

# SANJAY MODI & CO.

CHARTERED ACCOUNTANTS

## Independent Auditors' Report

To the Members of  
**Lux Industries Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **LUX Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss' and the Cash Flow Statement dealt with the Accounting Standards referred to in Section 211(3C) of the Act;
  - d) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31.2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For Sanjay Modi & Co.

FRN:322295E

Chartered Accountants

  
CA Prodyat Chaudhuri

Partner

Membership No.:065401

Kolkata

Date: May28 ,2013



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

### **REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE.**

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.  
b) According to information and explanations given to us all the Fixed Assets have been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable having regard to the size of the company and nature of the assets. As informed to us, no material discrepancies were noticed on such verification.  
c) The Fixed Assets disposed off during the year, in our opinion, do not constitute a substantial part of the Fixed Assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
  
- 2) a) The Inventory of the Company has been physically verified by the Management during the year except material lying with third parties (which have substantially been confirmed by such third parties as at the yearend). In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.  
b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
  
- 3) a) As informed to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to parties listed in the register maintained under Section 301 of the Companies Act, 1956, paragraphs 3(b), (c) and (d) of the Order, are not applicable.  
b) The company had taken unsecured loan from six parties covered in the register maintained under section 301 of the Companies Act; 1956. The maximum amount involved during the year was Rs. 909,480,013.00/- (P.Y. Rs. 701,995,662.63/-) and the year-end balance of loans taken from such parties was Rs.358, 276,905.00 /- (P.Y. Rs. 422,164,637.63/-)  
c) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions on which such loans have been taken from companies, firm or other parties listed in the register maintained under Section 301 of Companies Act, 1956 are prima facie not prejudicial to the interest of the Company.  
d) In respect to loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
  
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventories, fixed assets and with regard to the sale



of goods and services. During the course of our audit, no major weakness has been noticed in internal controls in respect of these areas.

- 5) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.
- 6) In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public as defined under Sec. 58A and 58AA and any other relevant provisions of the Act and Rules made there under.
- 7) In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
- 8) According to the information and explanation given to us , the Central government has prescribed maintenance of cost records under section 209(1) (d) of the companies act,1956 for the period beginning from 1<sup>st</sup> April, 2011. Accordingly We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie the prescribed records and accounts have been made and maintained. We have not, however, made a detailed examination of the records.
- 9) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it though there has been slight delay in deposit of these statutory dues in some cases.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, customs duty, excise duty, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty or cess which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of Dues	Amount(Rs.)	Period to which amount relates	Forum where dispute is pending
Tamil Nadu Sales Tax Act, 1959	Penalty	12,295,937	2004-05	Assistant Commissioner of Commercial Taxes, Pollachi
Westbengal Sales Tax Act	Penalty	3,083,684	2003-04	High Court, Kolkata
Westbengal Sales Tax Act	Penalty	1,917,202	2004-05	High Court, Kolkata

- 10) The Company does not have accumulated losses as at 31<sup>st</sup> March 2013 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding the financial year.
- 11) Based on our audit procedures and as per the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, bank or debenture holders as at the balance sheet date.
- 12) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute as specified under paragraph (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- 16) According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- 17) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- 19) As the company has no debenture outstanding at any time during the year, paragraph (xix) of the order is not applicable to the company.
- 20) The Company has not raised any money by public issue during the year.
- 21) On the basis of the information and explanation given to us, no fraud on or by the company were noticed or reported during the year.

**FOR SANJAY MODI & CO.**

F.R.N. 322295E

Chartered Accountants



**CA Prodyat Chaudhuri**

Partner

Membership no. 065401

Place: Kolkata

Date: May 28, 2013



**LUX INDUSTRIES LTD.**  
**Balance Sheet As At 31st March, 2013**

Particulars	Note	As at March 31, 2013 (Rs. In Lacs)	As at March 31, 2012 (Rs. In Lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	529.98	529.98
Reserves and Surplus	3	5,589.55	3,684.90
		<u>6,119.53</u>	<u>4,214.88</u>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	4,189.82	4,410.78
Long-Term Provisions	5	62.04	49.84
		<u>4,251.86</u>	<u>4,460.62</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	6	14,237.45	8,699.88
Trade Payables	7	12,131.51	8,354.68
Other Current Liabilities	8	1,197.90	831.06
Short-Term Provisions	9	135.28	341.76
		<u>27,702.14</u>	<u>18,227.38</u>
<b>TOTAL</b>		<b><u>38,073.52</u></b>	<b><u>26,902.88</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	10	2,678.31	2,006.89
Intangible Assets	10	21.17	31.69
Capital Work-in-Progress- Tangible	10	1,758.74	-
Non-Current Investments	11	24.81	24.81
Deferred Tax Assets (Net)	12	73.65	61.54
Long-Term Loans and Advances	13	501.56	243.53
Other Non-Current Assets	14	66.50	55.91
		<u>5,124.72</u>	<u>2,424.37</u>
<b>Current Assets</b>			
Inventories	15	19,305.55	9,992.61
Trade Receivables	16	11,818.03	8,407.67
Cash and Bank Balance	17	445.74	3,472.47
Short-Term Loans and Advances	18	1,379.48	2,605.76
		<u>32,948.80</u>	<u>24,478.51</u>
<b>TOTAL</b>		<b><u>38,073.52</u></b>	<b><u>26,902.88</u></b>

**Significant Accounting Policies** 1

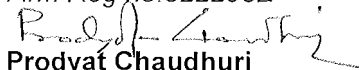
The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Reg no.322295E

  
**Prodyat Chaudhuri**

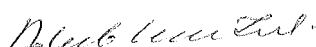
Partner

Membership no.065401

Place : Kolkata

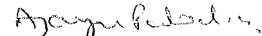
Date : May 28, 2013

**For and on behalf of the Board**



**Ashok Kumar Todi**

Chairman



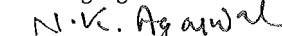
**Ajay Kumar Patodia**

Chief Financial Officer



**Pradip Kumar Todi**

Managing Director



**Navin Kumar Agarwa**

Company Secretary

**LUX INDUSTRIES LTD.**  
**Statement of Profit and Loss As At 31st March' 2013**

Particulars	Note	For the year ended	For the year ended
		March 31, 2013 (Rs. In Lacs)	March 31, 2012 (Rs. In Lacs)
<b>INCOME</b>			
Revenue from Operations (Gross)	19	71,325.74	56,802.26
Less: Excise Duty		2,145.14	2,053.56
Revenue from Operations (Net)		69,180.60	54,748.70
Other Income	20	8.47	5.22
<b>TOTAL</b>		<b>69,189.08</b>	<b>54,753.92</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	21	44,459.33	34,010.55
Purchase of Stock-in-Trade	22	1,676.87	1,056.66
Changes in inventories of finished goods work-in-	23	(8,221.38)	(1,571.84)
Employee Benefits Expense	24	711.02	458.96
Finance Costs	25	1,066.98	825.88
Depreciation & Amortization Expense	26	445.47	388.03
Other Expenses	27	26,079.25	17,526.38
<b>TOTAL</b>		<b>66,217.54</b>	<b>52,694.61</b>
<b>PROFIT BEFORE TAX</b>		2,971.54	2,059.32
Tax Expense:			
Current Tax		949.00	688.00
Deferred Tax		(12.10)	(42.77)
<b>PROFIT FOR THE YEAR</b>		<b>2,034.64</b>	<b>1,414.08</b>
Earnings per share (Nominal value Rs.10/- each)	28		
Basic		40.28	28.00
Diluted		40.28	28.00

**Significant Accounting Policies**

1

The accompanying notes are an integral part of the Financial Statements

In terms of our report of even date

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Reg no.322295E

*Prodyat Chaudhuri*  
**Prodyat Chaudhuri**

Partner

Membership no.065401

Place : Kolkata

Date : May 28, 2013

**For and on behalf of the Board**

*Ashok Kumar Todi*

**Ashok Kumar Todi**

Chairman

*Ajay Kumar Patodia*

**Ajay Kumar Patodia**

Chief Financial Officer

**Pradip Kumar Todi**

Managing Director

*N.K. Agarwal*

**Navin Kumar Agarwal**

Company Secretary





# Notes to Financial Statements for the year ended 31st March 2013

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### a) Nature of Operation

Lux Industries Limited (the "Company") is engaged in the business of manufacturing & sale of knitwear's. The Manufacturing units of the company are located in Kolkata (West Bengal) and Tirupur, in the state of Tamilnadu. The Company is a public Limited company and its share is listed on the Kolkata and Ahmedabad stock Exchanges in India.

### b) Basis of Preparation of Accounts

The financial statements have been prepared to comply in all material aspects with the notified accounting standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956, along with the pronouncement /guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings policies have been consistently applied by the company with those used in the previous year.

All assets and liabilities have been classified as current or non current as per the operating cycle criteria set out in the revised schedule VI to the Companies Act, 1956.

### c) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting year. Although these estimates are based on the management's best knowledge, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### d) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) **Sale of Goods:** Sales are recognized when goods are supplied and are net of Sales Return.
- b) **Revenue from Services :** Revenue from services is recognized as the service is performed based on agreements/arrangements with the concerned parties
- c) **Interest:** Interests on Investments are recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- d) **Dividends:** Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.
- e) **Export Benefits:** Export Entitlements in the form of Duty Drawback are recognized in the Profit and Loss account when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Exports benefits under DEPB/Focus Licence Scheme are recognized in the year of export itself provided there are no un certainty as to the amount of duty entitlement. Such export benefits are booked separately as revenue by creating a claim against it on the assets side.

#### **e) Accounting of Claims**

- (a) Claims receivable are accounted for at the time when reasonable certainty of receipt is established. Claims payable are accounted for at the time of acceptance.
- (b) Claim raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on merits of each claim.

#### **f) Expenditure**

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

#### **g) Government Grant:**

The company receives sales tax incentive under the WBIP (A.I. Units) Scheme'1994 and the same is recognized as revenue in the period in which these are accrued and shown as income under the head "Other Operating revenue". The Company has not received any non-monetary assets at concessional rate or free of cost as Government Grant.

In respect of capital subsidy on special machinery from government (under TUF-Scheme), The grant is shown as deduction from the value of assets, when subsidy is received from the government.

#### **h) Fixed Assets**

(a) **Tangible Assets:** Tangible Assets are stated at their original cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price(net of modvat) and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to the acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

(b) **Intangible Assets:** Intangible Assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible assets include Computer Software and Web Site Development cost. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets. The amortization rate used are :

Asset	%
Computer Software:	40.00
Website Development cost:	33.33

(c) **Depreciation:** Depreciation on fixed assets is provided on Written down Value method (pro-rata on addition and disposed off during the period) at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. Individual Assets costing below Rs. 5,000 are fully depreciated in the year of acquisition..

## **i) Investments**

Investments are classified as Current and Non current. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision is made for any diminution in the market value of long term investment where such diminution is considered permanent in nature.

## **j) Valuation of Inventories**

Raw materials including packing materials are carried at the lower of cost and net realizable value. Cost is determined on FIFO Basis. Work in progress is carried at the lower of cost and net realizable value. Finished goods produced or purchased by the company are carried at lower of cost and net realizable value. Cost of finished goods and process stock includes cost of conversion and other cost incurred in bringing the inventories to their present locations and conditions. The company has valued inventory net of modvat benefits. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **k) Employee Benefits**

- (a) Defined Contribution Schemes such as provident fund, pension and employee's state insurance is charged to the Profit & Loss Accounts of the year when the contribution to the respective funds are due.
- (b) Defined Benefit Plan – the cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance sheet date. Actuarial gain or losses are recognized in full in the statement of profit and loss for the period in which they occur.
- (c) Short Term benefit are recognized in the Profit & Loss A/c relating to the year in which the employee has rendered services.
- (d) Liability on account of other long term employees benefit are accounted for as and when such Liability arises as per the relevant legislation in force in India.

## **l) Taxes on Income**

Tax expense comprises current and deferred Tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred taxes is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

Deferred tax Assets & Liabilities are measured using the Tax Rates & Tax Laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

Advance Taxes and Provisions for current taxes are presented in the Balance sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdiction and where the company is able to and intends to settle the assets and liability on a net basis.

## **m) Provision, Contingent Liabilities And Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements. During the financial year the company has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

## **n) Borrowing Cost**

Borrowing Cost relating to acquisition or construction of fixed assets which take substantial period of time to get ready for its intended use are capitalized as part of the cost of a qualifying asset to the extent they relate to the period till such assets are ready to be put to use. Other Borrowing Costs are recognized as an expense in the year in which they are incurred.

## **o) Foreign Currency Transaction**

(a) **Initial Recognition:** Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) **Conversion:** Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non – monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) **Exchange Differences :**Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized a income or as expenses in the year in which they arise except those arising from investments in non – integral operations.

(d) **Forward Exchange:** Contracts (Derivative Instruments) not intended for trading or speculation purpose: The Company uses derivative financial instruments including forward exchange contracts to hedge its risk associated with foreign currency fluctuations. The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expenses for the year.

## **p) Segment Reporting Policies:**

### **Identification of Segments:**

#### **Primary Segment**

**Business Segment:** The Company's operating operation comprises of only one primary segment viz. manufacturing and sale of knitwear's.

#### **Secondary Segment**

**Geographical Segment:** The analysis of geographical segment is based on the geographical location of the customers.

- Sales within India include sales to customers located within India.
- Sales outside India include sales to customers located outside India.

#### **q) Earnings per Share (Basic & Diluted)**

Basic earnings (loss) per share are 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. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

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

#### **r) Impairment of assets:**

Impairment loss is recognized wherever the carrying amount of an assets is in excess of its recoverable amount and the same is recognized as an expenses in the statement of Profit & Loss and carrying amount of the assets is reduced to its recoverable amount.

Reversal of impairment losses recognized in prior year is recovered when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

#### **s) Cash Flow Statement**

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, Financing and investing activities of the Company are segregated. Cash and cash equivalents in the balance sheet comprise cash at bank, cash/cheques in hand and short-term investments with an original maturity of three months or less.

Notes forming part of the Financial Statements

**2 SHARE CAPITAL**

a) Authorised, issued, Subscribed and Paid up Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Numbers	Rs ( In Lacs)	Numbers	Rs ( In Lacs)
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	25000000	2,500.00	25000000	2,500.00
<b>Issued and Subscribed</b>				
Equity Shares of Rs. 10/- each	5547500	554.75	5547500	554.75
<b>Paid up</b>				
Equity Shares of Rs 10/- each fully paid up	5050600	505.06	5050600	505.06
Add : Forfeited Shares	496900	24.92	496900	24.92
<b>Total</b>		<b>529.98</b>		<b>529.98</b>

b) Reconciliation of number of shares outstanding

Particulars	As at March 31, 2013		As at March 31, 2012	
	Numbers	Rs ( In Lacs)	Numbers	Rs ( In Lacs)
Equity Shares at the beginning of the year	5050600	529.98	5050600	529.98
Equity Shares at the closing of the year	5050600	529.98	5050600	529.98

The Company has only one class of equity shares with a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

c) shareholders holding more than 5% shares of the company

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	Numbers	%age	Numbers	%age
Prabha Devi Todi	1003000	19.86	1003000	19.86
Pradip Kumar Todi	806500	15.97	731000	14.47
Ashok Kumar Todi	656000	12.99	656000	12.99
Shakuntala Devi Todi	-	-	650500	12.88
Bimla Devi Todi	651000	12.89	-	-
Shobha Devi Todi	500500	9.91	500500	9.91

**3 RESERVES AND SURPLUS**

	As at March 31, 2013	As at March 31, 2012
<b>Securities Premium Account</b>		
Balance at the beginning of the year	653.58	653.58
Balance at the end of the year	653.58	653.58
<b>General Reserve</b>		
Balance at the beginning of the year	404.28	266.28
Add: Transferred from surplus in the statement of Profit & Loss	204.00	138.00
Balance at the end of the year	608.28	404.28
<b>Total</b>	<b>1,261.86</b>	<b>1,057.86</b>

**Surplus in Statement of Profit and Loss**

	As at March 31, 2013	As at March 31, 2012
Balance at the beginning of the year	2,627.05	1,480.10
Add : Profit for the year	2,034.64	1,414.09
	4,661.69	2,894.19
Less: Appropriations		
Transfer to General Reserve	204.00	138.00
Proposed Dividend	111.11	111.11
Tax on Proposed Dividend	18.88	18.03
Surplus carried to Balance Sheet	4,327.69	2,627.05
<b>Total</b>	<b>5,589.55</b>	<b>3,684.90</b>

**4 LONG TERM BORROWINGS**

	As at March 31, 2013	As at March 31, 2012
<b>SECURED LOANS</b>		
Term loans from banks	88.70	189.14
	88.70	189.14
<b>UNSECURED LOANS FROM RELATED PARTIES</b>		
From Body Corporates	3,317.93	3,303.18
From Directors	783.18	918.46
	4,101.11	4,221.64
<b>Total</b>	<b>4,189.82</b>	<b>4,410.78</b>

a) Repayment terms and nature of securities given for term loan as follows :

Bank	31-Mar-13	31-Mar-12	Nature of Security	Repayment Terms
Allahabad Bank	75.08	134.53	Exclusive Hypothecation charge over the machineries / equipment acquired out of the facility and charge over entire stock,book debts and other current assets of the Company, both present and future It is additionally secured by personal gurrantee of the directors	Repayable in twenty equal quarterly instalment of Rs. 11.75 lacs each commenced from June 2010 quarter (as existing). Interest @ BR+2.75% is serviced on monthly basis, as and when due.
Allahabad Bank	93.01	134.00	Exclusive Hypothecation charge over the machineries / equipment valuing Rs. 2.16 Crore in aggregate acquired out of the facility and charge over entire stock,book debts and other current assets of the Company, both present and future It is additionally secured by personal gurrantee of the directors	Repayable in twenty equal quarterly instalment of Rs. 8.10 lacs each commenced from Feb'2012 quarter (as existing). Interest @ BR+2.5% is serviced on monthly basis, as and when due.

b) The Company has received unsecured loan from directors of the Company to fulfill the requirement of the stipulation imposed by the Company's Banker for sanction of working loan facilities. The loan is not covered in the definition of deposit as per sub rule (b) (xi) of rule 2 of the Companies (Acceptance of Deposits) Rules, 1975. The Loan from directors are takes at nil rate of interest.

#### 5 LONG TERM PROVISIONS

Provision for Employee benefits	57.22	42.56
Provision for diminution in the value of investment	4.82	7.28
<b>Total</b>	<b>62.04</b>	<b>49.84</b>

#### 6 SHORT TERM BORROWINGS

##### SECURED

Loan from Banks

Cash Credit facilities

	14,237.45	8,699.88
<b>Total</b>	<b>14,237.45</b>	<b>8,699.88</b>

a) Cash Credit loan is secured against hypthecation of entire stocks, book debts and other current assets , both present and future of Company. The Cash Credit loan are repayable on demand. It is additionally secured by personal gurrantee of the directors.

#### 7 TRADE PAYABLES

Due to Micro & Small & Medium Enterprises	23.64	101.16
Others	12,107.87	8,253.51
<b>Total</b>	<b>12,131.51</b>	<b>8,354.67</b>

#### 8 OTHER CURRENT LIABILITIES

Current maturity of long term debt	79.40	79.40
Unclaimed Dividend	12.51	3.03
Statutory dues	368.45	246.27
Advance from customers	269.72	200.65
Deposits from Dealers,Agents etc.	414.14	276.03
Other payables	53.67	25.69
<b>Total</b>	<b>1,197.90</b>	<b>831.07</b>

Other Payables comprises of:

Electric Charges	11.07	4.07
Travelling Expenses	12.64	6.84
Telephone Expenses	1.73	1.64

#### 9 SHORT TERM PROVISIONS

Provision for employee benefit	5.28	2.72
Proposed Dividend on equity shares	111.11	111.11
Tax on Proposed Dividend	18.88	18.46
Other Provisions	-	209.47
<b>Total</b>	<b>135.28</b>	<b>341.76</b>

a)Other Provision of Rs. Nil ( P.Y Rs.209.47 Lacs) denoted excise duty payable on clearance of goods lying in stock as on 31.03.2012.





**11 NON-CURRENT INVESTMENTS****Investment in equity instruments**

	<u>No. of Shares</u>		<u>No. of Shares</u>	
<b>Long term &amp; Trade Investments</b>				
<b>Quoted Equity Share of Rs.10- each fully paid up(Valued at Cost)</b>				
Pacific Cotspin Ltd	49120	4.40	49120	4.40
Viranchi Technology Limited	4000	1.69	4000	1.69
Vardhman Textiles	4000	10.27	4000	10.27
<b>Other Investment</b>		<b>16.36</b>		<b>16.36</b>
<b>Unquoted Equity Share of Rs.10- each fully paid up(Valued at Cost)</b>				
Todi Hosiery Limited (Associate)	84000	8.40	84000	8.40
West Bengal Hosiery Park Infrastructure	500	0.05	500	0.05
		<b>8.45</b>		<b>8.45</b>
<b>Total</b>		<b>24.81</b>		<b>24.81</b>
Aggregate Amount of Unquoted Investment		84.50		8.45
Aggregate Amount of Quoted Investment		16.36		16.36
Aggregate Market Value of Quoted Investment		11.54		9.08
Aggregate provision for dimunition in the value of investment		4.82		7.28

**12 DEFERRED TAX ASSETS/NET)****Deferred tax Assets**

Tax impact of timing differences leading to deferred tax assets

Provision for doubtful debts/advances		42.04		20.31
Provision for Employee benefits		18.57		14.69
Difference between book value of depreciable assets as per books of account and written down value for tax purpose		13.05		26.55
<b>Total deferred tax assets</b>		<b>73.65</b>		<b>61.55</b>

Difference between book value of depreciable assets as per books of account and written down value for tax purpose

		-		-
<b>Net deferred tax assets/ (liabilities)</b>		<b>73.65</b>		<b>61.55</b>

**13 LONG TERM LOANS & ADVANCES****Unsecured Considered Good**

Security Deposits		201.56		72.53
Capital advances		300.00		171.00
<b>Total</b>		<b>501.56</b>		<b>243.53</b>

**14 OTHER NON - CURRENT ASSETS**

Bank deposit with more than 12 months maturity		60.85		50.87
Non Current Portion of Prepaid Expenses		1.22		-
Interest accrued on deposits.		4.42		5.04
<b>Total</b>		<b>66.50</b>		<b>55.91</b>

**15 INVENTORIES**

(at lower of Cost and net realisable value )

Raw Materials		1,993.44		1,345.79
Work-in-progress		7,743.38		3,396.36
Finished goods (Manufactured)		8,699.80		4,902.02
Stock-in-trade (Goods purchased for resale)		118.80		42.23
Packing materials		750.12		306.21
<b>Total</b>		<b>19,305.55</b>		<b>9,992.61</b>

**16 TRADE RECEIVABLES**

Outstanding for a period exceeding six months from the date they are due for payment

Unsecured, considered good		261.22		231.97
Unsecured, considered doubtful		123.32		99.38
Less: Provision for doubtful debts		123.32		49.69
		261.22		281.66

Outstanding for a period less then six months from the date they are due for payment

Unsecured, considered good		11,556.81		8,126.01
<b>Total</b>		<b>11,818.03</b>		<b>8,407.67</b>

**17 CASH AND BANK BALANCES****Cash And Cash Equivalents****Balances with banks:**

On current account		400.55		3,406.86
Cash on hand		32.33		62.09

**Other bank balances**

Unpaid Dividend		12.87		3.53
<b>Total</b>		<b>445.74</b>		<b>3,472.48</b>

**18 SHORT TERM LOANS AND ADVANCES****Unsecured considered good unless otherwise stated**

Advances recoverable in cash or kind or value to be received

Considered good		1,379.48		2,592.87
Unsecured, considered doubtful		6.24		25.79
Less: Provision for doubtful advances		6.24		12.89
<b>Total</b>		<b>1,379.48</b>		<b>2,605.77</b>

	As at March 31,2013		As at March 31,2012	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
<b>19 REVENUE FROM OPERATION</b>				
<b>Sale Of Products</b>				
i) Manufactured Goods		69,174.39		55,149.25
Export Sales		-		-
ii) Stock-in-trade		1,325.55		853.22
<b>Sale of Services</b>				
Job Work		5.10		6.20
<b>Other Operating Revenue</b>				
i) Assist Under WBIP Scheme	97.69		74.30	
ii) Export Incentive	696.82		682.54	
iii) Incentive received on yarn purchase	23.75		29.30	
iv) Others	2.44	820.70	7.45	793.59
<b>Total</b>		<b><u>71,325.74</u></b>		<b><u>56,802.26</u></b>
a)Other operating revenue includes liability no longer required written back.				
<b>20 OTHER INCOME</b>				
<b>Interest Income</b>				
i) From Fixed Deposit	5.07		5.02	
ii) Int on Advance/Delayed Payments	2.67	7.74	-	5.02
<b>Dividend Income</b>				
From Long Term Trade Investment		0.02		0.20
<b>Other Non Operating Income</b>				
Profit on Sale of Vehicle		0.71		-
<b>Total</b>		<b><u>8.47</u></b>		<b><u>5.22</u></b>
<b>21 COST OF MATERIAL CONSUMED</b>				
<b>Yarn Consumed</b>				
Opening Stock	1,345.79		2,159.71	
Add : Purchases during the year	22,640.19		16,701.29	
	23,985.98		18,861.00	
Less : Closing Stock	1,993.44	21,992.53	1,345.79	17,515.21
<b>Packing Materials Consumed</b>				
Opening Stock	306.22		141.28	
Add: Purchases during the year	8,673.19		5,757.12	
	8,979.41		5,898.40	
Less: Closing Stock	750.12	8,229.29	306.22	5,592.18
<b>Consumption of Fabrics</b>		14,237.50		10,855.18
<b>Consumption of Steaching Thread</b>		-		47.98
<b>Total</b>		<b><u>44,459.33</u></b>		<b><u>34,010.55</u></b>
<b>22 Purchase of Stock in Trade (Knitwear )</b>		1,676.87		1,056.66
<b>Total</b>		<b><u>1,676.87</u></b>		<b><u>1,056.66</u></b>

**23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE****Finished Goods**

Opening Stock	4,902.02		3,426.94	
Closing Stock	<u>8,699.80</u>	(3,797.78)	<u>4,902.02</u>	(1,475.08)

**Work-in-progress**

Opening Stock	3,396.36		3,334.15	
Closing Stock	<u>7,743.38</u>	(4,347.02)	<u>3,396.36</u>	(62.21)

**Stock in trade**

Opening Stock	42.23		7.68	
Closing Stock	<u>118.80</u>	(76.57)	<u>42.23</u>	(34.55)

<b>Total</b>		<b><u>(8,221.37)</u></b>		<b><u>(1,571.84)</u></b>
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**24 EMPLOYEE BENEFIT EXPENSE**

Salaries & Wages & Bonus	624.65		398.62	
Provision for Employment benefit	<u>17.82</u>	642.47	<u>9.96</u>	408.58
Contribution to Provident & Other Funds		30.44		20.17
Staff Welfare Expenses		<u>38.11</u>		<u>30.21</u>
<b>Total</b>		<b><u>711.02</u></b>		<b><u>458.96</u></b>

**25 FINANCE COST**

Interest Expense		973.43		759.74
Bank Charges		<u>93.55</u>		<u>66.14</u>
<b>Total</b>		<b><u>1,066.98</u></b>		<b><u>825.88</u></b>

**26 DEPRECIATION & AMORTIZATION EXPENSE**

Depreciation on Tangible Assets		430.76		364.52
Amortization on Intangible Assets		<u>14.71</u>		<u>23.50</u>
<b>Total</b>		<b><u>445.47</u></b>		<b><u>388.02</u></b>

**27 OTHER EXPENSES**

Consumption Of stores & spare parts	75.10		60.96	
Excise Duty on Closing Stock of Finished Goods	-		209.47	
Power & Fuel	18.97		24.14	
Rent	188.53		76.90	
Repairs to buildings	53.91		34.60	
Repairs to machinery	7.75		13.66	
Repairs to other	17.97		10.31	
Insurance	14.27		15.62	
Rates & Taxes	141.95		64.70	
Selling Expenses	4,738.02		2,351.64	
Royalty	5.00		5.00	
Advertisement & Publicity	4,096.97		3,058.65	
Commission	581.85		603.23	
Freight & Other Handling Charges	1,067.93		801.70	
Processing expense	14,207.66		9,266.87	
Prior Period Items	(0.72)		(45.05)	
Loss on Sale of Vehicle (net)	0.11		0.20	
Foreign currency translation loss (net)	(91.69)		359.00	
Miscellaneous Expenses	877.17		584.34	
Payment to auditors (Refer note 32)				
As Auditors	3.93		2.50	
Provision for diminution in the Market value of Investment	(2.46)		2.95	
Provision for Doubtful Debts/Advances	66.98		24.99	
<b>Total</b>		<b><u>26,079.25</u></b>		<b><u>17,526.37</u></b>

## NOTES ON ACCOUNTS

28. Earning per share Computed in accordance with AS 20: "Earning Per Share"

Sl. No	Particulars	As At 31.03.2013	As At 31.03.2012
1.	Profit for the year	2034.64	1414.08
2.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	50.51	50.51
3.	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	50.51	50.51
4.	Nominal Value per share (Rs.)	10	10
5.	Earning per shares		
	Basic	40.28	28.00
	Diluted	40.28	28.00

29. Particulars of Contingent Liabilities and Commitments

	Particulars	2012-13	2011-12
1.	Contingent Liabilities not provided for in respect of:		
	(i) Guarantee given:		
	(a) to W.B. Sales Tax Department by the company's banker for which counter guarantees have been given by the company	2.50	2.50
	(b) to Commissioner of Customs, Kolkata	1.40	1.40
	(c) to Commissioner of Customs, Kolkata	4.85	4.85
	(d) to Sales Tax Department, Roorkee	0.15	0.15
	(e) to Sales Tax Department, Ahmedabad	0.20	0.20
	(f) to Sales Tax Department, Indore	0.15	0.15
	(g) to Commissioner of Customs, Kolkata	0.38	0.38
	(h) to Commissioner of Customs, Kolkata	0.61	0.61
	(i) to Commissioner of Customs, Kolkata	0.12	0.12
	(j) to WBSEB, Kolkata	1.41	1.41
	(ii) Sales Tax Penalty for F.Y. 2004-05 under appeal with Assistant Commissioner, Pollachi*	122.96	122.96
	(iii) Sales tax demand for F.Y 2003-04 under appeal with Kolkata High Court	Nil	20.87
	(iv) Sales tax penalty for F.Y 2003-04 under appeal with Kolkata High Court	30.84	30.84
	(v) Sales tax penalty for F.Y 2004-05 under appeal with Kolkata High Court	19.17	19.17
	*The Company has been advised by competent legal professional that the said demand and Penalty is likely to be reversed, accordingly no provision has been made in the accounts.		
2.	Commitments		
	Estimated amount of contracts remaining to be executed on Capital account and not provided for	3000.00	36.00

The company's related party transactions during the year and outstanding balances are as below:

Sl.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Associates controlled by Director/Relatives	
		2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
1	<b>Sale of goods</b>						
	Todi Hosiery Ltd.	-	-			0.00	3.34
	Biswanath Hosiery Mills Ltd					6.66	0.00
	Ebel Polymers Pvt. Ltd.	-	-			1818.23	2250.87
	<b>Total</b>					<b>1824.89</b>	<b>2254.21</b>
2	<b>Purchase of goods</b>						
	Todi Hosiery Ltd.	-	-	-		628.67	552.99
	Ebel Polymers Pvt Ltd					254.16	0.00
	Jaytee Exports					936.00	109.73
	<b>Total</b>					<b>1818.83</b>	<b>662.72</b>
3	<b>Payment for services</b>						
	Todi Hosiery . Ltd.- Agent Commission	-	-	-		2.57	1.21
	Biswanath Hosiery Mills Ltd.- Raising Charges	-	-	-		16.51	27.08
	Holly Field Traders Pvt. Ltd.-Rent Paid	-	-	-		1.80	1.80
	P.G.Infomatic Pvt. Ltd.-Rent					21.57	21.18
	P.G.Infomatic Pvt. Ltd.-Data Processing					60.67	49.64
	<b>Total</b>	-	-	-		<b>103.13</b>	<b>99.70</b>
4	<b>Remuneration</b>						
	Ashok Kumar Todi	18.75	15.00	-			-
	Pradip Kumar Todi	18.75	15.00	-			-
	<b>Total</b>	<b>37.50</b>	<b>30.00</b>	-			-
5	<b>Royalty paid</b>						
	Biswanath Hosiery Mills Ltd.	-	-	-		5.00	5.00
	<b>Total</b>					<b>5.00</b>	<b>5.00</b>
6	<b>Received towards services</b>						
	Todi Hosiery Pvt. Ltd.	-	-	-		2.05	-
	<b>Total</b>	-	-	-		2.05	-
7	<b>Payment for Security Deposit</b>						
	P.G.Infomatic Pvt. Ltd.					15.00	0.00
	<b>Total</b>					15.00	<b>0.00</b>
8	<b>Interest paid</b>						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-		36.10	61.07
	Rotex Intertrade Pvt. Ltd.	-	-	-		63.06	110.36
	Biswanath Hosiery Mills Ltd					17.90	00.00
	Holly Field Traders Pvt. Ltd.	-	-	-		18.31	20.86
	<b>Total</b>					<b>135.39</b>	<b>192.29</b>
9	<b>Loan received</b>						
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-		2510.00	1983.00
	Rotex Intertrade Pvt. Ltd.	-	-	-		6879.00	3452.00
	Biswanath Hosiery Mills Ltd					1616.00	0000.00
	Holly Field Traders Pvt. Ltd.	-	-	-		1238.00	1325.00

### 30. Segment Reporting:

(a) The Company has only one business segment viz. manufacturing and sale of knitwear, which is treated as the primary segment by the company.

(b) The company has two geographical segments viz. Sales within India and Sales outside India. These are treated as secondary segments of the company.

(c) Secondary Segment Information (Geographical Segments)

<u>Particulars</u>	<u>2012-13</u>	<u>2011-12</u>
<b>1 Segment Revenue</b>		
-Within India	61069.44	46,211.21
-Outside India	8111.16	8,537.49
<b>Total</b>	<b>69180.60</b>	<b>54,748.70</b>
<b>2 Segment Assets</b>		
-Within India	36895.76	25,523.92
-Outside India	1177.76	1,378.96
<b>Total</b>	<b>38073.52</b>	<b>26,902.88</b>
<b>3 Capital Expenditure</b>		
-Within India	2867.35	373.11
-Outside India	-	-
<b>Total</b>	<b>2867.35</b>	<b>373.11</b>

31. Related Party Disclosures as required by Accounting Standard (AS-18) on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, are as below:-

**a) Key managerial Personnel:**

1. Shri Ashok Kumar Todi, Executive Chairman (Whole Time Director)
2. Shri Pradip Kumar Todi, Managing Director

**b) Associates controlled by Director/Relatives:**

Biswnath Hosiery Mills Ltd.  
Todi Hosiery. Ltd.  
Rotex Intertrade Pvt. Ltd.  
Chitragupta Sale & Services Pvt. Ltd.  
Holly Field Traders Pvt. Ltd.  
Ebel Polymers Pvt. Ltd.  
Jaytee Exports  
P.G.Infometric Pvt. Ltd.

	Ashok Kumar Todi	128.75	67.75	-	-	-
	Pradip Kumar Todi	133.00	42.00	-	-	-
	<b>Total</b>	<b>261.75</b>	<b>109.75</b>	-	<b>12243.00</b>	<b>6760.00</b>
10	<b>Loan repayment</b>					
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	4017.11	693.11
	Rotex Intertrade Pvt. Ltd.	-	-	-	7217.05	2667.54
	Holly Field Traders Pvt. Ltd.	-	-	-	1415.03	1742.09
	Biswanath Hosiery Mills. Ltd.	-	-	-	232.79	000.00
	Ashok Kumar Todi	200.52	136.50	-	-	-
	Pradip Kumar Todi	196.50	117.27	-	-	-
	<b>Total</b>	<b>397.02</b>	<b>253.77</b>	-	<b>12881.98</b>	<b>5102.73</b>
11	<b>Guarances and collaterals issued</b>					
		-	-	-	-	-
12	<b>Provision for doubtful debts amount written off and written back</b>					
		-	-	-	-	-
13	<b>Outstanding as at 31<sup>st</sup> March</b>					
	<b>(a) Sundry creditors</b>					
	Jaytee Exports	-	-	-	324.16	-
	P.G. Infometric Pvt. Ltd.	-	-	-	1.85	71.53
	Biswanath Hosiery Mills Ltd.	-	-	-	11.75	1293.22
		-	-	-	<b>337.78</b>	<b>1364.75</b>
	<b>(b) Unsecured loans</b>					
	Chitragupta Sales & Services Pvt. Ltd.	-	-	-	145.66	1616.67
	Rotex Intertrade Pvt. Ltd.	-	-	-	1224.04	1499.03
	Holly Field Traders Pvt. Ltd.	-	-	-	28.76	187.48
	Biswanath Hosiery Mills Ltd	-	-	-	1401.11	-
	Ashok Kumar Todi	389.85	461.64	-	-	-
	Pradip Kumar Todi	393.32	456.83	-	-	-
	<b>Total</b>	<b>783.18</b>	<b>918.46</b>	-	<b>2799.58</b>	<b>3303.19</b>
	<b>(c) Advance Recoverable in cash or value to be received</b>					
	Todi Hosiery Pvt. Ltd.	-	-	-	188.15	316.22
	Jaytee Exports	-	-	-	78.93	48.93
	P.G. Infomatic Pvt. Ltd.	-	-	-	-	0.28
	<b>(d) Security Deposit</b>					
	P.G. Infomatic Pvt. Ltd.	-	-	-	25.00	10.00
	<b>Total</b>	-	-	-	<b>292.08</b>	<b>375.43</b>

32. Auditor's Remuneration includes:

Particulars	2012-13	2011-12
Statutory Audit	3.37	2.25
Tax Audit	0.56	0.25
<b>Total</b>	<b>3.93</b>	<b>2.50</b>

**33. Based on the information / documents available with the Company, details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006 are as below:**

Sl. No.	Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006	2012-13	2011-12
i	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
	Principal Amount Unpaid	23.64	101.16
	Interest Due	-	-
ii	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.		
	Payment made beyond the Appointed Date	-	-
	Interest Paid beyond the Appointed Date	-	-
iii	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv	The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
v	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

The above information has been compiled in respect of Parties to the extent to which they could be identified as Micro & Small Enterprises under Micro, Small & Medium Enterprises Development Act, 2006 on the basis of information available with the Company. This has been retired upon by the Auditors.

**34. Gratuity benefit plans:**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme.

(a) The following table's summaries the components of the net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for respective plans.

(Rs. in lacs)

Particulars	Gratuity	
	As at March 31, 2013	As at March 31, 2012
Present Value of Obligation at the beginning of the year	45.28	36.83
Current Service Cost	13.97	9.44
Interest Cost	4.85	3.28
Net Acturial Losses / (Gain)	(1.00)	(2.76)
Benefit Paid	0.60	1.51
Present Value of Obligation at the end of the year	62.50	45.28



The Provision for Gratuity is charged to the Statement of Profit and Loss and same is shown in Note No. 5 and 9 of the Notes to Accounts.

(b) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

Particulars	As at March 31, 2013	As at March 31, 2012
Discount Rate	8.25%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Expected average remaining working lives of employees (years)	22.09	22.33
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

(c) Amount recognized in Current year and previous four years is as follows:

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of obligation as at the beginning of the year	45.28	36.83	21.74	14.91	10.00
Current Service cost	13.97	9.44	9.67	5.82	4.66
Interest cost	4.85	3.28	2.34	1.47	1.00
Total Expenses recognized in P/l account	17.82	9.96	15.95	6.98	4.91
Actuarial (gain) /loss during the year	(1.00)	(2.76)	3.93	(0.31)	(0.74)
Actual benefit paid	0.60	1.51	0.85	0.15	0.00
Present value of obligation as at the end of the year	62.50	45.28	36.83	21.74	14.91
Fair value of plan assets	0.00	0.00	0.00	0.00	0.00
Liability recognized in Balance Sheet	62.50	45.28	36.83	21.74	14.91

35. Derivative Instruments and Unhedged Foreign Currency Exposure, Which are not Intended for Trading or Speculation Purpose:

**Forward Contract Outstanding as at balance sheet date**

Particulars of Derivatives	Currency	Current Year	Previous Year	Purpose
Sale	USD	20,00,000	-	Hedge of Trade Receivables

**Particulars of Unhedged foreign currency exposure as at the balance sheet date.**

	As at 31.03.2013	As at 31.03.2012
	US \$      INR EQUIVALENT	US \$      INR EQUIVALENT
Amount Receivable in Foreign currency on account	US\$ 169603.65	US\$ 27,92,397.89
Of the following:		
Trade Receivables	INR 92.06 Lacs	INR 1378.95 Lacs

**36. Particulars in respect of sales**

Class of goods	Value (Rs.)	
	2012-13	2011-12
Knitwear	70499.94	56002.47

**37. Details of finished stock**

Class of goods	Value (Rs.)	
	2012-13	2011-12
i) Opening stock Knitwear	4902.02	3426.94
ii) Closing stock Knitwear	8699.80	4902.02

**38. Details of Finished Goods Purchased**

Class of goods	Value (Rs.)	
	2012-13	2011-12
Knitwear	1676.87	1056.66

**39. Particulars about Work in Progress**

Class of goods	Value (Rs.)	
	2012-13	2011-12
Fabrics	7743.38	3396.36

**40. Details of raw materials consumed during the year**

Class of goods	Value (Rs.)	
	2012-13	2011-12
Yarn	21992.53	17515.20
Fabric	14237.50	10855.18
Packing material & Others	8229.29	5640.16
<b>Total</b>	<b>44459.32</b>	<b>34010.55</b>

**41. Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption:**

Class of goods	Percentage		Value (Rs.)	
	2012-13	2011-12	2012-13	2011-12
<b>(a) Raw materials</b>				
Imported	-	-	-	-
Indigenous	100.00	100.00	44459.32	34010.55
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>44459.32</b>	<b>34010.55</b>
<b>(b) Stores and spares</b>				
Imported	4.19%	20%	3.15	11.99
Indigenous	95.81%	80%	71.95	48.97
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>75.10</b>	<b>60.96</b>

**42. Value of imports during the year on C.I.F. basis**

Class of goods	2012-13	2011-12
Raw materials	NIL	NIL
Capital goods	636.24	209.41

**43. Earning in foreign currency:**

	2012-13	2011-12
Direct Export of goods at FOB value	8019.11	8417.22

**44. Expenditure in foreign currency:**

	2012-13	2011-12
(a) Travelling expenses	28.82	11.56
(b) Agent Commission	150.96	171.46
<b>Total</b>	<b>179.78</b>	<b>183.02</b>

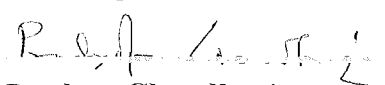
45. Previous year figures have been recast/ restated whenever required.

**As per out report of even date attached.**

**FOR SANJAY MODI & CO.**

Chartered Accountants

Firm Registration No: 322295E



**Prodyat Chaudhuri**

Partner

Membership No. 065401

Kolkata

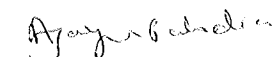
May 28, 2013

For and on behalf of the Board

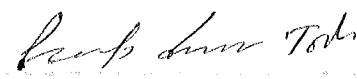


**Ashok Kumar Todi**

Chairman

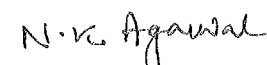
  
Ajay Kumar Patodia

Chief Financial Officer



**Pradip Kumar Todi**

Managing Director



Navin Kumar Agarwal

Company Secretary