions of Corporate Governance by Maharaja Shree Umaid Mills Ltd. for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement with Stock Exchange have been complied with in all material respect of the Company.

No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

Kolkata
August 5, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. 01072C

AUDITORS' REPORT TO THE MEMBERS OF MAHARAJA SHREE UMAID MILLS LIMITED

We have audited the attached Balance Sheet of MAHARAJA SHREE UMAID MILLS LIMITED as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. 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 disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

3. Further to our comments in the annexure referred to in para 2 above, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of accounts, as required by law, have been kept by the Company, so far as it appears from our examination of those books;

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956;

e) In our opinion and based on information and explanations given to us, none of the Directors of the Company are prima-facie, as at 31st March, 2011, disqualified from being appointed as Directors of the Company in terms of Section 274(1)(g) of the Companies Act, 1956 ;

f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and schedule 19, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and

ii) in the case of Profit & Loss Account, of the profit of the Company for the year ended on that date; and

iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

M. No. 72326

Firm Regn. No. 001072C

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MAHARAJA SHREE UMAID MILLS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED ON 31ST MARCH, 2011

1. i) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- ii) The fixed assets have been physically verified wherever practicable on a phased manner by the management, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. As informed to us, no material discrepancies between book records and physical inventory were noticed.
- iii) In our opinion there was no substantial disposal of fixed assets, during the year and the going concern status of the company is not affected.
2. i) As explained to us the management has conducted physical verification of inventory at reasonable intervals during the year.
- ii) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are, in our opinion and according to information and explanations given to us, reasonable and adequate in relation to the size of the Company and the nature of its business.
- iii) The Company is maintaining proper records of inventory and as explained to us no material discrepancies were noticed on physical verification of inventory as compared to book records.
3. i) The Company has given deposits to a party covered in the register maintained under Section 301 of the Companies Act, 1956. The amount outstanding at the end of the year Rs. 450 lacs and the maximum amount outstanding during the year Rs. 3750 lacs.
- ii) In our opinion and according to the information and explanation given to us, in respect of above deposits, the rate of interest and other terms and conditions are not prima-facie prejudicial to the interest of the company.
- iii) The payment of interest on above deposit is regular. The payment of principal is also regular.
- iv) There is no overdue amount outstanding at the balance sheet date.
- v) The company has not taken any loan, secured or unsecured from Companies, Firms and other parties covered in register under section 301 of the Act maintained by the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and service. During the course of our audit, no major weakness has been noticed in internal control system.
5. i) According to the information and explanations given to us, we are of the opinion that contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
- ii) In our opinion and according to the information and explanations given to us, the transactions made in 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 the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA or any other relevant provision of the Act and rules framed there under, and the directives issued by the Reserve Bank of India.
 7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
 8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
 9. i) According to the records of company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding at the year end for a period of more than six months from the date they became payable.
 - ii. According to the records of the Company and information given to us, the particulars of statutory dues of the Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty, Cess and any other statutory dues which have not been deposited on account of disputes and the forum where the dispute is pending are given hereunder :

S. No.	Name of the statute	Nature of the Dues	Forum where dispute is pending	Amount (Rs. in Lacs)
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Taxation :

i.	Income Tax Act, 1961	Income-Tax	High Court	23.75
ii.	Income Tax Act, 1961	Income-Tax	High Court	137.57
iii.	Central Excise Act, 1944	Excise Duty	High Court	169.58
iv.	Central Excise Act, 1944	Excise Duty	Supreme Court	11.50
v.	Finance Act, 1994	Service Tax	CES-TAT	90.78
vi.	The Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry Tax	Deputy Commissioner High Court	16.26 104.96
vii.	RVAT, 2003	VAT	Deputy Commissioner (Appeals)	23.71

Others :

i.	Payment of Wages Act, 1936	Wages	Relevant Authority	0.63
ii.	Payment of Gratuity Act, 1972	Gratuity	Relevant Authority	1.33
iii.	Industrial Dispute Act, 1947	Wages	High Court	3.23
iv.	ESI Act, 1948	ESI	High Court CJM Court	0.83 3.92

10. The Company has no accumulated losses at the end of the year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks. There are no debenture holders.
12. According to the information and explanations given to us and based on the documents and

- records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
 14. In our opinion and according to the information and explanations given to us, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial Institutions.
 16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
 17. On the basis of an overall examination of the balance sheet and cash flows of the company and the information and explanations given to us, we report that the company has not utilized the funds raised on short-term basis for long term investment.
 18. During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
 19. The Company did not issue any debentures during the year.
 20. The Company has not raised any money through a public issue during the year.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Kolkata
May 26, 2011

For B.D. GARGIEYA & CO.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in Lacs)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	864.00	864.00
Reserves & Surplus	2	30,097.10	15,088.50
		30,961.10	15,952.50
Loan Funds :			
Secured Loans	3	10,579.46	12,331.65
Unsecured Loans	4	1,000.00	500.00
		11,579.46	12,831.65
Deferred Tax Liability (Net)		433.34	486.51
		42,973.90	29,270.66
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	5	24,658.88	23,482.06
Less : Depreciation		11,437.17	10,288.41
Net Block		13,221.71	13,193.65
Capital Work-in-Progress (including capital advances)		160.87	366.67
Investments	6	9,469.32	5,477.34
Current Assets, Loans & Advances :			
Inventories	7	12,608.69	8,021.42
Sundry Debtors	8	4,530.57	2,137.80
Cash & Bank Balances	9	1,131.81	353.11
Loans & Advances	10	6,280.95	1,467.01
		24,552.02	11,979.34
Less : Current Liabilities & Provisions	11		
Current Liabilities		3,798.02	1,379.25
Provisions		632.00	367.09
		4,430.02	1,746.34
Net Current Assets		20,122.00	10,233.00
		42,973.90	29,270.66
Significant Accounting Policies and Notes on Accounts	19		

The Schedules referred to above form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
Kolkata
May 26, 2011

M. No. 72326
Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Directors(CA&S)

Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

(Rs. in Lacs)

	Schedule	Year ended on March 31, 2011	Year ended on March 31, 2010
INCOME			
Turnover (Gross)		43,159.85	31,953.95
Less : Excise Duty		17.06	1.45
Turnover (Net)		43,142.79	31,952.50
Other Income	12	421.46	43.28
Increase/(Decrease) in Stocks	13	784.33	(505.56)
		44,348.58	31,490.22
EXPENDITURE			
Raw Materials and Other Material Consumed		29,052.01	19,866.12
Purchase of Traded Goods		718.19	-
Manufacturing Expenses	14	5,782.81	5,837.57
Manpower Cost	15	2,554.11	2,256.73
Administrative, Selling and Other Expenses	16	1,038.20	619.40
Interest & Finance Cost	17	536.40	611.99
		39,681.72	29,191.82
PROFIT BEFORE DEPRECIATION AND TAXATION		4,666.86	2,298.41
Depreciation		1,196.34	1,185.16
PROFIT BEFORE EXCEPTIONAL ITEMS		3,470.52	1,113.25
Exceptional/Non-Operating Items	18	15,400.34	799.74
PROFIT BEFORE TAXATION		18,870.86	1,912.99
Provision for Taxation – Current Tax		3,715.63	547.88
– Deferred Tax		(53.17)	(90.40)
– MAT Credit entitlement		(147.86)	-
NET PROFIT		15,356.26	1,455.51
Add : Balance brought from last year		1,521.69	796.97
Tax adjustment for earlier years (net)		0.33	21.92
Provision for diminution in value of Investment w/back		155.77	-
PROFIT AVAILABLE FOR APPROPRIATION		17,034.05	2,274.40
APPROPRIATIONS			
Proposed Dividend		432.00	216.00
Tax on distributed profits		71.75	36.71
General Reserve		2,000.00	500.00
Balance carried forward		14,530.30	1,521.69
		17,034.05	2,274.40
Basic and Diluted Earnings per Share of Rs. 10 each (Rs.)		177.73	16.85
Significant Accounting Policies and Notes on Accounts	19		

The Schedules referred to above form part of the Profit & Loss Account. This is the Profit & Loss Account referred to in our report of even date.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Director(CA&S)

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

(Rs. in Lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	19,026.64	1912.99
Adjustments for :		
Depreciation	1,196.34	1,185.16
Income from Investments	(385.57)	(24.39)
Interest paid (Net)	512.08	550.76
Profit on sale/scraping of fixed assets	(15,657.42)	(799.57)
	(14,334.57)	911.96
Operating Profit before Working Capital Changes	4,692.07	2,824.95
Adjustments for :		
Trade and other receivables	(6,862.52)	(539.56)
Inventories - Raw Materials	(3,784.07)	(2,328.87)
Inventories - Finished and Semi Finished Goods	(803.20)	468.49
Trade payables	2,450.55	(8,999.24)
Cash Generated from Operations	(4,307.17)	321.03
Interest paid	(139.30)	(241.68)
Direct taxes paid	(1,507.89)	(1,647.19)
Net Cash Flow from (used in) Operating Activities	(5,954.36)	(472.79)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets & other capital exp.	(1,025.77)	(1,165.90)
Sale/scraping of fixed assets (net of tax)	13,300.40	669.67
Purchase of Investments	(3,991.98)	(1,217.54)
Income from Investments	385.57	24.39
Net cash used in investing activities	8,668.22	(1,689.38)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long-term borrowing	655.41	1,096.35
Proceeds from Short-term borrowing	2,367.53	3,250.57
Repayment of Long-term borrowing	(1,057.50)	(923.13)
Repayment of Short-term borrowing	(3,217.62)	(678.15)
Interest paid	(430.59)	(253.96)
Dividend and tax thereon paid	(252.39)	(125.92)
Net cash flow from (used in) financing activities	(1,935.16)	2,365.76
Net increase in Cash and Cash Equivalents	778.70	203.59
Cash and cash equivalents (Opening Balance)	353.11	149.52
Cash and cash equivalents (Closing Balance)	1,131.81	353.11

Note : Figures in bracket represent cash outflows.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Kolkata
May 26, 2011
Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta
Chairman &
Managing Director
Executive Director
Director(CA&S)
Directors

SCHEDULES TO ACCOUNTS

(Rs. in Lacs)

SCHEDULE 1 : SHARE CAPITAL		As at March 31, 2011	As at March 31, 2010
Authorised			
1,00,00,000	Equity Shares of Rs. 10/- each	1,000.00	1,000.00
		1,000.00	1,000.00
Issued & Subscribed			
1,60,000	Equity Shares of Rs. 10/- each fully paid-up in cash	16.00	16.00
84,80,000	Equity Shares of Rs. 10/- each issued as Bonus Shares out of Reserves	848.00	848.00
		864.00	864.00

SCHEDULE 2 : RESERVES & SURPLUS			
Capital Reserve			
	As per last Balance Sheet	0.68	0.68
General Reserve			
	As per last Balance Sheet	6,909.99	
	Add : Transferred from Profit & Loss A/c	2,000.00	6,909.99
		8,909.99	6,909.99
Revaluation Reserve			
		6,656.14	6,656.14
Surplus as per Profit & Loss A/c			
		14,530.30	1,521.69
		30,097.10	15,088.50

SCHEDULE 3 : SECURED LOANS			
Loans From Banks			
	- Term Loans	5,362.16	5,764.25
	- Working Capital Loans	5,217.30	6,567.40
		10,579.46	12,331.65

Term loans are secured by equitable mortgage of Land & Building of the Pali Establishment i.e. the Textile Unit and the Power Generation Unit at Pali; and hypothecation of specific Machineries & Equipments, immovable and movable Assets; and by way second of charge on the current assets of the Pali Establishment.

Working Capital Loans are secured by way of hypothecation of Inventories/Book Debts of the Pali Establishment i.e.the Textile Unit and the Power Generation Unit at Pali; and by way of second charge on the Fixed Assets of the Pali Establishment as above, ranking pari passu with each other.

SCHEDULE 4 : UNSECURED LOANS			
Short Term Loans From Banks			
	Kotak Mahindra Bank Ltd.	1,000.00	-
	ICICI Bank Ltd.	-	500.00
		1,000.00	500.00

(Rs. in Lacs)

SCHEDULE 5 : FIXED ASSETS											
PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		
	As at 1st April, 2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2011	Up to 1st April, 2010	on Deductions/ Adjustments	For the Year	Up to 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010	
Land (Free hold)	6,661.77	-	0.70	6,661.07	-	-	-	-	6,661.07	6,661.77	
Buildings	681.01	484.64	8.44	1,157.21	371.23	7.55	44.39	408.07	749.14	309.78	
Plant & Machinery	15,793.57	649.11	24.09	16,418.59	9,697.51	22.89	1,119.47	10,794.09	5,624.50	6,096.06	
Electric Installation	107.09	-	0.52	106.57	49.13	0.48	4.06	52.71	53.86	57.96	
Furniture & Fixture	96.18	1.52	5.25	92.45	84.71	4.91	1.67	81.47	10.98	11.47	
Equipments	31.54	4.12	0.10	35.56	23.18	0.08	3.09	26.19	9.37	8.36	
Vehicles	110.90	92.18	15.65	187.43	62.65	11.66	23.65	74.64	112.79	48.25	
Sub Total	23,482.06	1231.57	54.75	24,658.88	10,288.41	47.57	1,196.34	11,437.17	13,221.71	13,193.65	
Previous Year	22,642.44	958.83	119.21	23,482.06	9,212.68	109.43	1,185.16	10,288.41	13,193.65	13,429.76	
Capital Work - in - Progress including capital advances									160.87	366.67	
TOTAL									13,382.58	13,560.32	

SCHEDULE 6 : INVESTMENTS					
Previous Year Nos.	Current Year Nos.		Face Value (Rs.)	As at March 31, 2011	As at March 31, 2010
(Non-Trade) - Long Term					
Ordinary Shares - Quoted:					
60,60,540	86,09,164	1. The Andhra Pradesh Paper Mills Ltd.	10	6,078.39	4,674.48
1000	1000	2. State Bank of Bikaner & Jaipur	10	0.54	0.54
3,03,817	3,03,817	3. The Peria Karamalai Tea & Produce Co. Ltd.	10	177.03	177.03
				6,255.96	4,852.05
Ordinary Shares - Unquoted:					
3,90,000	6,28,100	1. Digvijay Investments Ltd.	100	1,084.25	606.86
5,77,778	5,77,778	2. VS Lignite Power (P) Ltd.	10	57.78	57.78
5	5	3. The Jewel Crown Co-op. Housing Society Ltd.	50	*	*
				1,142.23	664.64
Investment in Wholly Owned Subsidiary-Unquoted:					
50,000	50,000	1. Allied Dealcomm Ltd.	10	5.00	5.00
-	50,000	2. Iota Mtech P. Ltd.	10	5.00	-
				10.00	5.00
0.01% cumulative redeemable Preference Shares-Unquoted:					
11,14,222	11,14,222	1. VS Lignite Power (P) Ltd.	10	111.42	111.42
Investment in Bonds :					
-	1,000	1. REC Bonds		50.00	-
(Non Trade) Current, Ordinary Shares - quoted:					
-	19,186	1. Power Grid Corp. of India Ltd.	10	17.27	-
-	19,85,105	2. Emami Paper Mills Ltd.	2	1,011.89	-
-	1,09,411	3. RSR Mohta Spg. & Wvg. Mills Ltd.	10	147.71	-
-	946	4. MOIL Ltd.	10	3.54	-
-	1,40,500	5. Jay Shree Tea & Industries Ltd.	10	221.50	-
-	63,477**	6. Dhunseri Petrochem & Tea Ltd.	10	98.00	-
				1499.91	-
Ordinary Shares - Unquoted:					
-	4,00,000	1. Usha Breco Ltd.	10	200.00	-
Investment in Mutual Funds - Quoted :					
-	20,00,000	1. SBI Mutual Fund		200.00	-
				9,469.32	5,633.11
		Less : Provision for Diminution in value of Investment		-	155.77
		Aggregate Book Value of Investments (Net)		9,469.32	5,477.34
		Aggregate Book Value of Quoted Investments (Net)		7,955.87	4,696.28
		Aggregate Book Value of Unquoted Investments		1,513.45	781.06
				9,469.32	5,477.34
		Market Value of Quoted Investments		26,390.11	4,838.18

* The value of the item after rounding off, is below the reportable figures, hence ignored.

** Out of total 63,477 shares, 20,335 shares were credited in Demat a/c after the balance sheet date.

(Rs. in Lacs)

SCHEDULE 7 : INVENTORIES	As at March 31, 2011	As at March 31, 2010
(As valued & certified by the Management)		
Finished Goods including waste	960.69	311.82
Stock-in-Process	683.36	547.91
Raw Materials	10,631.57	6,847.50
Stores, Spare parts, Fuel, etc.	333.07	314.19
	<u>12,608.69</u>	<u>8,021.42</u>

SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured and Considered good)		
Outstanding for a period exceeding six months	24.84	27.85
Others	4,505.73	2,109.95
	<u>4,530.57</u>	<u>2,137.80</u>

SCHEDULE 9 : CASH & BANK BALANCES		
Cash in hand	4.84	2.97
Balance with Scheduled Banks		
Current Accounts	592.52	332.54
Fixed Deposit Accounts	531.11	13.51
Unpaid Dividend Accounts	3.34	3.02
Balance with other banks		
Current Account with The Pali Urban Co-op. Bank Ltd., Pali (Maximum Balance during the year Rs. 1.07 Lacs) (Previous year Rs. 14.14 Lacs)	-	1.07
	<u>1,131.81</u>	<u>353.11</u>

SCHEDULE 10 : LOANS & ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received including deposits	3,919.45	1,164.87
Inter Corporate Deposits	1,600.00	-
Advance Tax (Net)	480.39	175.75
MAT Credit Entitlement	147.86	-
Balance with Excise Authorities	91.47	124.16
Interest accrued/receivable	41.78	2.23
	<u>6,280.95</u>	<u>1,467.01</u>

(Rs. in Lacs)

SCHEDULE 11 : CURRENT LIABILITIES & PROVISIONS	As at March 31, 2011	As at March 31, 2010
Current Liabilities		
Creditors for goods supplied		
Due to Micro and Small Enterprises	14.10	11.94
Others	302.13	114.20
Other Liabilities	3,441.12	1,194.52
Interest accrued but not due on Loans	37.33	55.57
Unclaimed Dividends	3.34	3.02
	3,798.02	1379.25
Provisions		
Proposed Dividends	432.00	216.00
Tax on Proposed Dividend	71.75	36.71
Provision for Gratuity & Leave Encashment	128.25	114.38
	632.00	367.09
	4,430.02	1,746.34

SCHEDULE 12 : OTHER INCOME		
Profit on Sale/Scrapping of Fixed Assets	9.38	3.04
Dividend on Ordinary Shares (Long Term, Non Trade Investments)	71.59	24.39
Dividend on Mutual Funds	163.75	-
Interest Received on ICDs, FDRs, etc. (TDS Rs. 15.02 Lacs; Previous year : NIL)	150.22	-
Miscellaneous Income	26.52	15.85
	421.46	43.28

SCHEDULE 13 : INCREASE/(DECREASE) IN STOCKS		
Opening Stock		
Finished Goods	311.82	771.60
Stock-in-Process	547.90	593.68
	859.72	1365.28
Closing Stock		
Finished Goods	960.69	311.82
Stock-in-Process	683.36	547.90
	1644.05	859.72
Increase/(Decrease)	784.33	(505.56)

SCHEDULE 14 : MANUFACTURING EXPENSES		
Stores and Spare Parts consumed	882.97	1,047.90
Power & Fuel	4,662.19	4,527.05
Processing Expenses	1.86	9.56
Repairs to : Plant & Machinery	93.36	147.26
: Building	90.32	69.78
Pollution Control Expenses	52.11	36.02
	5,782.81	5,837.57

(Rs. in Lacs)

SCHEDULE 15 : MANPOWER COST	Year ended March 31, 2011	Year ended March 31, 2010
Salaries, Wages, Bonus, Gratuity etc.	2245.80	1974.86
Contribution to Provident fund & others	264.06	228.33
Employees Welfare Expenses	44.25	53.54
	<u>2,554.11</u>	<u>2,256.73</u>

SCHEDULE 16 : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	3.56	3.55
Rates & Taxes	13.00	14.63
Insurance Charges	12.89	10.33
Charity & Donation	-	17.11
Loss on Sale/Scrapping of Fixed Assets	0.07	3.21
Other Repairs and Maintenance	51.70	33.62
Directors' Commission and Sitting Fees	20.67	16.06
Provision for Diminution in Value of Current Investment	6.91	-
Legal & Professional Charges	147.65	60.10
Miscellaneous Expenses	136.93	94.29
Commission & Brokerage on Sales	213.34	157.47
Selling & Distribution Expenses	431.48	209.03
	<u>1,038.20</u>	<u>619.40</u>

SCHEDULE 17 : INTEREST AND FINANCE COST		
On Long Term Loans	648.14	622.94
Less : Subsidy received under TUFS	228.03	321.17
	<u>420.11</u>	<u>301.77</u>
On Other borrowings	294.33	399.55
Less : Received Gross	202.35	150.56
[TDS Rs. 19.04 Lacs (Previous Year Rs. 14.15 Lacs)]	91.98	248.99
Interest Cost	512.09	550.76
Finance Charges	24.31	61.23
	<u>536.40</u>	<u>611.99</u>

SCHEDULE 18 : EXCEPTIONAL ITEMS/NON-OPERATING ITEMS		
Profit on Sale of Immovable Property	15,648.05	799.74
Exclusivity Fees	1,825.09	-
Loss on Sale of Investments	(353.17)	-
Provision for Government Levies and other Obligations	(1,719.63)	-
	<u>15,400.34</u>	<u>799.74</u>

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies:

A. Recognition of Income & Expenditure

Revenues/Incomes and Costs/Expenditures are generally accounted for on accrual basis, as these are earned or incurred. Cenvat as availed of is taken into account. Any subsidy, DEPB, Duty Drawback and Rebate etc. under any Government schemes including TUFS is recognized and accounted for as and when received.

B. Fixed Assets

Fixed Assets (except for Land which is at revalued figure) are stated at cost (Net of CENVAT) of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses up to the date of installation/commissioning of assets.

C. Depreciation

Depreciation has been provided for at the rates in force from time to time as per the Schedule XIV of the Companies Act, 1956 as under-

- (i) on Plant & Machinery and Electric Installation added upto 31.12.1979 - on written down value method and on additions from 01.01.1980 onwards - on straight line method.
- (ii) on all other items of Fixed Assets - on written down value method. No Depreciation is charged on land.

D. Investments

Investments are classified as Current and Long Term. The current investments are stated at lower of the costs or fair value. Long Term investments are stated at cost. Suitable provisions are made / reserves created to recognize a non-temporary decline in the value of such investments.

E. Inventories

Raw Materials and Finished Goods are valued at cost or Net realizable value whichever is lower; Stock in Process is valued at cost depending upon the stage of completion ; Stores & Spare Parts and Fuel are valued at cost ; and scrap materials are valued at net realizable value. The cost is determined using specific identification cost method for Raw Materials and weighted average cost method for Stores & Spare Parts and Fuel.

F. Gratuity and Leave encashment

Liabilities for the gratuity and leave encashment are evaluated at the year end by Actuary and the incremental amount of these liabilities is charged to the Income statement for the period.

G. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Export sales are recorded at the custom notified exchange rates.

Monetary items denominated in foreign currencies at the year end, are re-stated at the year end rates or forward exchange contract rates, as the case may be.

Non-monetary items denominated in foreign currencies are carried at cost.

No transaction took place during the year wherein the exchange rate difference arose for the acquisition of fixed assets.

H. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. Qualifying asset is one that necessarily takes a

substantial period of time to get ready for its intended use. The basis of working out the borrowing costs is weighted average rate applicable to the borrowing of the Company that are outstanding during the period except where specific identification exists. All other borrowing costs are recognized as expenses in the period in which they are incurred.

I. Taxes on Income

Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961, and after taking into consideration, benefits admissible therein. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement as a separate line item. The Company reviews the same at each Balance Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal tax during the specified period.

J. Impairment of Assets

As asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The carrying value of asset is reviewed at each balance sheet date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount, and is recognized in the Profit & Loss Account. An impairment loss is reversed if there has been a change in the estimate of recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

K. Provisions, Contingent Liabilities and Contingent Assets

A provision is made when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation, that may, but probably will not, require an outflow of resources. When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognize assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

	2010-11	2009-10
	(Rs. in Lacs)	
2. Estimated amount of contracts on Capital Accounts remaining to be executed and not provided for (net of advances)	1,136.07	1,367.27
3. Other Contingent Liabilities, provision whereof is considered not necessary:		
(i) Claims against the Company regarding Labour Claims etc.	9.94	10.78
(ii) Claims against the Company regarding Income-tax Assessment for different years (net of provisions / actual payments)	161.32	161.32

	2010-11	2009-10
	(Rs. in Lacs)	
(iii) Claims against the Company regarding Entry Tax liabilities (net of provisions / actual payments)	16.26	148.15
(iv) Claims against the Company regarding Excise Duty and Service Tax Assessment for different years (net of provisions / actual payments)	90.78	260.36

All the above matters when concluded, are unlikely, in the opinion of the management, to result in any material liability and consequent effect on the results of operations and/or financial position of the Company.

4. The Company has export obligations of Rs. 434.23 Lacs (USD 9.78 Lacs) [Previous Year: Rs. 3881.09 Lacs] against Import Licences taken for import of capital goods under Export Promotion Capital Goods Scheme.

	2010-11	2009-10
	(Rs. in Lacs)	
5. Deferred Taxation : Deferred Tax Liability (net) on account of accelerated depreciation	433.34	486.51

6. Fixed Assets

The land has been shown at the revalued figure amounting to Rs.6,660.61 lacs as against the original cost of Rs. 4.47 lacs on the basis of the Valuation Report dated 12.03.2009 of an approved valuer.

7. Investments

During the year, the Company along with its affiliates has entered in to an agreement dated 29.03.2011, for sale of its entire shareholdings in The Andhra Pradesh Paper Mills to IP Holding Asia Singapore PTE. LTD., an affiliate of International Paper Company, USA. The sale is subject to receipt of requisite approvals and subject to fulfillment of certain agreed conditions precedent. The sale of the aforesaid shares will take place only after receiving the necessary approvals from the regulatory authorities and account for accordingly.

An amount of Rs. 155.77 lacs had been provided towards non-temporary diminution in the value of shares of The Peria Karamalai Tea & Produce Company Ltd. before 2006. With improved performance of the company and market prices being consistently above the purchase price, the provision of Rs. 155.77 lacs is no longer considered necessary, hence, written back.

8. The following current investments were made and disposed off during the year :

1,89,152	Units of Rs. 10/- each fully paid up of	ICICI Prudential - Flexible Fund Dividend Option
50,00,000	Units of Rs. 10/- each fully paid up of	ICICI Prudential - Quarterly Interval Plan (Dividend Option)
9,04,53,869	Units of Rs. 10/- each fully paid up of	Reliance Liquidity Fund - Daily Dividend Option
49,932	Units of Rs. 1000/- each fully paid up of	Reliance Money Manager Fund - Institutional Dividend Option
1,56,948	Units of Rs. 10/- each fully paid up of	UTI Liquid Cash Institutional Plan
3,49,98,800	Units of Rs. 10/- each fully paid up of	UTI - Fixed Income interval Fund- Monthly Interval Plan-Institutional Dividend Plan
29,500	Shares of Rs. 10/- each fully paid up of	Zandu Realty Limited

9. There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

10. Employee Benefits
(a) Defined Contribution Plans

The Company has Defined Contribution Plan for its employees comprising of Provident Fund, Superannuation Fund, Pension and Employee's State Insurance Fund. The Company and eligible employees make monthly contribution to the Provident Fund trust equal to specified percentage of the covered employees' salary. The Company recognised Rs. 264.06 Lacs (previous year Rs. 228.33 Lacs) during the year as expense towards contribution to these plans.

Particulars	2010-11	2009-10
	(Rs. in Lacs)	
Company's contribution to Provident Fund	168.29	146.11
Company's contribution to Employees State Insurance and Group Insurance Scheme	82.39	70.77
Administration charges on above	13.38	11.45

(b) Defined Benefit Plans

The Company has Defined Benefit Plan comprising of Gratuity Fund, Leave Encashment and Long Term Service Award. The Company contributes to the Gratuity Fund, which is recognised by the Income Tax Authorities and administered through its trustees. The liability for Gratuity and Leave Encashment is determined on the basis of an independent actuarial valuation done at the year-end. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The following table set out the disclosures relating to Gratuity and Leave Encashment benefits as required by Accounting Standard (AS)-15 "Employee Benefits" :

I Actuarial Assumptions	31.03.2011		31.03.2010		
	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate		
Mortality					
Discount Rate	8.25%		7.50%		
Rate of Increase in compensation	4.00%		4.00%		
Rate of return (expected) on Plan assets	8.25%		7.50%		
Expected average remaining service (years)	21.65		20.65		
II Reconciliation of opening and closing balances of Defined Benefit Obligation (DBO)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)	
	(Rs. in lacs)		(Rs. in lacs)		
Defined Benefit obligation at beginning of year	434.66	79.11	414.02	75.10	
Interest Cost	35.86	6.53	31.05	5.63	
Current Service Cost	30.32	20.54	31.65	9.21	
Benefits paid	(82.99)	(42.42)	(60.46)	(40.48)	
Actuarial (gain)/loss	24.10	31.48	18.40	29.65	
Defined Benefit obligation at end of year	441.95	95.24	434.66	79.11	
III Reconciliation of opening and closing balances of fair value of plan assets	Fair Value of Plan Assets at the beginning of year	383.39	-	414.02	-
	Expected return on plan assets	28.75	-	31.05	-
	Actuarial gain/(loss)	8.51	-	(1.22)	-
	Employer Contribution	51.28	42.42	-	40.48
	Benefits paid	(82.99)	(42.42)	(60.46)	(40.48)
	Fair value of plan assets at year end	388.94	-	383.39	-
	Actual return on plan assets	37.26	-	29.83	-
IV Reconciliation of fair value of assets and obligations	Fair value of plan assets	388.94	-	383.39	-
	Present value of obligation	441.95	95.24	434.66	79.11
	Net asset/(liability) recognized in Balance Sheet	(53.01)	95.24	(51.27)	79.11

V Expenses recognized in the statement of P&L A/c				
Current Service Cost	30.32	20.54	31.65	9.21
Interest Cost	35.86	6.53	31.05	5.63
Expected Return on Plan Assets	(28.75)	-	(31.05)	-
Net Actuarial (Gain)/Loss recognized for the period	15.59	31.48	19.62	29.66
Expenses recognized in the statement of P & L A/c	53.02	58.55	51.27	44.50

11. Managerial Remuneration* paid to the Board members as detailed hereunder :

	2010-11	2009-10
	(Rs. in Lacs)	
(a) Charged under Manpower Cost		
Salaries and House Rent Allowance	65.73	62.12
Contribution to P.F.	5.47	4.76
Other perquisites	10.93	6.10
Total (a)	82.13	72.98
(b) Charged under Administrative cost		
Commission to the CMD	4.35	4.24
Commission to Non Executive Directors	15.00	10.83
Directors' sitting fees	1.32	0.99
Total (b)	20.67	16.06
Total (a + b)	102.80	89.04

*Does not include the amount paid/payable in respect of gratuity and leave encashment, as the same is determined on an actuarial basis for the company as a whole.

Computation of Net profit for the purpose of determining Managerial Remuneration as per Section 349 of the Companies Act, 1956.

Profit before Tax as per Profit and Loss A/c	18,870.86	1912.99
Add : Managerial Remuneration	102.80	89.04
Loss on Sale of Fixed Assets	0.07	3.21
	18,973.73	2005.24
Less : Profit on Sale of Fixed Assets	15,657.43	802.78
Net Profit as per Section 349 of the Companies Act, 1956	3,316.30	1,202.46
Amount of Commission payable to the CMD	4.35*	4.24
Commission to Non Executive Directors	15.00	10.83

*as admissible under Schedule XIII (Part II - Section III) to the companies Act, 1956

12. Payments to Auditors

	2010-11	2009-10
	(Rs. in Lacs)	
(i) Statutory Audit Fee (Incl. Service Tax)	0.83	0.77
(ii) In Other Capacity:		
(a) Certification of Statements	0.17	0.08
(b) Fee for Tax Audit	0.11	0.11
(iii) Reimbursement of Expenses	0.48	0.33

13. Earning per share is calculated by dividing the net profit for the respective year attributable to the equity shareholders by the weighted average number of equity shares during that year. The figures used in calculating basic and diluted earnings per equity share are as stated below :

		2010-11	2009-10
		(Rs. in Lacs)	
Profit attributable to equity shareholders	(A)	15,356.26	1,455.51
Weighted Avg. number of equity shares (Nos.)	(B)	86,40,000	86,40,000
Potential dilutive equity shares (Nos.)	(C)	Nil	Nil
Basic Earning per share	(Rs.) (A/B)	177.73	16.85
Diluted Earning per share	(Rs.) (A/B+C)	177.73	16.85

14. Exceptional Incomes/Non-Operating Incomes

During the year, the Company disposed off its property at Jaipur for Rs. 15,650 lacs (net realization). The Company has received an amount of Rs 1,825.09 lacs pursuant to an exclusivity agreement dated 11.1.2011 entered into in relation to its investments in The Andhra Pradesh Paper Mills Ltd. as referred to in note no. 7 given above regarding investments.

During the year, the Company invested and disposed off its holding in Zandu Realty Limited and incurred a loss of Rs 353 lacs.

The Company has contested certain government levies related to statutory duties, taxes and other obligations imposed under different statutes. Pending the final disposal of the cases at appropriate level, as a matter of abundant caution, the demand / likely liability has been provided for by the Company in the financial statements for Rs 1,719.63 lacs.

15. Related party Disclosures:
A. Names of related parties and description of relationship :

S. No.	Key Management Personnel (KMP)	Relatives of Key Management Personnel (KMP)	Wholly Owned Subsidiaries	Significant Influence
i.	Mr. LN Bangur CMD	Mr. Yogesh Bangur President (CA&S)	Allied Dealcomm Ltd.	The Andhra Pradesh Paper Mills Ltd.
ii.	Mr. Govind Sharda ED		Iota Mtech (P) Ltd.	The Peria Karamalai Tea & Produce Co. Ltd.
iii.				Digvijay Investments Ltd.

B. Related Party Transactions Details :

S. No.	Nature of Transaction/ Relationship	Key Management Personnel	Relatives of Key Management Personnel	Wholly Owned Subsidiaries	Significant Influence
i.	Remuneration	86.48 (77.22)	5.83 (4.21)		
ii.	conversion of warrants into equity Shares; and Subscription & Purchase of Equity Shares			5.00 (5.00)	1,881.31 (1,212.54)
iii.	Inter Corporate Deposit (ICD) given				3750.00 (-)
iv.	Interest on ICD				31.15 (-)
v.	Inter Corporate Deposit (ICD) liquidated				(3300) (-)
vi.	Purchase of Fixed Assets				400.00 (-)
vii.	Balance receivable/(payable) as at 31st March 2011	Nil (Nil)	Nil (Nil)	Nil (Nil)	451.01* (Nil)

Note : Previous years figures are shown in brackets.

* Precludes Rs. 1,825.09 lacs held by a company with significant influence as custodian on behalf of the Company and its affiliates, received against item no. 14 referred herein above, that has since been received.

16. Segment Reporting

The Company has been deriving its revenues significantly from textile manufacturing processes, being a composite textile mill. Besides this, there has been a substantial increase in the Investment activity and volume subsequent to the sale of land of the Company at Jaipur. The funds deployed in Investment activities have significantly different set of risks and rewards as compared to the textile business and as such as per AS-17, the new segment is styled as "Investment Division" w.e.f. 1st February 2011 pursuant to the Board Resolution.

Figures of the previous year have been reported hereinunder for the comparison purpose only.

Details of Business Segments:

Particulars	(Rs. in lacs)							
	Textile		Investment		Unallocable		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
1.Segment Revenue								
- External sales	43142.79	31952.50					43142.79	31952.50
- Other Income			86.43				86.43	
-Inter-segment sales								
Total Revenue	43142.79	31952.50	86.43				43229.22	31952.50
2.Segment Results	3801.30	1725.24	85.85				3887.15	1725.24
Unallocated expenses (Net off unallocable income)					119.78		119.78	
Profit before interest and tax	3801.30	1725.24	85.85		119.78		4006.93	1725.24
Interest expense							(536.40)	(611.99)
Exceptional income							15400.34	799.74
Provision for taxation							(3514.61)	(457.48)
3.Profit/(Loss) after tax							15356.26	1455.51
4.Other Information								
i) Segment assets	34059.48	25536.50	12716.21	5304.75			46775.69	30841.25
Unallocated corporate assets					628.25	175.75	628.25	175.75
Total assets	34059.48	25536.50	12716.21	5304.75	628.25	175.75	47403.94	31017.00
ii) Segment liabilities	3926.28	1493.63					3926.28	1493.63
Unallocated corporate liabilities					43477.66	29523.37	43477.66	29523.37
Total liabilities	3926.28	1493.63			43477.66	29523.37	47403.94	31017.00
Capital Expenditure	971.02	1046.69					971.02	1046.69
Depreciation	1196.34	1185.16					1196.34	1185.16
Non-cash expenses other than depreciation								

Inter-segment balance of Rs. 1545.72 lacs as on 31.03.2011 is not considered in segmental assets and liabilities.

17. Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's grouping.

18. Additional Information	CURRENT YEAR (31.3.2011)			PREVIOUS YEAR (31.3.2010)		
	Spindles	Rotors	Looms	Spindles	Rotors	Looms
(a) Quantitative Information						
(i) Licensed Capacity	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(ii) Installed Capacity	1,09,344	2,256	494	1,09,344	2,256	494
(iii) Production						
Fabrics	UoM ('000 Mtrs.)	22,989		20,716		
Yarn	M.T.	22,571		21,976		
(iv) Stock of Packed Goods						
Opening Stock						
Fabrics	('000 Mtrs.)	65	19.35	446	106.02	
Yarn	M.T.	289	273.57	646	648.80	
Closing Stock						
Fabrics	('000 Mtrs.)	66	20.40	65	19.35	
Yarn	M.T.	688	914.78	289	273.57	
(v) Raw Material Consumed						
Cotton	M.T.	26,708	24,766.80	25,916	16,351.99	
Man-made Fibre	M.T.	2,325	2,546.09	2,330	2,113.70	
Others			1,739.12		1,400.43	
			<u>29,052.01</u>		<u>19,866.12</u>	
(vi) Turnover						
Fabrics	('000 Mtrs.)	22,988	7,637.22	21,097	6,478.16	
Yarn	M.T.	22,172	34,454.60	22,333	25,180.93	
Waste	M.T.	1,800	312.10	1,911	293.41	
			<u>42,403.92</u>		<u>31,952.50</u>	
(vii) Trading Activities						
Fabrics						
Sales	('000 Mtrs.)	2,086	738.87	-	-	
Purchase	('000 Mtrs.)	2,086	718.19	-	-	
(b) Value of Imports on CIF basis in respect of						
(i) Components & Spare parts			213.39		294.56	
(ii) Capital Goods			99.65		499.40	
(c) Expenditure in Foreign Currency						
Commission			-		1.89	
(d) (i) Value of Raw Materials consumed						
Imported		Value Rs. in Lacs	% of Total Consumption	Value Rs. in Lacs	% of Total Consumption	
Indigenous		29,051.17	100.00	19,866.12	100.00	
Total		<u>29,051.17</u>	<u>100.00</u>	<u>19,866.12</u>	<u>100.00</u>	
(ii) Value of Stores & Spare Parts consumed						
Imported		203.20	23.01	338.69	32.32	
Indigenous		679.77	76.99	709.21	67.68	
Total		<u>882.97</u>	<u>100.00</u>	<u>1,047.90</u>	<u>100.00</u>	
(e) Earnings in Foreign Exchange						
Export of Goods (F.O.B. Value)		708.13		588.96		

Note : The Kota Establishment was closed on 06.03.1985 following judgment of the Court, whereby Company's case for closure of that establishment was upheld (Installed Spindles 22,272). The matter is still pending with the Apex Court for final disposal.

**19. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

I) Registration details :

Registration No. State Code
 Balance Sheet
 Date Date Month Year

II) Capital raised during the year: (Amount in Rs. Thousands) :

Public Issue Right Issue
 Bonus Issue Private Placement

III) Position of mobilization and deployment of funds as on 31.03.2011 (Amount in Rs. Thousands) :

Total Liabilities Total Assets

Sources of Funds

Paid up capital Reserves and Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure

IV) Performance of Company for the year 2010-11 (Amount in Rs. Thousands) :

Turnover (Net) Total Expenditure
 (Incl. other Income)

(After Adjustment of Stock)

Profit before Tax Profit after Tax
 Earning per Share (Rs.) Dividend Rate (%)

V) Generic Names of Three Principal Products/Services of Company (as per monetary terms) :

Item Code No
 Product Description
 Item Code No
 Product Description
 Item Code No
 Product Description

Signatures to Schedules '1' to '19'

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

Kolkata
May 26, 2011

M. No. 72326
Firm Regn. No. : 001072C

Sanjay Kumar Periwal
Company Secretary

LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Director (CA&S)

Directors

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956
RELATING TO SUBSIDIARY COMPANY**

1.	Name of the Subsidiary Company	Allied Dealcomm Ltd.	Iota Mtech Pvt. Ltd.
2.	Financial Year ending of the Subsidiary	31.03.2011	31.03.2010
3.	Number of Shares held & Face Value	50,000 of Rs. 10/- each	50,000 of Rs. 10/- each
4.	Extent of Holding	100%	100%
5.	For Financial Year of the Subsidiary		
	(a) Profit/(Losses) so far it concerns the members of the Holding Company and not dealt with the books of accounts of the Holding Company (Except to the extent dealt within col. 5(b))	Rs. (0.11) lac	Rs. (0.2) lac
	(b) Profit/(Losses) so far it concerns the members of the Holding Company and dealt with the books of accounts of the Holding Company	Nil	Nil
6.	For the Previous Financial Years since it became a Subsidiary		
	(a) Profit/(Losses) so far it concerns the members of the Holding Company and not dealt with the books of accounts of the Holding Company (Except to the extent dealt within col. 6(b))	Rs. (0.42) lac	Nil
	(b) Profit/(Losses) so far it concerns the members of the Holding Company and dealt with the books of accounts of the Holding Company	Nil	Nil

Kolkata
May 26, 2011

LN Bangur *Chairman &
Managing Director*
Govind Sharda *Executive Director*
Yogesh Bangur *Director (CA&S)*
Alka Bangur
SS Kothari
C V Desai *Directors*
Amitav Kothari
Amit Mehta

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF
MAHARAJA SHREE UMAID MILLS LIMITED**

We have examined the attached Consolidated Balance Sheet of MAHARAJA SHREE UMAID MILLS LIMITED and its subsidiaries as at 31st March, 2011 and the Consolidated Profit & Loss Account for the year ended on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These Consolidated financial statements are the responsibility of the MAHARAJA SHREE UMAID MILLS LIMITED'S management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

1. 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 disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21, "Consolidated Financial Statements" as notified under The Companies Accounting Rules, 2006 and on the basis of the separate audited financial statements of MAHARAJA SHREE UMAID MILLS LIMITED and its subsidiaries considered in the consolidated financial statements.
3. On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of MAHARAJA SHREE UMAID MILLS LIMITED and its subsidiary, we are of the opinion that:
 - a) the Consolidated Balance Sheet given a true and fair view of the consolidated state of affairs as at 31st March, 2011;
 - b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations for year then ended; and
 - c) the Consolidated Cash Flow Statement gives a true and fair view of the consolidated cash flows for the year ended on that date.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

M. No. 72326

Firm Regn. No. 001072C

Kolkata
May 26, 2011

BALANCE SHEET AS AT MARCH 31, 2011

(Rs. in Lacs)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	864.00	864.00
Reserves & Surplus	2	30,096.51	15,088.04
		30,960.51	15,952.04
Loan Funds :			
Secured Loans	3	10,579.46	12,331.65
Unsecured Loans	4	1,000.00	500.00
		11,579.46	12,831.65
Deferred Tax Liability (Net)		433.34	486.51
		42,973.31	29,270.20
APPLICATION OF FUNDS			
Fixed Assets :			
Gross Block	5	24,658.88	23,482.06
Less : Depreciation		11,437.17	10,288.41
Net Block		13,221.71	13,193.65
Capital Work-in-Progress (including capital advances)		160.87	366.67
Investments	6	9,459.32	5,472.34
Current Assets, Loans & Advances :			
Inventories	7	12,608.69	8,021.42
Sundry Debtors	8	4,530.57	2,137.80
Cash & Bank Balances	9	1,141.17	357.63
Loans & Advances	10	6,280.94	1,467.01
		24,561.37	11,983.86
Less : Current Liabilities & Provisions	11		
Current Liabilities		3,798.19	1,379.31
Provisions		632.00	367.09
		4,430.19	1,746.40
Net Current Assets		20,131.18	10,237.46
Miscellaneous Expenses (To the extent not written off or adjusted)		0.23	0.08
		42,973.31	29,270.20

Significant Accounting Policies and Notes on Accounts 19

 The Schedules referred to above form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

 For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

 Kolkata
May 26, 2011
M. No. 72326
Firm Regn. No. : 001072C

 Pradip Kumar Ojha
Company Secretary

 LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta
Chairman &
Managing Director
Executive Director
Director (CA&S)
Directors

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

(Rs. in Lacs)

	Schedule	Year ended on March 31, 2011	Year ended on March 31, 2010
INCOME			
Turnover (Gross)		43,159.85	31,953.95
Less : Excise Duty		17.06	1.45
Turnover (Net)		43,142.79	31,952.50
Other Income	12	421.88	43.28
Increase/(Decrease) in Stocks	13	784.33	(505.56)
		44,349.00	31,490.22
EXPENDITURE			
Raw Materials & Other Materials Consumed		29,052.00	19,866.12
Purchase of Traded Goods		718.19	-
Manufacturing Expenses	14	5,782.81	5,837.57
Manpower Cost	15	2,554.32	2,256.73
Administrative, Selling and Other Expenses	16	1,038.55	619.71
Interest & Finance Cost	17	536.40	611.99
		39,682.27	29,192.13
		4,666.73	2,298.10
PROFIT BEFORE DEPRECIATION AND TAXATION			
Depreciation		1,196.34	1,185.16
PROFIT BEFORE EXCEPTIONAL TAXATION			
Exceptional/Non-Operating Items	18	15,400.34	799.74
PROFIT BEFORE TAXATION			
Provision for Taxation – Current Tax		3,715.64	547.88
– Deferred Tax		(53.17)	(90.40)
– Mat Credit entitlement		(147.86)	0.00
NET PROFIT			
		15,356.12	1,455.20
Add : Balance brought from last year		1,521.23	796.82
Tax adjustment for earlier years (net)		0.33	21.92
Provision for diminution in value of investment w/back		155.77	-
PROFIT AVAILABLE FOR APPROPRIATION			
		17,033.45	2,273.94
APPROPRIATIONS			
Proposed Dividend		432.00	216.00
Tax on distributed profits		71.75	36.71
General Reserve		2,000.00	500.00
Balance carried forward		14,529.70	1,521.23
		17,033.45	2,273.94
Basic and Diluted Earnings per Share of Rs. 10 each (Rs.)			
		177.73	16.84
Significant Accounting Policies and Notes on Accounts			
	19		

The Schedules referred to above form part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

Kolkata M. No. 72326
May 26, 2011 Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

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SS Kothari
C V Desai
Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Director (CA&S)

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

(Rs. in Lacs)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax and extraordinary items	19,026.51	1,912.68
Adjustments for :		
Depreciation	1,196.34	1,185.16
Income from Investments	(299.14)	(24.39)
Interest paid (Net)	512.08	550.76
Profit on sale/scraping of fixed assets	(15,657.42)	(799.57)
Miscellaneous Expenditure Amortised	0.09	0.04
	(14,248.05)	912.00
Operating Profit before Working Capital Changes	4,778.46	2,824.68
Adjustments for :		
Trade and other receivables	(6,862.51)	(539.56)
Inventories - Raw Materials	(3,784.07)	(2,328.87)
Inventories - Finished and Semi Finished Goods	(803.20)	468.49
Trade payables	2,450.67	(8,999.11)
Cash Generated from Operations	(4,220.65)	320.83
Interest paid	(139.30)	(241.68)
Direct taxes paid	(1,507.89)	(1,647.19)
Net Cash Flow from (used in) Operating Activities	(5,867.84)	(472.99)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets & other capital exp.	(1,025.77)	(1,165.90)
Sale/scraping of fixed assets (Net of Tax)	13,300.40	669.66
Purchase of Investments	(3,987.23)	(1,212.81)
Income from Investments	299.14	24.39
Net cash used in investing activities	8,586.54	(1,684.66)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Long-term borrowing	655.41	1,096.35
Proceeds from Short-term borrowing	2,367.53	3,250.57
Repayment of Long-term borrowing	(1,057.50)	(923.13)
Repayment of Short-term borrowing	(3,217.62)	(678.15)
Interest paid	(430.59)	(253.96)
Dividend and tax thereon paid	(252.39)	(125.92)
Net cash flow from (used in) financing activities	(1,935.16)	2,365.76
Net increase in Cash and Cash Equivalents	783.54	208.11
Cash and cash equivalents (Opening Balance)	357.63	149.52
Cash and cash equivalents (Closing Balance)	1,141.17	357.63

Note : Figures in bracket represent cash outflows.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
Kolkata
May 26, 2011
M. No. 72326
Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

LN Bangur
Govind Sharda
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SS Kothari
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Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Director (CA&S)

Directors

SCHEDULES TO ACCOUNTS

(Rs. in Lacs)

SCHEDULE 1 : SHARE CAPITAL		As at March 31,2011	As at March 31, 2010
Authorised			
1,00,00,000	Equity Shares of Rs. 10/- each	1,000.00	1,000.00
		1,000.00	1,000.00
Issued & Subscribed			
1,60,000	Equity Shares of Rs. 10/- each fully paid-up in cash	16.00	16.00
84,80,000	Equity Shares of Rs. 10/- each issued as Bonus Shares out of Reserves	848.00	848.00
		864.00	864.00

SCHEDULE 2 : RESERVES & SURPLUS			
Capital Reserve			
	As per last Balance Sheet	0.68	0.68
General Reserve			
	As per last Balance Sheet	6,909.99	
	Add : Transferred from Profit & Loss A/c	2,000.00	6,909.99
		6,656.14	6,656.14
Revaluation Reserve			
		6,656.14	6,656.14
Surplus as per Profit & Loss A/c			
		14,529.70	1,521.23
		30,096.51	15,088.04

SCHEDULE 3 : SECURED LOANS			
Loans From Banks			
	- Term Loans	5,362.16	5,764.25
	- Working Capital Loans	5,217.30	6,567.40
		10,579.46	12,331.65

Term loans are secured by equitable mortgage of Land & Building of the Pali Establishment i.e. the Textile Unit and the Power Generation Unit at Pali; and hypothecation of specific Machineries & Equipments, immovable and movable Assets; and by way second of charge on the current assets of the Pali Establishment.

Working Capital Loans are secured by way of hypothecation of Inventories/Book Debts of the Pali Establishment i.e.the Textile Unit and the Power Generation Unit at Pali; and by way of second charge on the Fixed Assets of the Pali Establishment as above, ranking pari passu with each other.

SCHEDULE 4 : UNSECURED LOANS			
UNSECURED LOANS			
Short Term Loans From Banks			
	Kotak Mahindra Bank Ltd.	1,000.00	-
	ICICI Bank Ltd.	-	500.00
		1,000.00	500.00

(Rs. in Lacs)

SCHEDULE 5 : FIXED ASSETS										
PARTICULARS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As at 1st April, 2010	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March, 2011	Up to 1st April, 2010	on Deductions/ Adjustments	For the Year	Up to 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Land (Free hold)	6,661.77	-	0.70	6,661.07	-	-	-	-	6,661.07	6,661.77
Buildings	681.01	484.64	8.44	1,157.21	371.23	7.55	44.39	408.07	749.14	309.78
Plant & Machinery	15,793.57	649.11	24.09	16,418.59	9,697.51	22.89	1,119.47	10,794.09	5,624.50	6,096.06
Electric Installation	107.09	-	0.52	106.57	49.13	0.48	4.06	52.71	53.86	57.96
Furniture & Fixture	96.18	1.52	5.25	92.45	84.71	4.91	1.67	81.47	10.98	11.47
Equipments	31.54	4.12	0.10	35.56	23.18	0.08	3.09	26.19	9.37	8.36
Vehicles	110.90	92.18	15.65	187.43	62.65	11.66	23.65	74.64	112.79	48.25
Sub Total	23,482.06	1,231.57	54.75	24,658.88	10,288.41	47.57	1,196.34	11,437.17	13,221.71	13,193.65
Previous Year	22,642.44	958.83	119.21	23,482.06	9,212.68	109.43	1,185.16	10,288.41	13,193.65	13,429.76
Capital Work - in - Progress including capital advances									160.87	366.67
TOTAL									13,382.58	13,560.32

SCHEDULE 6 : INVESTMENTS					
Previous Year Nos.	Current Year Nos.		Face Value (Rs.)	As at March 31, 2011	As at March 31, 2010
(Non-Trade) - Long Term Ordinary Shares - Quoted :					
60,60,540	86,09,164	1. Andhra Pradesh Paper Mills Ltd.	10	6,078.39	4,674.48
1000	1000	2. State Bank of Bikaner & Jaipur	10	0.54	0.54
3,03,817	3,03,817	3. The Peria Karamalai Tea & Produce Co. Ltd.	10	177.03	177.03
				6,255.96	4,852.05
Ordinary Shares - Unquoted:					
3,90,000	6,28,100	1. Digvijay Investments Ltd.	100	1,084.25	606.86
5,77,778	5,77,778	2. VS Lignite power Ltd.	10	57.78	57.78
5	5	3. The Jewel Crown Co-op. Housing Society Ltd.	50	*	*
				1,142.03	664.64
0.01% cumulative redeemable Preference Shares - Unquoted :					
11,14,222	11,14,222	1. VS Lignite Power (P) Ltd.	10	111.42	111.42
Investment in Bonds :					
-	1,000	1. REC Bonds		50.00	-
(Non-Trade) - Current Ordinary Shares - Quoted:					
-	19,186	1. Power Grid Corp. of India Ltd.	10	17.27	-
-	19,85,150	2. Emami Paper Mills Ltd.	2	1,011.89	-
-	1,09,411	3. RSR Mohta Spg. & Wvg. Industries Ltd.	10	147.71	-
-	946	4. MOIL Ltd.	10	3.54	-
-	1,40,500	5. Jay Shree & Tea & Industries Ltd.	10	221.50	-
-	63,477**	6. Dhunseri Petrochem & Tea Ltd.	10	98.00	-
				1,499.91	-
Ordinary Shares - Unquoted:					
-	4,00,000	1. Usha Breco Ltd.	10	200.00	-
Investment in Mutual Funds : Quoted :					
	20,00,000	1. SBI Mutual Fund		200.00	-
				9,459.32	5,628.11
		Less : Provision for Diminution in value of Investment		-	155.77
		Aggregate Book Value of Investments (Net)		9,459.32	5,472.34
		Aggregate Book Value of quoted Investments (Net)		7,955.87	4,696.28
		Aggregate Book Value of Unquoted Investments		1,503.45	776.06
				9,459.32	5,472.34
		Market Value of Quoted Investments		26,390.11	4,838.18

* The value of the item after rounding off, is below the reportable figures, hence ignored.

** Out of total 63,477 shares, 20,335 shares were credited in Demat a/c after the balance sheet date.

(Rs. in Lacs)

SCHEDULE 7 : INVENTORIES	As at March 31, 2011	As at March 31, 2010
(As Valued & Certified by the Management)		
Finished Goods including Waste	960.69	311.82
Stock-in-Process	683.36	547.90
Raw Materials	10,631.57	6,847.50
Stores, Spare parts, Fuel etc.	333.07	314.20
	<u>12,608.69</u>	<u>8,021.42</u>

SCHEDULE 8 : SUNDRY DEBTORS		
(Unsecured and Considered good)		
Outstanding for a period exceeding six months	24.84	27.85
Others	4,505.73	2,109.95
	<u>4,530.57</u>	<u>2,137.80</u>

SCHEDULE 9 : CASH & BANK BALANCES		
Cash in hand	6.10	3.44
Balance with Scheduled Banks		
Current Accounts	600.62	336.59
Fixed Deposit Accounts	531.11	13.51
Unpaid Dividend Accounts	3.34	3.02
Balance with Other Banks		
Current Account with The Pali Urban Co-op. Bank Ltd., Pali	-	1.07
(Maximum Balance during the year Rs. 1.07 Lacs)		
(Previous year Rs. 14.14 Lacs)		
	<u>1,141.17</u>	<u>357.63</u>

SCHEDULE 10 : LOANS & ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received including deposits	3,919.45	1,164.87
Inter Corporate Deposits	1,600.00	-
Advance Tax (Net)	480.38	175.75
MAT Credit Entitlement	147.86	-
Balance with Excise Authorities	91.47	124.16
Interest accrued/receivable	41.78	2.23
	<u>6,280.94</u>	<u>1,467.01</u>

(Rs. in Lacs)

SCHEDULE 11 : CURRENT LIABILITIES & PROVISIONS	As at March 31, 2011	As at March 31, 2010
A. Current Liabilities		
Creditors for goods supplied		
Due to Micro and Small Enterprises	14.10	11.94
Others	302.13	114.20
Other Liabilities	3,441.29	1,194.58
Interest accrued but not due on Loans	37.33	55.57
Unclaimed Dividends	3.34	3.02
	3,798.19	1,379.31
B. Provisions		
Proposed Dividends	432.00	216.00
Tax on Proposed Dividend	71.75	36.71
Provision for Gratuity & Leave Encashment	128.25	114.38
	632.00	367.09
	4,430.19	1,746.40

SCHEDULE 12 : OTHER INCOME	Year Ended March 31, 2011	Year Ended March 31, 2010
Profit on Sale/Scrapping of Fixed Assets	9.38	3.04
Dividend on Ordinary Shares (Long Term, Non Trade Investments)	71.59	24.39
Dividend on Mutual Funds	163.75	-
Interest Received on ICDs, FDRs etc. (TDS Rs. 15.02 Lacs; Previous year : NIL)	150.22	-
Miscellaneous Income	26.94	15.85
	421.88	43.28

SCHEDULE 13 : INCREASE/(DECREASE) IN STOCKS		
Opening Stock		
Finished Goods	311.82	771.60
Stock-in-Process	547.90	593.68
	859.72	1,365.28
Closing Stock		
Finished Goods	960.69	311.82
Stock-in-Process	683.36	547.90
	1,644.05	859.72
Increase/(Decrease)	784.33	(505.56)

	(Rs. in Lacs)	
SCHEDULE 14 : MANUFACTURING EXPENSES	Year ended March 31, 2011	Year ended March 31, 2010
Stores and Spare Parts consumed	882.97	1,047.90
Power & Fuel	4,662.19	4,527.05
Processing Expenses	1.86	9.56
Repairs to : Plant & Machinery	93.36	147.26
: Building	90.32	69.78
Pollution Control Expenses	52.11	36.02
	<u>5,782.81</u>	<u>5,837.57</u>
SCHEDULE 15 : MANPOWER COST		
Salaries, Wages, Bonus, Gratuity etc.	2,245.98	1,974.86
Contribution to Provident & others	264.06	228.33
Employees Welfare Expenses	44.28	53.54
	<u>2,554.32</u>	<u>2,256.73</u>
SCHEDULE 16 : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Rent	3.56	3.55
Rates & Taxes	13.00	14.63
Insurance Charges	12.89	10.33
Charity & Donation	-	17.11
Loss on Sale/Scrapping of Fixed Assets	0.07	3.21
Other Repairs and Maintenance	51.70	33.62
Directors' Commission and Sitting Fees	20.67	16.06
Provision for Diminution in Value of Current Investment	6.91	-
Legal & Professional Charges	147.65	60.10
Miscellaneous Expenses	137.28	94.60
Commission & Brokerage on Sales	213.34	157.47
Selling & Distribution Expenses	431.48	209.02
	<u>1,038.55</u>	<u>619.71</u>
SCHEDULE 17 : INTEREST AND FINANCE COST		
On Long Term Loans	648.14	622.94
Less : Subsidy received under TUFS	228.03	321.17
	<u>420.11</u>	<u>301.77</u>
on Other borrowings	294.33	399.55
Less : Received Gross	202.35	150.56
(TDS Rs. 19.04 Lacs (Previous Year Rs. 14.15 Lacs))	<u>91.98</u>	<u>248.99</u>
Interest Cost	512.09	550.76
Finance Charges	24.31	61.23
	<u>536.40</u>	<u>611.99</u>
SCHEDULE 18 : EXCEPTIONAL ITEMS/NON-OPERATING ITEMS		
Profit on Sale of Immovable Property	15,648.05	799.74
Exclusivity Fees	1,825.09	-
Loss on Sale of Investments	(353.17)	-
Provision for Government Levies and other Obligations	<u>(1,719.63)</u>	<u>799.74</u>
	<u>15,400.34</u>	<u>799.74</u>

SCHEDULE 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies:

A. Basis of consolidation

The consolidated financial statements present the consolidated accounts of Maharaja Shree Umaid Mills Ltd. (the Parent Company) with its subsidiaries Allied Dealcomm Limited and Iota Mtech Private Limited. In preparing consolidated financial statements, the financial statements of the parent and subsidiary are combined on a line by line basis by adding together the book value of assets, liabilities, income and expenses as per AS-21 on "Consolidated Financial Statements". The intra group balances and transactions are fully eliminated.

B. Recognition of Income & Expenditure

Revenues/Incomes and Costs/Expenditures are generally accounted for on accrual basis, as these are earned or incurred. Cenvat as availed of is taken into account. Any subsidy, DEPB, Duty Drawback and Rebate etc. under any Government schemes including TUFS is recognized and accounted for as and when received.

C. Fixed Assets

Fixed Assets (except for Land which is at revalued figure) are stated at cost (Net of CENVAT) of acquisition or construction less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses up to the date of installation/commissioning of assets.

D. Depreciation

Depreciation has been provided for at the rates in force from time to time as per the Schedule XIV of the Companies Act, 1956 as under-

- (i) on Plant & Machinery and Electric Installation added upto 31.12.1979 - on written down value method and on additions from 01.01.1980 onwards - on straight line method.
- (ii) on all other items of Fixed Assets - on written down value method. No Depreciation is charged on land.

E. Amortisation of expenses

Preliminary expenses are amortised over a period of five years on Straight Line Method.

F. Investments

Investments are classified as Current and Long Term. The current investments are stated at lower of the costs or fair value. Long Term investments are stated at cost. Suitable provisions are made / reserves created to recognize a non-temporary decline in the value of such investments.

G. Inventories

Raw Materials and Finished Goods are valued at cost or net realizable value whichever is lower; Stock in Process is valued at cost depending upon the stage of completion ; Stores & Spare Parts and Fuel are valued at cost ; and scrap materials are valued at net realizable value. The cost is determined using specific identification cost method for Raw Materials and weighted average cost method for Stores & Spare Parts and Fuel.

H. Gratuity and Leave encashment

Liabilities for the gratuity and leave encashment are evaluated at the year end by Actuary and the incremental amount of these liabilities is charged to the Income statement for the period.

I. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Export sales are recorded at the custom notified exchange rates.

Monetary items denominated in foreign currencies at the year end, are re-stated at the year end rates or forward exchange contract rates, as the case may be.

Non-monetary items denominated in foreign currencies are carried at cost.

No transaction took place during the year wherein the exchange rate difference arose for the acquisition of fixed assets.

J. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. Qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. The basis of working out the borrowing costs is weighted average rate applicable to the borrowing of the Company that are outstanding during the period except where specific identification exists. All other borrowing costs are recognized as expenses in the period in which they are incurred.

K. Taxes on Income

Provision for current tax is made in accordance with the provisions of the Income-tax Act, 1961, and after taking into consideration, benefits admissible therein. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit entitlement as a separate line item. The Company reviews the same at each Balance Sheet date and write down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal tax during the specified period.

L. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The carrying value of asset is reviewed at each balance sheet date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount, and is recognized in the Profit & Loss Account. An impairment loss is reversed

if there has been a change in the estimate of recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognized.

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is made when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation, that may, but probably will not, require an outflow of resources. When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognize assets which are of contingent nature until there is virtual certainty of realisation of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognized in the financial statements of the period in which the change occurs.

	2010-11	2009-10
	(Rs. in Lacs)	
2. Estimated amount of contracts on Capital Accounts remaining to be executed and not provided for (net of advances)	1136.07	1367.27
3. Other Contingent Liabilities, provision whereof is considered not necessary:		
(i) Claims against the Company regarding Labour Claims etc.	9.94	10.78
(ii) Claims against the Company regarding Income-tax Assessment for different years (net of provisions / actual payments)	161.32	161.32
(iii) Claims against the Company regarding Entry Tax liabilities (net of provisions / actual payments)	16.26	148.15
(iv) Claims against the Company regarding Excise Duty and Service Tax Assessment for different years (net of provisions / actual payments)	90.78	260.36

All the above matters when concluded, are unlikely, in the opinion of the management, to result in any material liability and consequent effect on the results of operations and/or financial position of the Company.

4. The Company has export obligations of Rs. 434.23 Lacs (USD 9.78 Lacs) [Previous Year: Rs. 3881.09 Lacs) against Import Licences taken for import of capital goods under Export Promotion Capital Goods Scheme.

	2010-11	2009-10
	(Rs. in Lacs)	
5. Deferred Taxation :		
Deferred Tax Liability (net) on account of accelerated depreciation	433.34	486.51

6. Fixed Assets

The land has been shown at the revalued figure amounting to Rs.6,660.61 lacs as against the original cost of Rs. 4.47 lacs on the basis of the Valuation Report dated 12.03.2009 of an approved valuer.

7. Employee Benefits
(a) Defined Contribution Plans

The Company has Defined Contribution Plan for its employees comprising of Provident Fund, Superannuation Fund, Pension and Employee's State Insurance Fund. The Company and eligible employees make monthly contribution to the Provident Fund trust equal to specified percentage of the covered employees' salary. The Company recognised Rs. 264.06 Lacs (previous year Rs. 228.33 Lacs) during the year as expense towards contribution to these plans.

Particulars	2010-11	2009-10
	(Rs. in lacs)	
Company's contribution to Provident Fund	168.29	146.11
Company's contribution to Employees State Insurance and Group Insurance Scheme	82.39	70.77
Administration charges on above	13.38	11.45

(b) Defined Benefit Plans

The Company has Defined Benefit Plan comprising of Gratuity Fund, Leave Encashment and Long Term Service Award. The Company contributes to the Gratuity Fund, which is recognised by the Income Tax Authorities and administered through its trustees. The liability for Gratuity and Leave Encashment is determined on the basis of an independent actuarial valuation done at the year-end. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The following table set out the disclosures relating to Gratuity and Leave Encashment benefits as required by Accounting Standard (AS)-15 "Employee Benefits" :

i. Actuarial Assumptions	31.03.2011		31.03.2010	
	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	
Mortality	8.25%		7.50%	
Discount Rate	4.00%		4.00%	
Rate of Increase in compensation	8.25%		7.50%	
Rate of return (expected) on Plan assets	21.65		20.65	
Expected average remaining service (years)				
ii. Reconciliation of opening and closing balances of Defined Benefit Obligation (DBO)	Gratuity (Funded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Leave Encashment (Unfunded)
	(Rs. in lacs)		(Rs. in lacs)	
Defined Benefit obligation at beginning of year	434.66	79.11	414.02	75.10
Interest Cost	35.86	6.53	31.05	5.63
Current Service Cost	30.32	20.54	31.65	9.21
Benefits paid	(82.99)	(42.42)	(60.46)	(40.48)
Actuarial (gain)/loss	24.10	31.48	18.40	29.65
Defined Benefit obligation at end of year	441.95	95.24	434.66	79.11
iii. Reconciliation of opening and closing balances of fair value of plan assets	31.03.2011		31.03.2010	
	(Rs. in lacs)		(Rs. in lacs)	
Fair Value of Plan Assets at the beginning of year	383.39	-	414.02	-
Expected return on plan assets	28.75	-	31.05	-
Actuarial gain/(loss)	8.51	-	(1.22)	-
Employer Contribution	51.28	42.42	-	40.48
Benefits paid	(82.99)	(42.42)	(60.46)	(40.48)
Fair value of plan assets at year end	388.94	-	383.39	-
Actual return on plan assets	37.26	-	29.83	-

iv Reconciliation of fair value of assets and obligations				
Fair value of plan assets	388.94	-	383.39	-
Present value of obligation	441.95	95.24	434.66	79.11
Net asset/(liability) recognized in Balance Sheet	(53.01)	95.24	(51.27)	79.11
v Expenses recognized in the statement of P&L A/c				
Current Service Cost	30.32	20.54	31.65	9.21
Interest Cost	35.86	6.53	31.05	5.63
Expected Return on Plan Assets	(28.75)	-	(31.05)	-
Net Actuarial (Gain)/Loss recognized for the period	15.59	31.48	19.62	29.66
Expenses recognized in the statement of P & L A/c	53.02	58.55	51.27	44.50

8. Managerial Remuneration*

paid to the Board members as detailed hereunder :

		2010-11	2009-10
		(Rs. in Lacs)	
(a) Charged under Manpower Cost			
Salaries and House Rent Allowance		65.73	62.12
Contribution to P.F.		5.47	4.76
Other perquisites		10.93	6.10
	Total (a)	82.13	72.98
(b) Charged under Administrative Cost			
Commission to the CMD		4.35	4.24
Commission to Non Executive Directors		15.00	10.83
Directors' sitting fees		1.32	0.99
	Total (b)	20.67	16.06
	Total (a + b)	102.80	89.04

*Does not include the amount paid/payable in respect of gratuity and leave encashment, as the same is determined on an actuarial basis for the company as a whole.

9. Payments to Auditors

	2010-11	2009-10
	(Rs. in Lacs)	
(i) Statutory Audit Fee (Incl. Service Tax)	0.93	0.77
(ii) In Other Capacity:		
(a) Certification of Statements	0.17	0.08
(b) Fee for Tax Audit	0.11	0.11
(iii) Reimbursement of Expenses	0.48	0.33

10. Earning per share is calculated by dividing the net profit for the respective year attributable to the equity shareholders by the weighted average number of equity shares during that year. The figures used in calculating basic and diluted earnings per equity share are as stated below :

		2010-11	2009-10
		(Rs. in Lacs)	
Profit attributable to equity shareholders	(A)	15,356.12	1455.20
Weighted Avg. number of equity shares	(Nos.) (B)	86,40,000	86,40,000
Potential dilutive equity shares	(Nos.) (C)	Nil	Nil
Basic Earning per share	(Rs.) (A/B)	177.73	16.85
Diluted Earning per share	(Rs.) (A/B+C)	177.73	16.85

11. Related party Disclosures:
A. Names of related parties and description of relationship :

S. No.	Key Management Personnel (KMP)	Relatives of Key Management Personnel (KMP)	Significant Influence
i.	Mr. LN Bangur CMD	Mr. Yogesh Bangur President (CA&S)	The Andhra Pradesh Paper Mills Ltd.
ii.	Mr. Govind Sharda ED		The Peria Karamalai Tea & Produce Co. Ltd.
iii.			Digvijay Investments Ltd.
iv.			Swadeshi Commercial Co. Ltd

B. Related Party Transactions Details :

(Rs. in Lacs)

S. No.	Nature of Transaction/ Relationship	Key Management Personnel	Relatives of Key Management Personnel	Significant Influence
i.	Remuneration	86.48 (77.22)	5.83 (4.21)	
ii.	Conversion of warrants into equity shares; and subscription and purchase of additional equity shares			1403.92 (1212.54)
ii.	Subscription & Purchase of Equity shares			477.39 (-)
iii.	Inter Corporate Deposit (ICD) given			3750.00 (-)
iv.	Interest of ICD			31.15 (-)
vi.	Inter Corporate Deposit (ICD) Liquidated			(3300) (-)
vii.	Purchase of Fixed Assets			400.00 (-)
viii.	Balance receivable/(payable) as at 31st March 2011	Nil (Nil)	Nil (Nil)	451.01* (Nil)

Note : Previous years figures are shown in brackets.

* Precludes Rs. 1825.09 lacs held by a company with significant influence as custodian on behalf of the Company and its affiliates, received against item no. 14 referred herein above, that has since been received.

12. Segment Reporting

The Company has been deriving its revenues significantly from textile manufacturing processes, being a composite textile mill. Besides this there has been a substantial increase in the Investment activity and volume subsequent to the sale of land of the Company at Jaipur. The funds deployed in Investment activities have significantly different set of risks and rewards as compared to the textile business and as such as per AS-17, the new segment is styled as "Investment Division" w.e.f. 1st February 2011 pursuant to the Board Resolution.

Figures of the previous year have been reported hereinunder for the comparison purpose only.

Details of Business Segments:

(Rs. in lacs)

Particulars	Textile		Investment		Unallocable		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
1.Segment Revenue								
- External sales	43142.79	31952.50					43142.79	31952.50
- Other Income			86.43				86.43	
-Inter-segment sales								
Total Revenue	43142.79	31952.50	86.43				43229.22	31952.50
2.Segment Results	3801.16	1724.93	85.85				3887.01	1724.93
Unallocated expenses (Net off unallocable income)					119.78		119.78	
Profit before interest and tax	3801.16	1724.93	85.85		119.78		4006.79	1724.93
Interest expense							(536.40)	(611.99)
Exceptional income							15400.34	799.74
Provision for taxation							(3514.61)	(457.48)
3.Profit/(Loss) after tax							15356.12	1455.20
4.Other Information								
i) Segment assets	34059.05	25536.50	12716.21	5304.75			46775.26	30841.25
Unallocated corporate assets					628.24	175.75	628.24	175.75
Total assets	34059.05	25536.50	12716.21	5304.75	628.24	175.75	47403.50	31017.00
ii) Segment liabilities	3926.44	1493.63					3926.44	1493.63
Unallocated corporate liabilities					43477.06	29523.37	43477.06	29523.37
Total liabilities	3926.44	1493.63			43477.06	29523.37	47403.50	31017.00
Capital Expenditure	971.02	1046.69					971.02	1046.69
Depreciation	1196.34	1185.16					1196.34	1185.16
Non-cash expenses other than depreciation								

Inter-segment balance of Rs. 1545.72 lacs as on 31.03.2011 is not considered in segmental assets and liabilities.

13. Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's grouping.

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner

Kolkata
May 26, 2011

M. No. 72326
Firm Regn. No. : 001072C

Pradip Kumar Ojha
Company Secretary

LN Bangur
Govind Sharda
Yogesh Bangur
Alka Bangur
SS Kothari
C V Desai
Amitav Kothari
Amit Mehta

Chairman &
Managing Director
Executive Director
Director (CA&S)

Directors

DIRECTORS' REPORT

Dear Members,

The Directors present their report together with the audited financial statements for the year ended on 31st March, 2011.

BUSINESS

The Company is a wholly owned subsidiary of Maharaja Shree Umaid Mills Limited. The Company has not commenced its business during the year under review.

DIVIDEND

Your Directors do not recommend any dividend for the year ended 31st March, 2011.

DIRECTORS

The Directors of the Company in office at the date of this report are :

Mr. LN Bangur

Mr. Govind Sharda

Mr. Amit Mehta

Mr. LN Bangur retire by rotation and being eligible, offer himself for re-appointment.

PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNING/OUTGO

The information required under the provision of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 are not applicable, as the Company had no Plant & Machinery during the year. During the year under review, the foreign exchange earnings of the Company was NIL (Previous year –NIL) and foreign outgo of the Company was NIL (Previous year –NIL).

Report of Board of Directors) Rules 1988 are not applicable, as the Company had no Plant & Machinery during the year. During the year under review, the foreign exchange earnings of the Company was NIL (Previous year –NIL) and foreign outgo of the Company was NIL (Previous year –NIL).

AUDITORS

M/s BD Gargieya & Co., Chartered Accountants (Regn. No.: 001072C) have expressed their willingness to accept re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based upon the representations received from the Operating Management, confirm that:

- i. in the preparation of the Annual Accounts for the year ending on 31st March 2011, the applicable accounting standards have been followed and there has been no material departure;
- ii. appropriate accounting policies have been selected by them and applied the same consistently and made judgements and estimates that 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, 2011 and of its loss for the year ending on that date;
- iii. proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the annual accounts for the period ended on 31st March, 2011 have been prepared by them on a going concern basis.

Kolkata
May 26, 2010

For and on behalf of the Board
LN Bangur
Director

AUDITORS' REPORT

To the Members of
Allied Dealcomm Limited

We have audited the attached Balance Sheet of ALLIED DEALCOMM LIMITED, KOLKATA as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. 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 disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the annexure referred to in para 2 above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of accounts, as required by Law, have been kept by the Company, so far as it appears from our examination of those books;

- c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956;
- e) In our opinion and based on information and explanations given to us, none of the Directors of the Company are prima-facie, as at 31st March, 2011, disqualified from being appointed as Directors of the Company in terms of Section 274(1)(g) of the Companies Act, 1956 ;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and schedule 5, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - ii) in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF ALLIED DEALCOMM LTD. ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31st MARCH, 2011

1. a) The Company has not taken or granted, during the year any loan, secured or unsecured, to or from Companies, Firms, or other parties concerned in the register maintained under section 301 of the Companies Act, 1956.
b) In view of (a) above, comments on para (b) to (g) of clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
2. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and Companies (Acceptance of Deposits) Rules, 1975.
3. The rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
4. i) According to the records of company, the undisputed statutory dues pertaining to Income Tax have been generally regularly deposited with the appropriate authorities. The law relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess are not applicable to the Company.
ii. There are no undisputed amounts in respect of Income Tax, which have not been deposited with the appropriate authorities.
5. The Company has been registered for a period of less than five years. Accordingly, the provisions of clause 4(x) of the Order are not applicable.
6. On the basis of an overall examination of the balance sheet and cash flows of the company and the information and explanations given to us, we report that the company has not utilized the funds raised on short-term basis for long term investment.
7. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
8. On the basis of our examination and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.
9. In our opinion and according to the information and explanation given to us, and taking into consideration the nature of the Company's business/activities during the year, clauses (i), (ii), (iv), (v), (vii), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xix), (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company for the year under audit.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	5,00,000	5,00,000
		<u>5,00,000</u>	<u>5,00,000</u>
APPLICATION OF FUNDS			
Current Assets, Loans & Advances :			
Cash & Bank Balances	2	4,50,556	4,52,600
Less : Current Liabilities & Provisions	3	11,002	6,002
Net Current Assets		4,39,554	4,46,598
Miscellaneous Expenses (to the extent not written off or adjusted)			
Preliminary Expenses		3,900	7,800
Profit & Loss A/c		56,546	45,602
		<u>5,00,000</u>	<u>5,00,000</u>
Significant Accounting Policies and Notes on Accounts	5		

The Schedules referred to above form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

	Schedule	Year ended on March 31, 2011 Rs.	Year ended on March 31, 2010 Rs.
INCOME			
		-	-
EXPENDITURE			
Professional Fees		-	5,000
Audit Fees		5,000	5,000
Filing Fees		1,894	14,500
Preliminary Expenses		3,900	3,900
Other Expenses	4	150	2,300
		<u>10,944</u>	<u>30,700</u>
PROFIT/(LOSS) BEFORE TAX		(10,944)	(30,700)
Provision for Tax		-	-
NET PROFIT/(LOSS)		(10,944)	(30,700)
Add : Balance brought from last year		(45,602)	(14,902)
Balance carried over to Balance Sheet		(56,546)	(45,602)
Basic and Diluted Earnings per Share of Rs. 10 each (In Rs.)		(0.22)	(0.61)
Significant Accounting Policies and Notes on Accounts	5		

The Schedules referred to above form part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta, Partner
M. No. 72326
Firm Regn. No. : 001072C

LN Bangur
Govind Sharda
Amit Mehta } Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	(10,944)	(30,700)
Adjustments for :		
Miscellaneous Expenditure Amortised	3,900	3,900
Operating Profit before Working Capital Changes	(7,044)	(26,800)
Adjustments for :		
Trade Payables	5,000	5,000
Net Cash flow from (used in) Operating Activities	(2,044)	(21,800)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net cash flow from (used in) Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	-	4,00,000
Net cash flow from (used in) Financing Activities	-	4,00,000
Net increase in Cash and Cash Equivalents	(2,044)	3,78,200
Cash and Cash Equivalents (Opening Balance)	4,52,600	74,400
Cash and Cash Equivalents (Closing Balance)	4,50,556	4,52,600

Note : Figures in bracket represent cash outflows

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta, Partner
M. No. 72326
Firm Regn. No. : 001072C

LN Bangur
Govind Sharda
Amit Mehta } Directors

SCHEDULES TO ACCOUNTS

PARTICULARS	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000
	5,00,000	5,00,000
Issued and Subscribed		
50,000 Equity Shares of Rs.10/- each fully paid-up in cash	5,00,000	5,00,000
	5,00,000	5,00,000
SCHEDULE 2 : CASH & BANK BALANCE		
Cash in Hand	45,706	47,600
Balance with Scheduled banks		
Current Accounts	4,04,850	4,05,000
	4,50,556	4,52,600
SCHEDULE 3 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors for expenses	11,002	6,002
	11,002	6,002
SCHEDULE 4 : OTHER EXPENSES		
General Expenses	-	1,550
Printing & Stationery	-	750
Bank Charges	150	-
	150	2,300

SCHEDULE 5

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies:

A. Accounting Conventions

The financial statements are prepared under the historical cost convention and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

B. Recognition of Income & Expenditure

Revenues/Incomes and Costs/Expenditures are generally accounted for on accrual basis, as these are earned or incurred.

C. Amortisation of Expenses

Preliminary expenses are amortised over a period of five years.

D. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities of timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

2. No provision for deferred tax on losses for the year has been made, as the amount involved is not substantial.

3. Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of related parties for the year ended 31st March, 2011 :

- a) Key Management Personnel:
Mr. LN Bangur, Director
Mr. Govind Sharda, Director
Mr. Amit Mehta, Director
- b) 100% Holding Company:
Maharaja Shree Umaid Mills Ltd.

There are no transaction entered into by the Company during the year with related parties.

4. There are no dues to the Micro and Small Enterprises (MSME) suppliers' defined under "The Micro, Small and Medium Enterprises Development Act, 2006.

5. Additional information pursuant to the provisions of the paragraph 1 & 2 of the Part II of the Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable for the year under audit.

6. Previous year figures have been regrouped and rearranged wherever found necessary.

**7. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

I) Registration details :

Registration No. State Code
 Balance Sheet
 Date Date Month Year

II) Capital raised during the year: (Amount in Rs. Thousands) :

Public Issue Right Issue
 Bonus Issue Private Placement

III) Position of mobilization and deployment of funds as on 31.03.2011 (Amount in Rs. Thousands) :

Total Liabilities Total Assets

Sources of Funds

Paid up capital Reserves and Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure

IV) Performance of Company for the year 2010-11 (Amount in Rs. Thousands) :

Turnover (Net) Total Expenditure
 (Incl. other Income)

(After Adjustment of Stock)

Profit before Tax Profit after Tax
 Earning per Share (Rs.) Dividend Rate (%)

V) Generic Names of Principal Products/Services of Company (as per monetary terms) :

Item Code No (ITC Code)
 Product Description

Signatures to Schedules '1' to '5'

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

Kolkata
May 26, 2011

LN Bangur
Govind Sharda
Amit Mehta } Directors

DIRECTORS' REPORT

Dear Members,

The Directors present their report together with the audited financial statements for the year ended on 31st March, 2011.

BUSINESS

The Company is a wholly owned subsidiary of Maharaja Shree Umaid Mills Limited. The Company has not commenced its business during the year under review.

DIRECTORS

The Directors of the Company in office at the date of this report are :

Mr. LN Bangur

Mr. Yogesh Bangur

Mr. Mahabir Prasad Bhabhra

PARTICULARS OF EMPLOYEES

There are no employees covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNING/OUTGO

The information required under the provision of section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 are not applicable, as the Company had no Plant & Machinery during the year. During the year under review, the foreign exchange earnings of the Company was NIL (Previous year –NIL) and foreign outgo of the Company was NIL (Previous year –NIL).

AUDITORS

M/s BD Gargieya & Co., Chartered Accountants (Regn. No.: 001072C) have expressed their willingness to accept re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based upon the representations received from the Operating Management, confirm that:

- i. in the preparation of the Annual Accounts for the year ending on 31st March 2011, the applicable accounting standards have been followed and there has been no material departure;
- ii. appropriate accounting policies have been selected by them and applied the same consistently and made judgements and estimates that 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 2011 and of its loss for the year ending on that date;
- iii. proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the annual accounts for the period ended on 31st March 2011 have been prepared by them on a going concern basis.

Kolkata
May 26, 2010

For and on behalf of the Board
LN Bangur
Director

AUDITORS' REPORT

To the Members of
Iota Mtech Private Limited

We have audited the attached Balance Sheet of IOTA MTECH PRIVATE LIMITED, KOLKATA as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. 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 disclosure in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. The provisions of the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956 are not applicable to the Company.

3. Further, we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of accounts, as required by Law, have been kept by the Company, so far as it appears from our examination of those books;

c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account;

d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act, 1956;

e) In our opinion and based on information and explanations given to us, none of the Directors of the Company are prima-facie, as at 31st March, 2011, disqualified from being appointed as Directors of the Company in terms of Section 274(1)(g) of the Companies Act, 1956 ;

f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and schedule 7, give the information as required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India ;

i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and

ii) in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date; and

iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds :			
Share Capital	1	5,00,000	1,00,000
Reserves & Surplus	2	-	370
		5,00,000	1,00,370
APPLICATION OF FUNDS			
Current Assets, Loans & Advances :			
Cash & Bank Balances	3	4,85,840	78,390
Less : Current Liabilities & Provisions	4	6,150	1,150
Net Current Assets		4,79,690	77,240
Miscellaneous Expenses (to the extent not written off or adjusted)			
Preliminary Expenses		18,504	23,130
Profit & Loss A/c		1,806	-
		5,00,000	1,00,370
Significant Accounting Policies and Notes on Accounts	7		

The Schedules referred to above form part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON MARCH 31, 2011

	Schedule	Year ended on March 31, 2011 Rs.	Year ended on March 31, 2010 Rs.
INCOME			
Other Income		42,000	25,000
		42,000	25,000
EXPENDITURE			
Salaries & Staff Welfare Expenses	5	20,700	19,800
Audit Fees		5,000	1,000
Filing Fees		6,300	-
Preliminary Expenses		4,626	-
Other Expenses	6	7,550	3,680
		44,176	24,480
PROFIT/(LOSS) BEFORE TAX		(2,176)	520
Provision for Tax		-	150
NET PROFIT/(LOSS)		(2,176)	370
Add : Balance brought from last year		370	-
Balance carried over to Balance Sheet		(1,806)	370
Basic and Diluted Earnings per Share of Rs. 10 each (In Rs.)		(0.14)	0.04
Significant Accounting Policies and Notes on Accounts	7		

The Schedules referred to above form part of the Profit & Loss Account.
This is the Profit & Loss Account referred to in our report of even date.

Kolkata
May 26, 2011

For BD Gargieya & Co.
Chartered Accountants
NK Gupta, Partner
M. No. 72326
Firm Regn. No. : 001072C

LN Bangur]
Yogesh Bangur] Directors
M.P.Bhabhra]

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2011

(Amount in Rs.)

	For the year ended March 31, 2011	For the year ended March 31, 2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	(2,176)	520
Adjustments for :		
Miscellaneous Expenditure Amortised	4,626	-
Operating Profit before Working Capital Changes	2,450	520
Adjustments for :		
Trade Payables	5,000	1,000
Net Cash flow from (used in) Operating Activities	7,450	1,520
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net cash flow from (used in) Investing Activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital	4,00,000	1,00,000
Preliminary Expenses Incurred	-	(23,130)
Net cash flow from (used in) Financing Activities	4,00,000	76,870
Net increase in Cash and Cash Equivalents	4,07,450	78,390
Cash and Cash Equivalents (Opening Balance)	78,390	-
Cash and Cash Equivalents (Closing Balance)	4,85,840	78,390

Note : Figures in bracket represent cash outflows

Kolkata
May 26, 2011

For BD Gargleya & Co.
Chartered Accountants
NK Gupta, Partner
M. No. 72326
Firm Regn. No. : 001072C

LN Bangur
Yogesh Bangur
M.P.Bhabhra } Directors

SCHEDULES TO ACCOUNTS

PARTICULARS	As at March 31, 2011 Rs.	As at March 31, 2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
50,000 Equity Shares of Rs.10/- each	5,00,000	5,00,000
	5,00,000	5,00,000
Issued and Subscribed		
50,000 (PY : 10,000) Equity Shares of Rs.10/- each fully paid-up in cash	5,00,000	1,00,000
	5,00,000	1,00,000
SCHEDULE 2 : RESERVES & SURPLUS		
Profit & Loss A/c	-	370
	-	370
SCHEDULE 3 : CASH & BANK BALANCE		
Cash in Hand	80,740	78,390
Balance with Scheduled banks		
Current Accounts	4,05,100	-
	4,85,840	78,390
SCHEDULE 4 : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors for expenses	6,000	1,000
Provisions		
Income Tax	150	150
	6,150	1,150
SCHEDULE 5 : SALARIES & STAFF WELFARE EXPENSES		
Salaries, Bonus etc.	18,000	18,000
Employees Welfare	2,700	1,800
	20,700	19,800
SCHEDULE 6 : OTHER EXPENSES		
General Expenses	750	750
Printing & Stationery	1,750	1,680
Travelling & Conveyance	1,250	1,250
Rates & Taxes	3,800	-
	7,550	3,680

SCHEDULE 7

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies:

A. Accounting Conventions

The financial statements are prepared under the historical cost convention and in accordance with the generally accepted accounting principals in India, the applicable mandatory Accounting Standards as notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

B. Recognition of Income & Expenditure

Revenues/Incomes and Costs/Expenditures are generally accounted for on accrual basis, as these are earned or incurred.

C. Amortisation of Expenses

Preliminary expenses are amortised over a period of five years.

D. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets/liabilities of timing difference, being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

E. Earnings Per Share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

	2010-11	2009-10
Number of Equity Shares at the beginning of the year	10,000	10,000
Number of Equity Shares at the end of the year	50,000	10,000
Weighted Average Number of Equity Shares	15,205	10,000
Nominal Value of each Equity Share (Rs.)	10	10
Profit after Tax available for equity shareholders (Rs.)	(2176)	370
Basic Earnings Per Share (Rs.)	(0.14)	0.04
Diluted Earnings Per Share (Rs.)	(0.14)	0.04

2. No provision for deferred tax on losses for the year has been made, as the amount involved is not substantial.

3. The Company has become a wholly owned subsidiary of Maharaja Shree Umaid Mills Limited w.e.f. 29.01.2011.

4. Related Party Disclosures

As required under Accounting Standard 18 "Related Party Disclosure" (AS-18), following are details of related parties for the year ended 31st March, 2011 :

a) Key Management Personnel

Mr. LN Bangur, Director

Mr. Yogesh Bangur, Director

Mr. Mahabir Prasad Bhabhra, Director

b) Holding Company

Maharaja Shree Umaid Mills Ltd.

There are no transaction entered into by the Company during the year with related parties as mentioned in (a) and (b) above except issue of 40,000 equity shares @ Rs. 10/- per share to holding company.

5. There are no dues to the Micro and Small Enterprises suppliers defined under "The Micro, Small and Medium Enterprises Development Act, 2006.
6. Additional information pursuant to the provisions of the paragraph 1 & 2 of the Part II of the Schedule VI of the Companies Act, 1956 are either Nil or Not Applicable for the year under audit.
7. The current year figures are not comparable with those of the previous year as the previous year figures are for a period less than 12 months .

**8. Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile**

I) Registration details :

Registration No. 1 3 5 0 4 1 State Code 2 1
 Balance Sheet 3 1 0 3 2 0 1 1
 Date Date Month Year

II) Capital raised during the year: (Amount in Rs. Thousands) :

Public Issue N I L Right Issue N I L
 Bonus Issue N I L Private Placement 4 0 0

III) Position of mobilization and deployment of funds as on 31.03.2011 (Amount in Rs. Thousands) :

Total Liabilities 5 0 6 Total Assets 5 0 6

Sources of Funds

Paid up capital 5 0 0 Reserves and Surplus - 2
 Secured Loans N I L Unsecured Loans N I L
 Deferred Tax Liability N I L

Application of Funds

Net Fixed Assets N I L Investments N I L
 Net Current Assets 4 8 0 Misc. Expenditure 0 1 8

IV) Performance of Company for the year 2010-11 (Amount in Rs. Thousands) :

Turnover (Net) 0 4 2 Total Expenditure 0 4 4
 (Incl. other Income)

(After Adjustment of Stock)

Profit before Tax - 2 Profit after Tax - 2
 Earning per Share (Rs.) - .1 4 Dividend Rate (%) N I L

V) Generic Names of Principal Products/Services of Company (as per monetary terms) :

Item Code No N A
 (ITC Code)
 Product N A
 Description

Signatures to Schedules '1' to '7'

For BD Gargieya & Co.
Chartered Accountants
NK Gupta
Partner
M. No. 72326
Firm Regn. No. : 001072C

Kolkata
May 26, 2011

LN Bangur
Yogesh Bangur
M.P.Bhabhra } Directors