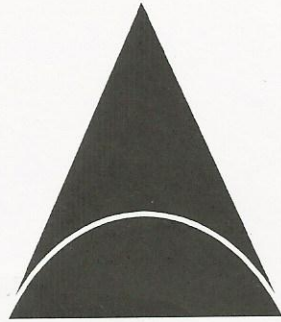


ASHNOOR

Annual Report

2012-2013

Ashnoor Textile Mills Limited



ASHNOOR

Board of Directors

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Suneel Gupta | Chairman and Managing Director |
| 2. Dr. (Mrs.) Sangeeta Gupta | Whole-time Director |
| 3. Mr. Abhinav Gupta | Director |
| 4. Mr. Inder Mohan Agarwala | Director |
| 5. Ms. Pallavi Agarwal | Director |
| 6. Mr. Piyush Gupta | Director |

Registered Office and Factory

Behrampur Road
Village Khandsa
District Gurgaon
Haryana - 122 001

Auditors

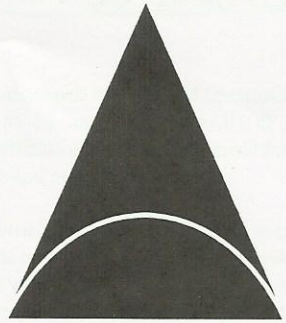
Messrs KSA & Co.
Chartered Accountants
New Delhi - 110 014

Bankers

Bank of Baroda
International Business Branch
Bank of Baroda Building
1, Sansad Marg
New Delhi - 110 001

Registrar

Messrs Link Intime India Private Limited
A-40, 2nd Floor
Naraina Industrial Area, Phase-II
Near Batra Banquet Hall
New Delhi - 110 028



ASHNOOR

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ASHNOOR TEXTILE MILLS LIMITED

NOTICE

NOTICE is hereby given that 30th Annual General Meeting of the members of the Ashnoor Textile Mills Limited will be held on Monday, September 30, 2013, at 09.30 a.m. at the Registered Office of the Company at Behrampur Road, Village Khandasa, District Gurgaon, Haryana-122001, to transact the following businesses:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the Report of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Piyush Gupta, who retires by rotation and, being eligible, offers him for re-appointment.
3. To appoint a Director in place of Dr. (Mrs) Sangeeta Gupta who retires by rotation and, being eligible, offers her for re-appointment.
4. To appoint Auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Place: Gurgaon

Date: August 12, 2013

Registered Office:

Village Khandasa, Behrampur Road

Gurgaon, Haryana - 122001

By the order of the Board

Suneel Gupta
Chairman and Managing Director

NOTICE

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURN, DULY COMPLETED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from **Monday, September 23, 2013 to Monday, September 30, 2013 (both days inclusive)**.
3. Members holding shares in physical form are requested to notify change in address, if any, to the Company at its registered office or to the Registrar and Share Transfer Agent – Messrs Link Intime India Private Limited, A-40, 2nd Floor, Naryana Industrial Area-II, Near Batra Banquet Hall, New Delhi-110028.
4. Members holding shares in electronic/demat form are requested to notify change in their address, if any, to their Depository Participant.
5. Members are requested to register their e-mail address and changes therein from time to time with the company and the concerned depository.
6. Members are requested to kindly bring their copies of Annual Report along with duly filled admission slips for attending the meeting.
7. Members are requested to kindly quote share folio number/Client ID Number in all their correspondence.
8. In case of joint holds attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
9. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.

Place: Gurgaon

Date: August 12, 2013

Registered Office:

Village Khandasa, Behrampur Road,

Gurgaon, Haryana - 122001

By the order of the Board

Suneel Gupta
Chairman and Managing Director

ASHNOOR TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present their 30th Annual Report on the affairs of the Company together with the Audited Accounts for the financial year ended on March 31, 2013.

FINANCIAL PERFORMANCE

(Rs. in Lakhs)

| Particulars | 2012-2013 | 2011-2012 |
|--|------------------|------------------|
| Turnover | 9,173.54 | 4,943.36 |
| Gross Profit prior to financial overheads and depreciation | 458.79 | 168.69 |
| Financial Overheads | 261.53 | 13.35 |
| Depreciation | 156.29 | 144.52 |
| Profit before Tax and Extra-ordinary Items | 40.97 | 10.81 |
| Extra-ordinary Items | (0.93) | 14.73 |
| Profit Before Tax | 40.04 | 25.54 |
| FBT, Wealth Tax and Deferred Tax (Liability)/Assets | 33.02 | (23.36) |
| Profit after Tax-available for appropriation | 7.02 | 2.18 |
| Basic Earnings Per Share | 0.07 | 0.03 |

During the year under review, income from operations of the Company increased by 85.57% from Rs.4,943.36 lakhs in previous year to Rs 9,173.54 lakhs and profit after tax increased by 222.01% from Rs. 2.18 lakhs in previous year to Rs. 7.02 lakhs in the current year.

The detailed discussion on the state of Company's affairs and the performance of operations of the Company is given in the annual report under "Management Discussion and Analysis Report".

DIVIDEND

In view of marginal profits, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSITS

During the year under review, your Company has not invited or accepted any fixed deposit.

DIRECTORS

Mr Piyush Gupta and Dr. (Mrs.) Sangeeta Gupta retire from the Board by rotation and are eligible for re-appointment at the forthcoming Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

CORPORATE GOVERNANCE

In pursuance of Clause 49 of the Listing Agreement as entered between the company and Bombay Stock Exchange, Mumbai a detailed note on Corporate Governance is annexed to this report along with a certificate issued by the Statutory Auditors of the Company.

AUDITORS

Messrs KSA & Co., Statutory Auditors, hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. They have confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956 and willingness to accept the office as Statutory Auditors, if so re-appointed.

AUDITORS' OBSERVATIONS

The observations made in Auditors' Report are self-explanatory and are suitably explained in various notes to the accounts. They need no further comments.

PREFERENTIAL ALLOTMENT

The Company has allotted 2,335,562 equity shares on preferential basis to the promoters (1,892,239 equity shares) and non promoters (443,323 equity shares) on March 30, 2013 at a price of Rs. 10/- each as per provisions

ASHNOOR TEXTILE MILLS LIMITED

of chapter VII of the SEBI (ICDR) Regulations, 2009. These shares were allotted getting approval of members by passing special resolution in an Extra-ordinary General Meeting held on March 19, 2013 and also procuring in principle for Listing of these shares at Bombay Stock Exchange under Clause 24(a) of the Listing Agreement. These shares were allotted to augment funds to meet working capital requirements for growth of business of the company.

STATUTORY DISCLOSURES

The information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, (as amended) is annexed with this report as annexure-B and forms the part of this report.

Additional information on conservation of energy, technology adsorption, foreign exchange earnings and outgo as required Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed as annexure-A and forms the part of this report.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to Section 217(AA) of the Companies Act, 1956, your Directors confirm that:

- a) in preparation of the annual accounts for the financial year 2012-2013, the applicable accounting standards have been followed along with the explanations relating to material departures;
- b) the Directors had selected such appropriate accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for the safeguard of the assets of the Company for preventing and detecting fraud and other irregularities; and
- d) the Directors have prepared the annual accounts for the financial year ended March 31, 2013 on a going concern basis.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank the Banks, Central and State Government Authorities, Stock Exchange, Regulatory Authorities and stakeholders for their continued co-operation and support to the Company. The Board also places on record its appreciation for the contribution made by employees of the Company customer, clients, vendors and other business associates for their continued support.

Place: Gurgaon
Date: August 12, 2013

Suneel Gupta
Chairman and Managing Director

Sangeeta Gupta
Director

ASHNOOR TEXTILE MILLS LIMITED

ANNEXURES-A TO THE DIRECTORS' REPORT

Additional information as required under the Companies
(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

I. CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken

- To control potential areas of energy loss
- To maintain Power Factor

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy

- Continuously maintain CFL lights

c) Impact of the measures at (a) and (b) for reduction of energy consumption and conservation impact on the cost of production of goods.

- Savings in power and fuel cost

d) Total energy consumption and energy consumption per unit of production as per Form "A"

Form "A"

Form of disclosure of particulars with respect to conservation of energy

PARTICULARS RELATING TO CONSERVATION OF ENERGY

| Particulars | Unit | 2012-2013 | 2011-2012 |
|--|----------------|-----------|-----------|
| A. Power and Fuel Consumption: | | | |
| 1) Electricity | | | |
| a) Purchased | (KWH in Lakhs) | 49.28 | 32.60 |
| Total Amount | (Rs. In Lakhs) | 276.87 | 153.43 |
| Rate per unit | (Rs. Per KWH) | 5.62 | 4.71 |
| b) Own Generation through Diesel Generator | (KWH in Lakhs) | 13.58 | 7.38 |
| Unit/Ltr of Oil | KWH | 3.00 | 3.00 |
| Cost per unit | (Rs. Per KWH) | 13.09 | 11.29 |
| 2. Used in Boiler | | | |
| a) Furnance Oil | | | |
| Quantity | KL | - | - |
| Total cost | (Rs. In Lakh) | - | - |
| Average cost | (Rs. Per KL) | - | - |
| b) Petcoke | | | |
| Quantity | TON | 2,558.26 | 1,443.15 |
| Total cost | (Rs. In Lakh) | 185.62 | 117.06 |
| Average cost | (Rs. Per MT) | 7,255.72 | 8,111.42 |
| B. Consumption per unit of production | | | |
| i) Electricity | (KWH per KG) | 2.28 | 2.37 |
| ii) Furnace oil | (Ltr per KG) | - | - |
| iii) Petcoke | (Ltr per KG) | 0.93 | 0.86 |

ASHNOOR TEXTILE MILLS LIMITED

Form "B"

II. Technology Absorption

A. Research and Development

a) Specific areas in which R&D is carried out by the Company

- Replacement of conventional chemicals with effective and efficient chemicals
- Recovery of heat from diesel generator exhaust

b) Benefits derived as a result of R&D

- Cost Reduction

c) Future Plan of Action

- To find out more ways to improve quality of products and reduction in cost.

d) Expenditure on R&D

- Research and Development being an integral part of production is carried out in a continuous manner. Therefore, the Company does not maintain separate record on the expenditure incurred on Research and development.

B. Technology absorption, adaptation and innovation

- Continuous efforts to improve the quality of finished goods

III. Foreign Exchange Earnings and Outgo

a) Activities relating to export, initiative taken to increase exports, development of new export market for products and export plans

- The Company is continuously trying to increase exports in existing markets and also trying to find out new markets.

b) Total foreign exchange earned and used

(Rs. in Lakhs)

| Particulars | 2012-2013 | 2011-2012 |
|---|-----------|-----------|
| FOB value of Export of Terry Towels (Realization basis) | 7,789.68 | 4,001.21 |
| Import of Stores and Spares | 36.81 | 9.91 |
| Foreign exchange used | 41.86 | 20.56 |
| Net foreign exchange earned | 7,711.01 | 3,970.74 |

ANNEXURE-B TO THE DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the directors' report for the year ended March 31, 2013

| Name of Employee | Suneel Gupta | Sangeeta Gupta |
|----------------------|--------------------------------|---------------------|
| Designation | Chairman and Managing Director | Whole Time Director |
| Qualification | MBA | MBBS |
| Age | 52 years | 52 years |
| Date of Joining | January 20, 1984 | March 9, 1994 |
| Experience | 29 years | 19 years |
| Remuneration | 30.00 Lakhs | 30.00 Lakhs |
| Previous Designation | Not Applicable | Not Applicable |

Place: Gurgaon
Date: August 12, 2013

Suneel Gupta
Chairman and Managing Director

Sangeeta Gupta
Director

ASHNOOR TEXTILE MILLS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure

The Textile Industry occupies a vital place in the Indian economy and contributes substantially to its exports earnings. The industry contributes about 14% to industrial production, 4% to Gross Domestic Production (GDP), 17% to country's export earnings. It also provides direct employment to over 15 million persons in the mill, powerloom and handloom sectors. India is the world's second largest producer of textiles after China. It is the world's third largest producer of cotton-after China and the USA-and the second largest cotton consumer after China. The textile industry in India is one of the oldest manufacturing sectors in the country and is currently it's largest.

Opportunities, Threats and Outlook

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The industry is expected to cross reach US\$ 200 billion by 2020, The Government of India has promoted a number of export promotion policies for the textile sector. It has also allowed 100 per cent foreign direct investment (FDI) in the Indian textile sector through automatic route. It will bring in greater investments in industry. Further, the market is shifting to India from China due to rise in labor cost, Hence, there may shift in some of orders from China The textile sector could witness a jump in its export numbers this financial year due to the falling rupee as there is a spark of revival witnessed in the first quarter of this financial year. But, imported raw material will definitely increase cost of product. International labor and environmental law, dumping of foreign goods in India, competition with developing countries specifically China are major threats to Indian textile industry. India's textile industry urgently needs to diversify beyond its traditional markets of the US and Europe to remain competitive in the wake of global economic downturn.

Segment Reporting

The Company is continuously carrying its activities in only one segment Textile with a sole product, i. e. Terry Towels. The performance of the Company is discussed in details in coming para of this report.

Risk and Concern

India ratings expects to remain subdued due to persistent economic slowdown in key export destinations of US and Europe and continuous deterioration in India's competitiveness in apparel exports. However, to offset the impact, Indian exporters are diversifying into other geographies. Selling prices are likely to remain lower depending on companies' bargaining power which is very low for small exporters or for low value added products. For a stable outlook it would require favourable policy environment, improvements in demand-supply position, continued stability in input costs and consequent improvement in margins/liquidity. It is unlikely that the sector's outlook will turn positive until fundamental issues such as power shortage, lack of technology and modern machinery and demand slowdown are resolved. However, foreign direct investment (FDI) in retail is an opportunity that would unleash demand in the long run and offset any slowdown in exports.

Internal Control Systems and their Adequacy

The Company has an adequate internal control system commensurate with the size of the company and the nature of its business with regard to expanses, purchases of inventory, fixed assets and with regard to the sale of goods and services, management information system. The control system helps in identifying the potential issues and problems, if any.

ASHNOOR TEXTILE MILLS LIMITED

Preferential Allotment

The Company has allotted 2,335,562 equity shares at a price of Rs.10/- each on preferential basis to the promoters and non promoters to augment funds to meet working capital requirements for growth of business of the company. Out of these shares 81.02% were allotted to the promoters group and 18.98% to non promoters group. Now, Promoters' holding is 63.47% of expended share capital.

Financial and Operational Performance

During the year under review, income of the Company increased by 85.57% from Rs.4,943.36 lakhs in previous year to Rs. 9,173.54 lakhs in this includes FOB value of Export of Terry Towels of Rs. 7,789.68 lakhs (previous year Rs. 4,001.21 lakhs) which is 84.91% of total income (previous year 80.94%) and profit after tax increased by 222.01% from Rs. 2.18 lakhs in previous year to Rs. 7.02 lakhs in the current year. Directors expect better results in current financial year.

Human Resources/Industrial Relations

The Company has always valued its human resources and believes in unlimited potential of each of its staff and believes that dedicated and efficient employees are great assets of the Company and most important ingredient for achieving excellence in performance. During the financial year, the overall industrial relations remained cordial in the Company.

Disclaimer

Readers are cautioned that this discussion and analysis contains certain forward looking statements. All these statements always have certain risks and uncertainties. Actual results could differ materially from those expressed or implied and the Company is not bound to publicly update or revise forwarding looking statements. Therefore, readers are cautioned not to place undue reliance on these forwarding looking statements.

ASHNOOR TEXTILE MILLS LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

The Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in taking of prudent business decision in the best interest of the Company, stakeholders, environment and the Company. The Company is fully committed to efficient conduct of its business and strong emphasis on transparency, accountability and integrity. During the financial year 2012-2013, the Company continues to adopt procedure and practices in conformity with prevalent guidelines on corporate governance as per clause 49 of the listing agreement.

2. Board of Directors

(a) Composition of the Board

The Board has an optimum combination of Executive and Non-Executive Directors and is in conformity with the Clause 49 of the Listing agreement and it comprised of six Directors. Out of these three Directors are Promoter Directors and remaining three are Independent Directors. Out of three Promoter Directors two are executive Directors (one Chairman cum Managing Director, second is Whole time Director) while third is non executive Director. The detailed composition of the Board including other required information is given in the table below:

| Name of Directors | Position | Attendance | | | Other Directorships | | |
|---------------------------|---|---|-------------------------------|----------------------------|---|----------------------|----------------------|
| | | No. of Board Meeting held during the year | No. of Board Meeting attended | Last AGM attended (Yes/No) | Directorships in other public limited companies | Committee membership | Committees' Chairman |
| Mr. Suneel Gupta | Managing Director and Chairman (Promoter) | 9 | 9 | Yes | -- | -- | -- |
| Mrs. Sangeeta Gupta | Whole-Time Director (Promoter) | 9 | 8 | Yes | -- | -- | -- |
| Mr. Abhinav Gupta | Non Executive Director (Promoter) | 9 | 2 | No | -- | -- | -- |
| Mrs. Pallavi Aggarwal | Non Executive Director (Independent) | 9 | 7 | No | -- | -- | -- |
| Mr. Piyush Gupta | Non Executive Director (Independent) | 9 | 7 | Yes | -- | -- | -- |
| Mr. Inder Mohan Aggarwala | Non Executive Director (Independent) | 9 | 8 | No | -- | -- | -- |

None of the Directors is Director in more than 15 public companies or member of board committees in excess of 10 or chairman in excess of five board committees, as required under clause 49 of the listing agreement and the Companies Act, 1956.

(b) Number of Board Meetings

During the year, 9 (nine) meetings of the Board of Directors were held. These were held on May 11, 2012; June 6, 2012; August 7, 2012; November 5, 2012; November 6, 2012; November 19, 2012; February 11, 2013, February 20, 2013 and March 30, 2013.

The gap between two Board Meetings did not exceed four months. During the year, all the relevant information as required to be placed before the Board as per Clause 49 of the Listing Agreement were placed before the Board and discussed/approved by it. These Schedule of the Board meetings were

ASHNOOR TEXTILE MILLS LIMITED

decided in advance and communicated to the Directors. The compliance reports of laws and regulations applicable to the Company were placed before the Board periodically.

(c) Code of Conduct for Directors and Senior Management Personnel

The Company has instituted a Code of Conduct for members of the Board and senior Management Personnel of the Company. The Board members and senior management personnel of the Company have affirmed compliance with the code of conduct and Managing Directors has given a declaration affirming compliance with them code by them.

3. Audit Committee

(a) Composition, name of members and Chairman

The Company had constituted an Audit Committee as per provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and Section 292A of the Companies Act, 1956, with the scope of the activities as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee is specified by the Board. The composition of Audit Committee is as follows.

| Name of Members | Status | Member |
|---------------------------|---------------|------------------------------------|
| Mr. Piyush Gupta | Chairman | Non Executive Director-Independent |
| Ms. Pallavi Aggarwal | Member | Non Executive Director-Independent |
| Dr. (Mrs.) Sangeeta Gupta | Member | Executive Director-Promoter |

All the three Directors are financially literate as explained in Explanation of Clause 49(II)(A)(ii) of Listing Agreement and out of these Mr. Piyush Gupta and Ms. Pallavi Agarwal are having financial management expertise also. The minutes of Audit Committee Meeting were placed before the Board and discussed in the meetings of the Board of Directors.

(b) Brief description of terms of reference

The Audit Committee performs the functions as enumerated in Clause 49(II)(D) and have powers as listed in Clause 49(II)(C) of the Listing Agreement.

(c) Meetings and Attendance during the year

During the financial year 2012-2013, 04 (four) meetings of the Audit Committee were held on May 11, 2012, August 7, 2012; November 6, 2012 and February 11, 2013. All the three members attended these meetings.

4. Remuneration Committee

(a) Composition, name of members and Chairman

The Remuneration Committee of the Board of Directors of the Company is consists of following Directors:

| Name of Members | Status | Member |
|--------------------------|---------------|------------------------------------|
| Mr. Piyush Gupta | Chairman | Non Executive Director-Independent |
| Mr. Inder Mohan Aggarwal | Member | Non Executive Director-Independent |
| Ms. Pallavi Agarwal | Member | Non Executive Director-Independent |

ASHNOOR TEXTILE MILLS LIMITED

(b) Brief description of terms of reference

The constitution of Remuneration Committee is to recommend/review the remuneration package of the Managing/Whole Time Directors and to formulate a broad policy framework for managerial remuneration.

(c) Meetings and Attendance during the year

No meeting of the remuneration committee was held during the financial year 2012-2013.

(d) Detail of Remuneration to all the Directors for the Financial Year 2012-2013

The detail of remuneration paid to the Managing Director and Whole Time Directors during the year 2012-2013 is given below:

| Name | Designation | Salary and monetary value of perquisites |
|---------------------------|--------------------------------|---|
| Mr. Suneel Gupta | Chairman and Managing Director | Rs.30,00,000/- |
| Dr. (Mrs.) Sangeeta Gupta | Whole Time Director | Rs.30,00,000/- |

At present, the Non-Executive Directors do not draw any remuneration from the Company. The Company also does not pay any sitting fee for the Board/ Committee meetings attended by them.

5. Shareholder/Investor's Grievance Committee

(a) Composition, name of members and Chairman

At present the Shareholders / Investors Grievance Committee comprises of

| Name of Members | Status | Member |
|---------------------------|---------------|------------------------------------|
| Mr. Piyush Gupta | Chairman | Non Executive Director-Independent |
| Mr. Suneel Gupta | Member | Executive Director-Promoter |
| Dr. (Mrs.) Sangeeta Gupta | Member | Executive Director-Promoter |

Mr. Suneel Gupta, Managing Director, is also Compliance Officer.

(b) Brief description of terms of reference

The Committee has power to approve / reject the transfer / transmission of shares, for issue of duplicate shares, to look into redressal of shareholders / investors grievances and formulate policies for redressal of shareholders / investors grievances.

(c) Meetings and Attendance during the year

During the financial year 2012-2013, nineteen (19) meetings of the Shareholders / Investors Grievance Committee were held. These meetings were held on April 16, 2012; April 30, 2012; May 15, 2012; May 31, 2012; June 15, 2012, June 30, 2012, July 16, 2012; July 31, 2012, August 31, 2012; September 15, 2012; October 10, 2012; November 5, 2012; November 16, 2012; December 3, 2012; December 17, 2012; January 10, 2013; January 21, 2013; March 4, 2013 and March 21, 2013. All the meetings were attended by Mr. Suneel Gupta while Mr. Piyush Gupta attended 17 meetings while Dr. (Mrs.) Sangeeta Gupta attended 18 meetings.

During the financial year 2012-2013, 8 (eight) complaints were received by the Company, which were replied/resolved to the satisfaction of investors. There was no complaint was pending on March 31, 2013.

ASHNOOR TEXTILE MILLS LIMITED

6. General Body Meetings

Location and time for the last three Annual General Meetings

| Year | Date | Venue | Time |
|-------------|--------------------|---|-------------|
| 2009-2010 | September 30, 2010 | Beharampur Road, Village Khandsa, District Gurgaon, Haryana | 9:30 A. M. |
| 2010-2011 | September 30, 2011 | Beharampur Road, Village Khandsa, District Gurgaon, Haryana | 9:30 A. M. |
| 2011-2012 | September 29, 2012 | Beharampur Road, Village Khandsa, District Gurgaon, Haryana | 9:30 A. M. |

Two special resolutions relating to increase in remuneration payable to Managing Director and Whole-time Director were passed in the financial year 2009-2010. Two special resolutions relating to re-appointment of Managing Director and Whole Time Director were passed in the financial year 2010-2011. During the year under review one extra-ordinary general meeting was held. on March 19, 2013. During the financial year 2012-2013 there is no proposal to pass any special resolution in the Annual General Meeting.

During the year under review, no resolution was passed through postal ballot as required by the Companies (Passing of the resolution by postal ballot) Rules, 2011 and clause 49 of the Listing Agreement.

7. Disclosures

(a) Disclosures on materially significant related party transactions, pecuniary or business relationship with the Company

The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. However, a detail disclosure on related party transaction has been made at **Serial number 21** in Notes to Financial Statement.

(b) Details of non-compliance by the Company, penalties, and 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

The Company has been regular in complying with the various rules and regulations prescribed by stock exchange (s), Securities & Exchange Board of India or any other Statutory Authorities relating to the capital markets during the last three years. They have imposed no penalties or strictures on the Company.

(c) Disclosures regarding appointment or re-appointment of Directors

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Piyush Gupta and Dr. (Mrs.) Sangeeta Gupta will retire by rotation at the ensuing Annual General Meeting and being eligible both offers for their re-appointments.

Details about Director eligible for re-appointment:

Mr. Piyush Gupta, aged 47, is a Practicing Chartered Accountant and has more than 24 years experience in accounting, project financing, company law, auditing, taxation and related fields. Prior to start practice, he worked in different corporate houses at senior level.

ASHNOOR TEXTILE MILLS LIMITED

Dr. (Mrs.) Sangeeta Gupta, aged 52 years, Whole Time Director, is a MBBS Doctor and has been associated with the Company since 1994. She is appointed as a Whole-time Director of the Company effective from May 1, 2008 and holds 24.17% of paid-up equity share capital.

Both do not hold directorship in any other public Company and membership of any Committee of any other public Company.

8. Means of Communication

| | |
|---|--|
| Half-yearly report sent to each shareholders | No |
| Quarterly Results | Quarterly Results are announced within forty five days from the end of respective quarter, which are normally published in The Pioneer (English) and Veer Arjun (Hindi). |
| Any Website | No |
| Whether Management Discussion and Analysis is a part of Annual Report | Yes |

9. General Shareholders Information

(a) Date, Time & Venue of Annual General Meeting

The Company will hold its 30th Annual General Meeting on September 30, 2013 at 9:30 a. m. Beharampur Road, Village Khandsa, District Gurgaon, Haryana.

(b) Financial Calendar (tentative and subject to change)

The Company expects to announce the un-audited quarterly results for the year 2013-2014, as per the following schedule:

| | | |
|----------------|---|--------------------------------|
| First Quarter | : | On or before August 14, 2013 |
| Second Quarter | : | On or before November 15, 2013 |
| Third Quarter | : | On or before February 15, 2014 |
| Fourth Quarter | : | On or before May 15, 2014 |

The Audited Results of the Company for the year 2013-2014 will expect to be announced with the time specified in Listing Agreement.

(c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Monday, September 23, 2013 to Monday, September 30, 2013.

(d) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2012-2013.

(e) Listing on Stock Exchanges

The Company's equity shares are listed in the following stock exchanges:

The Bombay Stock Exchange, Mumbai

The Company has paid the Annual listing fees for the financial year 2013-2014.

(f) Stock Code

The Stock Exchange, Mumbai

: 507872

ASHNOOR TEXTILE MILLS LIMITED

(g) Market Information and Performance of Company's stock price in comparison broad based index to BSE Sensex

| Month | High (In Rs.) | Low (in Rs.) | Monthly Closing Price (in Rs.) |
|----------------|-------------------|-----------------|-----------------------------------|
| April 2012 | 7.09 | 6.76 | 7.09 |
| May 2012 | 7.77 | 6.85 | 6.85 |
| June 2012 | 7.53 | 6.84 | 7.53 |
| July 2012 | 7.16 | 6.15 | 6.15 |
| August 2012 | 5.85 | 3.41 | 3.41 |
| September 2012 | 3.46 | 3.05 | 3.23 |
| October 2012 | 3.38 | 3.05 | 3.05 |
| November 2012 | 2.99 | 2.37 | 2.37 |
| December 2012 | 2.89 | 2.02 | 2.63 |
| January 2013 | 3.08 | 2.51 | 2.90 |
| February 2013 | 3.76 | 2.73 | 3.46 |
| March 2013 | 4.36 | 3.45 | 4.16 |

Source: bseindia.com

(h) Registrar and Share Transfer Agents

Messrs Link Intime India Private Limited is Registrar and Share Transfer Agent. Its address is as follows:

A-40, 2nd Floor, Naraina Industrial Area
Phase-II, Near Batra Banquet Hall
New Delhi-110028

(i) Share Transfer System

The Company has a Share Transfer Committee, which normally met twice in a month, if the Company receives shares for transfer. The shares received usually transferred and returned within a period of 30 days from the date of receipt, if documents are complete with all respects.

Physical shares received from dematerialization are processed and completed within a period of 21 from the date of receipt. Bad deliveries are promptly returned to depository Participants under the advice of shareholders.

(j) Distribution and Pattern of Share holding

(i) Distribution of Shareholding of the Company as on March 31, 2013

(ii) Shareholding Pattern of the Company as on March 31, 2013

| Range of Equity Shares In Rupees | Shareholders | | Share Capital Amount In Rupees | | | Share Capital Amount | |
|--|--------------|--------|-----------------------------------|---------------|---------------|-------------------------|---------|
| | Number | % | Physical | NSDL Demat | CDSL Demat | Rupees | % |
| 1 - 5,000 | 17,730 | 95.441 | 22,760,480 | 1,729,790 | 874,710 | 25,364,980 | 23.706 |
| 5,001 - 10,000 | 608 | 3.273 | 3,514,930 | 463,290 | 219,210 | 4,197,430 | 3.923 |
| 10,001- 20,000 | 171 | 0.921 | 1,585,500 | 441,260 | 207,630 | 2,234,390 | 2.088 |
| 20,001- 30,000 | 23 | 0.124 | 379,210 | 132,490 | 43,000 | 554,700 | 0.518 |
| 30,001- 40,000 | 22 | 0.118 | 609,590 | 68,670 | 70,840 | 749,100 | 0.700 |
| 40,001- 50,000 | 6 | 0.032 | 130,200 | 87,910 | 45,000 | 263,110 | 0.246 |
| 50,001-1,00,000 | 6 | 0.032 | 225,050 | 207,600 | -- | 432,650 | 0.404 |
| 1,00,001 and above | 10 | 0.059 | 23,686,930 | 49,132,610 | 384,100 | 73,203,640 | 68.415 |
| Total | 18,576 | 100.00 | 52,891,890 | 52,263,620 | 1,844,490 | 107,000,000 | 100.000 |

ASHNOOR TEXTILE MILLS LIMITED

| Category of Shareholders | Number of Shares held | Percentage of holding |
|---|-----------------------|-----------------------|
| Promoters | 6,791,290 | 63.47 |
| Financial Institutions, Mutual Funds and Banks | 4,585 | 00.04 |
| NRIs/OCBs (Repatriation basis) | 14,532 | 00.14 |
| NRIs/OCBs (Non-repatriation basis) | 392 | 0.00 |
| Individual holding (nominal share capital) < 1 lakh | 33,21,863 | 31.05 |
| Private Corporate Bodies | 82,615 | 00.77 |
| Individual holding (nominal share capital) > 1 Lakh | 481,733 | 4.50 |
| Clearing Members | 1,870 | 0.02 |
| Trust | 1,120 | 0.01 |
| Total | 10,700,000 | 100.00 |

(j) Outstanding GDRs/ADRs/Warrants or any Convertible Instrument

The Company has not issued any GDRs/ADRs /Warrants or any other convertible instruments which likely to have impact on Equity share capital of the Company.

(k) The ISIN No. of the Company is INE372101018. 64.18% of the paid-up share capital had been dematerialized as at March 31, 2011 with the two depositories.

Reconciliation of Share Capital:

As stipulated by the SEBI reconciliation of the total admitted capital with both depositories and the total issued/paid-up capital and reconciliation of shares dematerialized in both the depositories and physical form with the total issued/paid-up capital of the Company for every quarter is placed before the board of Directors and also submitted to BSE and two depositories.

(l) Plant Location

Behrampur Road, Village Khandsa
District Gurgaon, Haryana-122 001

(m) Address for Correspondence

Ashnoor Textile Mills Limited
Behrampur Road, Village Khandsa
District Gurgaon, Haryana-122 001
Phone: 0124 - 4940550, Fax: 0124 - 4940555
E-mail: atml_delhi@yahoo.com

Place: Gurgaon
Date: May 24, 2013

By the order of the Board
Suneel Gupta
Managing Director

DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT FOR THEM

It is hereby declared that as provided under Clause 49 (I)(D)(i) of the listing agreement with the Bombay Stock Exchange Limited, Mumbai, the Company has adopted a Code of Conduct for the Board Members and Senior Management Personnel.

Further, as provided under Clause 49(I)(D)(i) of the said agreement, it is confirmed that all the Board Members and Senior Management Personnel of the Company have affirmed compliance for the year ended March 31, 2013 with the respective Code of Conduct, as applicable to them.

Place: Gurgaon
Date: May 24, 2013

Suneel Gupta
Managing Director

ASHNOOR TEXTILE MILLS LIMITED

AUDITORS' CERTIFICATE ANNEXURE TO THE REPORT OF THE DIRECTORS CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITION OF CORPORATE GOVERNANCE

To the Members of Ashnoor Textile Mills Limited

We have examined the compliance of conditions of Corporate Governance by Ashnoor Textile Mills Limited for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange in India.

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 condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievance received during the year ended March 31, 2013, no investor grievance are pending against the Company for the period exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investor Grievance Committee.

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

**For KSA & Co.
Chartered Accountants**

**KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date: May 24, 2013**

ASHNOOR TEXTILE MILLS LIMITED

INDEPENDENT AUDITORS' REPORT

The members of Ashnoor Textile Mills Limited Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. 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 Standards referred to in sub-section (3C) of section 211 of 'the Companies Act, 1956' of India (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.

Auditors' Responsibility

3. 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 and other applicable authoritative pronouncements 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 misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 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.
5. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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 loss for the year ended on that date;
 - (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

6. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and 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 clause (g) of sub-section (1) of section 274 of the Act.

For KSA & Co.
Chartered Accountants
(Registration No. 003822C)
KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date: May 24, 2013

ASHNOOR TEXTILE MILLS LIMITED

ANNEXTURE TO THE AUDITOR'S REPORT OF THE MEMBERS OF ASHNOOR TEXTILE MILLS LIMITED ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2013

Referred to in paragraph 3 of our report of even date

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given, the company has adopted a phased program of physical verification of fixed assets. Under this program all the assets would be verified in phased manner the frequency of which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. As explained to us no material discrepancies were noticed in respect of assets verified during the year.
- (c) During the year, the company has not disposed off any major part of the plant and machinery.
- (ii) (a) The inventory has been physically verified during the year by the management, In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has not granted or taken any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. As no loans is granted or taken, clauses (b), (c), (d), (e), (f) and (g) of paragraph (iii) of this order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 have been entered in the register required to be maintained under that section; and
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regards to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any fixed deposits from the public within the meaning of section 58A, 58AA or any other relevant provisions of the of the Companies Act, 1956 and the rules framed there under. The Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not passed any order.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed for the maintenance of cost records by the company under Section 209(1)(d) of the Companies Act, 1956 for Cotton Textile Industry. The company has not maintained prescribed cost records.
- (ix) (a) The Company has generally been regular in depositing 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 any other statutory dues with the appropriate authorities. There is no outstanding statutory liability as at March 31, 2012, which is due for a period of more than six months from the date they became payable.

ASHNOOR TEXTILE MILLS LIMITED

- (b) According to the information and explanation given to us, Excise duty demand of Rs. 5 Crores for various years has been disputed and case is under Apex court.

| Name of the Statute | Nature of the Dues | Amount | Period to which the amount relates | Forum where dispute is pending |
|----------------------------|---------------------------|---------------|---|---------------------------------------|
| Central Excise Act, 1944 | Excise Duty | 50,000,000 | Various years from 1998-1999 onwards | CESTAT |

- (x) The company does not have accumulated losses. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not taken loans from the financial institutions and has not issued any debentures. Accordingly, there is no defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund of a nidhi/mutual benefit fund/society. Therefore, the provision of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company has not availed any loan from any bank and financial institutions.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised in 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.
- (xviii) According to the information and explanations given to us, the company has made preferential allotment of 2,335,562 equity shares to promoters (1,892,239 equity shares) covered in the register maintained under section 301 of the Companies Act, 1956 and non-promoters (443,323 equity shares) at Rs. 10/- per share
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the company had not issued any debentures and has not created any security in respect of debentures.
- (xx) According to the information and explanations given to us, the company has not raised any money from the public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For KSA & Co.
Chartered Accountants
(Registration No. 003822C)

KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date: May 24, 2013

ASHNOOR TEXTILE MILLS LIMITED
BALANCE SHEET AS AT MARCH, 31 2013

| PARTICULARS | NOTE NUMBER | 31.03.2013 Rupees | 31.03.2012 Rupees |
|--|--------------------|------------------------------|------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUND | | | |
| (a) Share Capital | 1 | 106,936,546.00 | 83,580,926.00 |
| (b) Reserves and Surplus | 2 | 58,174,267.02 | 57,472,233.63 |
| NON CURRENT LIABILITIES | | | |
| (a) Deferred Tax Liability (Net) | 3 | 10,966,025.00 | 11,599,358.00 |
| (b) Other Long Term Liabilities | 4 | 4,324,076.00 | 11,931,576.00 |
| (c) Long Term Provisions | 5 | 2,294,243.00 | 1,818,879.00 |
| CURRENT LIABILITIES | | | |
| (a) Short Term Borrowings | 6 | 195,130,709.00 | 151,064,109.00 |
| (b) Trade Payables | 7 | 163,691,944.81 | 108,665,907.70 |
| (c) Other Current Liability | 8 | 7,549,531.00 | 5,301,181.93 |
| (d) Short Term Provisions | 9 | 4,854,419.92 | 3,391,530.42 |
| TOTAL LIABILITIES | | 553,921,761.75 | 434,825,701.68 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| (a) Fixed Assets | | | |
| (i) Tangible assets | 10 | 123,357,411.28 | 123,644,059.28 |
| (b) Non Current Investment | 11 | 1,500,000.00 | 1,500,000.00 |
| (c) Long Term Loans and Advance | 12 | 12,248,594.00 | 29,882,190.11 |
| CURRENT ASSETS | | | |
| (a) Inventories | 13 | 166,541,238.38 | 125,938,652.33 |
| (b) Trade Receivables | 14 | 162,842,611.00 | 85,256,089.00 |
| (c) Cash and Cash Equivalents | 15 | 24,805,337.29 | 18,537,512.00 |
| (d) Short Term Loans and Advance | 16 | 62,626,569.80 | 50,067,198.96 |
| TOTAL ASSETS | | 553,921,761.75 | 434,825,701.68 |
| SIGNIFICANT ACCOUNTING POLICIES | 26 | | |
| NOTES ON ACCOUNTS | 1 to 25 | | |

As per our report of even date attached

For KSA & Co.
Chartered Accountants

For and on behalf of the Board

KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date : May 24, 2013

SUNEEL GUPTA
Managing Director

SANGEETA GUPTA
Director

ASHNOOR TEXTILE MILLS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

| PARTICULARS | NOTE NUMBER | 31.03.2013 Rupees | 31.03.2012 Rupees |
|--|-------------|-----------------------|-----------------------|
| (I) Revenue from operation | 17 | 922,079,621.00 | 497,900,285.00 |
| (II) Other Income | 18 | (4,726,033.75) | (3,564,744.24) |
| Total Revenue | | 917,353,587.25 | 494,335,540.76 |
| (III) Expenses | | | |
| (a) Cost of Material Consumed | 19 | 799,468,516.78 | 453,789,413.68 |
| (b) Change in Inventory of finished, work-in-progress and stock-in-trade | 20 | (26,881,292.72) | (28,771,879.56) |
| (c) Employee Benefit Expenses | 21 | 9,402,022.00 | 9,033,742.00 |
| (d) Finance Overheads | 22 | 26,153,199.57 | 1,335,068.91 |
| (e) Depreciation Expenses | | 15,628,484.00 | 14,452,272.00 |
| (f) Other Expenses | 23 | 89,485,658.31 | 43,415,736.84 |
| Total Expenses | | 913,256,587.94 | 493,254,353.87 |
| (IV) Profit Before Exceptional and Extraordinary Items and Tax | | 4,096,999.31 | 1,081,186.89 |
| (V) Extra Ordinary Items | 24 | (92,945.00) | 1,472,679.93 |
| (VI) PROFIT BEFORE TAX | | 4,004,054.31 | 2,553,866.82 |
| (VII) Tax Expenses | | | |
| (a) Current Tax | | (3,894,079.92) | (2,370,661.35) |
| (b) Wealth Tax | | (41,274.00) | (53,851.00) |
| (c) Deferred Tax | | 633,333.00 | 88,192.00 |
| (VIII) PROFIT FOR THE YEAR | | 702,033.39 | 217,546.47 |
| (IX) Earning Per Equity Share | 25 | | |
| (a) Basic Earning Per Share | | 0.07 | 0.03 |
| (b) Diluted | | 0.07 | 0.03 |
| Weighted Average Number of Equity Shares | | 10,700,000 | 8,364,438 |
| (X) SIGNIFICANT ACCOUNTING POLICIES | 26 | | |
| (XI) NOTES ON ACCOUNTS | 1 to 25 | | |

As per our report of even date attached

For KSA & Co.
Chartered Accountants

For and on behalf of the Board

KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date : May 24, 2013

SUNEEL GUPTA
Managing Director

SANGEETA GUPTA
Director

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

The previous year figure are regrouped and reclassified, wherever necessary to confirm to the current year presentation.

| PARTICULARS | As at | |
|--|------------------------------|-----------------------------|
| | 31.03.2013 | 31.03.2012 |
| | Rupees | Rupees |
| 1. SHARE CAPITAL | | |
| AUTHORIZED | | |
| 10,750,000 (10,000,000) Equity Shares of Rs. 10/- each | 107,500,000.00 | 100,000,000.00 |
| ISSUED, SUBSCRIBED AND PAID UP | | |
| 10,700,000 (8,364,438) Equity Shares of Rs. 10/- each | 107,000,000.00 | 83,644,380.00 |
| Calls in Arrears | (63,454.00) | (63,454.00) |
| TOTAL | <u>106,936,546.00</u> | <u>83,580,926.00</u> |

1.1 The reconciliation of shares outstanding is set out below:

| Particulars | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|-----------------------------|--------------------|-----------------------------|---------------|
| | Number | Amount | Number | Amount |
| Equity Shares outstanding at the beginning of the year | 8,364,438 | 83,644,380.00 | 8,364,438 | 83,644,380 |
| Shares Issued during the year | 2,335,562 | 23,355,620 | - | - |
| Shares outstanding at the end of the year | 10,700,000 | 107,000,000 | 8,364,438 | 83,644,380 |

Additional shares have been issued to promoters (1,892,239 equity shares) and non promoters (443,323 equity shares). Shares issued to promoters and non promoters are in lock in for three years and one year respectively from the date of allotment. Equity shares held by Mrs. Sangeeta Gupta, one of the promoters, before preferential allotment, are also in lock in for eight months from February 15, 2013

1.2 The details of Share Holders holding more than 5% shares:

| Name of Shareholders | As at 31 March, 2013 | | As at March, 2012 | |
|-----------------------------|------------------------------|---------------------|-----------------------------|---------------------|
| | Number of Shares held | % of Holding | Number of Share held | % of Holding |
| Mrs. Sangeeta Gupta | 2,586,172 | 24.17 | 1,693,933 | 20.25 |
| Mr. Suneel Gupta | 3,205,118 | 29.95 | 3,205,118 | 38.32 |
| Mr. Abhinav Gupta | 1,000,000 | 9.35 | - | - |

The issue of additional equity shares has not resulted in any change in management or control of the company and holding of the promoters increased from 58.57% to 63.47%.

1.3 Details of Calls in Arrears

| Unpaid Calls | 31.03.2013 | 31.03.2012 |
|---------------------|-------------------|-------------------|
| By Others | 63,454.00 | 63,454.00 |
| Total | 63,454.00 | 63,454.00 |

ASHNOOR TEXTILE MILLS LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013****PARTICULARS**

| | <i>As at</i> 31.03.2013 Rupees | <i>As at</i> 31.03.2012 Rupees |
|--|---|--------------------------------------|
| 1.4 Rights, preferences and restrictions attached to equity shares The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders. | | |
| 1.5 The Company has not issued any equity shares for consideration other than cash in last 5 years immediately preceding the reporting date. | | |
| 2 RESERVES AND SURPLUS | | |
| Capital Reserves | | |
| Opening Balance | 3,000,000.00 | 3,000,000.00 |
| Add: Current Year Transfer | - | - |
| Closing Balance | <u>3,000,000.00</u> | <u>3,000,000.00</u> |
| Share Forfeited Account | | |
| Opening Balance | 233,969.00 | 233,969.00 |
| Add: Current Year Transfer | - | - |
| Closing Balance | <u>233,969.00</u> | <u>233,969.00</u> |
| Surplus | | |
| Opening balance | 54,238,264.63 | 54,020,718.16 |
| Add: Net Profit for the current year | 702,033.39 | 217,546.47 |
| Closing Balance | <u>54,940,298.02</u> | <u>54,238,264.63</u> |
| Grant Total | <u>58,174,267.02</u> | <u>57,472,233.63</u> |
| 3 DEFERRED TAX LIABILITY (NET) | | |
| DESCRIPTION | | |
| Difference of WDV of fixed assets between books and income tax | (36,527,469.28) | (38,254,338.28) |
| Unabsorbed Losses | - | - |
| Disallowances under section 43B | 1,038,715.00 | 715,963.00 |
| Net Temporary Difference | (35,488,754.28) | (37,538,375.28) |
| Effective Rate of Income Tax | 30.90% | 30.90% |
| Deferred Tax Assets (Liability) | (10,966,025.00) | (11,599,358.00) |
| Less: Charged in Previous Year | (11,599,358.00) | (11,687,550.00) |
| Net Deferred Tax Assets (Liability) | <u>633,333.00</u> | <u>88,192.00</u> |
| 4 OTHER LONG TERM LIABILITIES | | |
| Interest Accrued and Due on Borrowings | 2,119,000.00 | 2,119,000.00 |
| Others (refer note no 4.1) | 2,205,076.00 | 9,812,576.00 |
| TOTAL | <u>4324,076.00</u> | <u>11,931,576.00</u> |
| 4.1 Interest on late payment of Rs.2,684,738/- (2011-2012 - Rs.2,684,738/-) and Rs.18,725/- (2011-2012 - Rs.18,725/-) has been levied under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Employees State Insurance Act, 1948 respectively by the authorities for the years 2000-2005. Appeal has been filed against this demand in the Court and provision has been consider in books of accounts . Out of this demand, Rs. 498,387/- has been deposited with the authorities under protest and adjusted with this provision amount. | | |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| <u>PARTICULARS</u> | <u>As at 31.03.2013 Rupees</u> | <u>As at 31.03.2012 Rupees</u> |
|---|--|--|
| 5 LONG TERM PROVISIONS | | |
| Provision for Employee Benefits | | |
| (a) Gratuity (unfunded) | 1,599,470.00 | 1,229,198.00 |
| (b) Bonus | 305,405.00 | 311,820.00 |
| (c) Leave Encashment (unfunded) | 389,368.00 | 277,861.00 |
| TOTAL | 2,294,243.00 | 1,181,879.00 |
| 6 SHORT TERM BORROWINGS | | |
| SECURED | | |
| <i>- from banks</i> | | |
| Packing Credit Limits (refer note no 6.1) | 100,673,149.00 | 85,299,973.00 |
| Foreign Bills Discounted (refer note no. 6.1) | 94,457,560.00 | 65,764,136.00 |
| TOTAL | 195,130,709.00 | 151,064,109.00 |
| 6.1 Packing Credit loans and Foreign Bills Loans availed from Bank of Baroda, International Business Branch, Sansad Marg, New Delhi are secured by hypothecation of present and future stock of raw materials, stock in progress, finished goods, stores and spares, books debts and outstanding receivables. | | |
| 7 TRADE PAYABLES | | |
| Other than Micro, Small and Medium Enterprises | 163,691,944.81 | 108,665,907.70 |
| TOTAL | 163,691,944.81 | 108,665,907.70 |
| 7.1 There are no amount due to the suppliers covered under the Micro, Small and Medium Act, 2006. This information takes into account only those suppliers who have responded to the inquiries made by the company for this purpose. | | |
| 8 OTHER CURRENT LIABILITIES | | |
| Other Payables* | 7,549,531.00 | 5,301,181.93 |
| TOTAL | 7,549,531.00 | 5,301,181.93 |
| * Other payable includes : | | |
| Expenses Payable | 6,677,404.00 | 4,939,645.93 |
| Duties and Taxes | 872,127.00 | 361,536.00 |
| 9 SHORT TERM PROVISION | | |
| (a) Provision for Employee Benefits | | |
| Salary and Reimbursement | 752,969.00 | 780,251.00 |
| Contribution To Providend Fund | 69,800.00 | 68,410.00 |
| Contribution to ESI | 96,297.00 | 93,532.00 |
| (b) Other | 3,935,353.92 | 2,449,337.42 |
| TOTAL | 4,854,419.92 | 3,391,530.42 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

10. FIXED ASSETS

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|------------------------|-------------------------------|---|---|-------------------------------|-------------------------------|---------------------------|---|-------------------------------|-------------------------------|
| | As at 01.04.2012 Rupees | Additions during the year Rupees | Adjustments during the year Rupees | As at 31.03.2013 Rupees | As at 01.04.2012 Rupees | For the year Rupees | Adjustments During the year Rupees | As at 31.03.2013 Rupees | As at 31.03.2012 Rupees |
| Tangible Assets | | | | | | | | | |
| Land | 8,557,120.00 | - | - | 8,557,120.00 | - | - | - | 8,557,120.00 | 8,557,120.00 |
| Factory Building | 84,081,585.24 | - | - | 84,081,585.24 | 42,844,566.24 | 2,808,325.00 | - | 45,652,891.24 | 38,428,694.00 |
| Office Building | 2,558,130.00 | - | - | 2,558,130.00 | 1,278,558.00 | 85,442.00 | - | 1,364,000.00 | 1,279,572.00 |
| Electric Installation | 587,603.84 | - | - | 587,603.84 | 447,391.00 | 38,231.00 | - | 485,622.00 | 140,212.84 |
| Plant and Machinery | 345,193,180.44 | 15,556,985.00 | (5,705,434.00) | 355,044,731.44 | 288,724,703.00 | 10,212,205.00 | (5,230,295.00) | 293,706,613.00 | 56,468,477.44 |
| Generator Set | 9,103,568.00 | - | - | 9,103,568.00 | 4,287,289.00 | 907,017.00 | - | 5,194,306.00 | 4,816,279.00 |
| Furniture and Fixture | 513,423.00 | - | - | 513,423.00 | 279,296.00 | 32,500.00 | - | 311,796.00 | 234,127.00 |
| Office Equipment | 1,189,197.00 | 200,000.00 | - | 1,389,197.00 | 707,557.00 | 74,905.00 | - | 782,462.00 | 481,640.00 |
| Computers | 546,804.00 | 59,990.00 | (82,100.00) | 524,694.00 | 401,445.00 | 69,828.00 | (82,100.00) | 389,173.00 | 145,359.00 |
| Vehicles | 14,754,165.00 | - | (17,000.00) | 14,737,165.00 | 4,469,912.00 | 1,400,031.00 | (17,000.00) | 5,852,943.00 | 10,284,253.00 |
| Grand Total | 467,084,776.52 | 15,816,975.00 | (5,804,534.00) | 477,097,217.52 | 343,440,717.24 | 15,628,484.00 | (5,329,395.00) | 353,739,806.24 | 123,644,059.28 |
| Previous year | 461,569,718.52 | 10,663,698.00 | (5,148,640.00) | 467,084,776.52 | 334,938,209.17 | 14,452,272.00 | (5,949,763.93) | 343,440,717.24 | 126,631,509.35 |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

PARTICULARS

| | <u>As at 31.03.2013 Rupees</u> | <u>As at 31.03.2012 Rupees</u> |
|---|--|--|
| 11 NON CURRENT INVESTMENTS | | |
| <i>Trade Investments-at cost</i> | | |
| Investments in Mutual Funds | 1,500,000.00 | 1,500,000.00 |
| TOTAL | <u>1,500,000.00</u> | <u>1,500,000.00</u> |
| 11.1 Aggregate amount of quoted investments (Market value of 24,29,273/- (2011-2012 Rs. 24,65,582/-)) | | |
| 12 LONG TERM LOANS AND ADVANCES | | |
| <i>(Unsecured and Considered Good)</i> | | |
| Security Deposits | 1,684,888.00 | 19,037,388.00 |
| Other Loans and Advances (Refer Note-12.1, 12.2) | 10,563,706.00 | 10,844,802.11 |
| TOTAL | <u>12,248,594.00</u> | <u>29,882,190.11</u> |
| 12.1 Excise demand of Rs. 10,000,000/- (2011-2012- Rs. 10,000,000/-) has been paid in protest to the Excise Department and is shown under 'Excise Demand Paid Under Protest'. Company has filed an appeal in Central Excise and Service Tax Appellate Tribunal against the order of Commission Adjudication - Excise Department. | | |
| 12.2 An Appeal is pending with the Civil Court, Gurgaon for the arrears of Employees State Insurance Scheme amounting to Rs. 2,141,830/- (2011-2012 - Rs. 2,141,830/-) for the years 1997 to 2001 levied by Regional Office of Employees State Insurance Corporation. Provision for this amount has not been created. For filing the appeal, Rs. 563,706/- (2011-2012 - Rs. 563,706/-) has been deposited with the Corporation Under Protest' | | |
| 13 INVENTORIES | | |
| <i>(As certified by the management and valued at lower of cost and net realizable value)</i> | | |
| a) Raw materials; | 29,769,981.33 | 16,610,937.00 |
| Goods-in-transit | 1,119,371.00 | 3,555,688.00 |
| b) Stock-in-progress | 76,106,814.92 | 55,422,602.18 |
| c) Finished goods | 50,716,994.13 | 44,519,914.15 |
| d) Stores and spares | 8,828,077.00 | 5,829,511.00 |
| TOTAL | <u>166,541,238.38</u> | <u>125,938,652.00</u> |
| 14 TRADE RECEIVABLES | | |
| <i>(Unsecured and Considered Good)</i> | | |
| Outstanding for a period less than six months from the date they are due for payment | 162,842,611.00 | 85,256,089.00 |
| TOTAL | <u>162,842,611.00</u> | <u>85,256,089.00</u> |
| 14.1 Confirmation from customers were not received and their balances are shown as appearing in the accounts. | | |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| <u>PARTICULARS</u> | <u>As at 31.03.2013 Rupees</u> | <u>As at 31.03.2012 Rupees</u> |
|---|--|--|
| 15 CASH AND CASH EQUIVALENTS | | |
| a) Balances with banks: | | |
| Current Accounts | 11,181,235.29 | 8,318,858.00 |
| Margin Money (<i>Refer Note no 15.1</i>) | 9,444,000.00 | 6,287,000.00 |
| Bank Deposits (<i>Refer Note no 15.2</i>) | 2,190,144.00 | 2,021,508.00 |
| b) Cheques in Hand | 1,477,740.00 | 1,500,000.00 |
| c) Cash in Hand | 512,218.00 | 410,146.00 |
| TOTAL | 24,805,337.29 | 18,537,512.00 |
| 15.1 Interest Free Margin Money of Rs. 6,287,000/- (2011-2012 Rs. 10,160,000/- issued to Bank of Baroda for Foreign Currency Transaction. | | |
| 15.2 Following are the contingent liabilities, which has not been provided for: | | |
| a) Employees State Insurance Scheme dues of Rs. 2,141,830/- (2011-2012 - Rs. 2,141,830/-). | | |
| b) Excise Duty of Rs. 50,000,000/- out of which Rs. 10,000,000/- has been paid in protest for filing the appeal with the Tribunal. | | |
| c) Bank Guarantee of Rs. 60,000/- issued to Assistant Commissioner, Central Excise, Delhi-III | | |
| d) Bank Guarantee of Rs. 4,700,000/- issued to Assistant Commissioner, Central Excise, for deboning of the Unit. | | |
| 16 SHORT TERM LOANS AND ADVANCES | | |
| Advance Tax and TDS | 3,221,357.00 | 2,073,790.00 |
| Other Loans and Advances | 59,405,212.80 | 47,993,408.96 |
| TOTAL | 62,626,569.80 | 50,067,198.96 |
| 16.1 In the opinion of the management, the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated in the balance sheet. | | |
| 17 REVENUE FROM OPERATION | | |
| (a) Sale of products | | |
| - Export | 778,967,853.00 | 400,120,757.00 |
| - Domestic | 45,821,695.00 | 52,134,301.00 |
| (b) Other Operating Revenues | 97,290,073.00 | 45,645,227.00 |
| TOTAL | 922,079,621.00 | 497,900,285.00 |
| 18 OTHER INCOME | | |
| Net gain /(loss) on Sale of Investment (<i>Refer Point no 18.1</i>) | (12,882,091.63) | (4,194,527.12) |
| Interest and Dividend | 383,761.67 | 572,665.38 |
| Other Non Operating Income | 7,772,296.21 | 57,117.50 |
| TOTAL | (4,726,033.75) | (3,564,744.24) |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| PARTICULARS | As at 31.03.2013 Rupees | As at 31.03.2012 Rupees | | |
|--|-------------------------------|-------------------------------|----------------------|----------|
| 18.1 Statement of Realized Profit/(Loss) on sale of Investments | | | | |
| Sale of investment (Equity) realized | 29,851.65 | (4,152,290.43) | | |
| Sale of investment Commodities | - | (42,236.69) | | |
| Sale of investment Currency) realized | (12,911,943.28) | - | | |
| Total | (12,882,091.63) | (4,194,527.12) | | |
| 19 COST OF MATERIAL CONSUMED | | | | |
| Raw Material Consumed (refer not eno. 19.1) | 448,686,600.11 | 261,455,209.48 | | |
| Packing Material Consumed | 49,065,700.26 | 23,798,887.44 | | |
| Fuel Consumed | 35,752,554.00 | 19,728,530.71 | | |
| Dyes and Chemicals Consumed | 176,130,081.01 | 83,729,218.11 | | |
| Purchase Rugs and Carpets | 6,433,148.00 | 13,492,536.00 | | |
| Stores and Spares (refer note no. 19.1) | 29,194,558.43 | 21,668,097.48 | | |
| Manufacturing Expenses | 54,205,874.97 | 29,916,934.46 | | |
| TOTAL | 799,468,516.78 | 453,789,413.68 | | |
| 19.1 Value of imported and indigenous raw materials, stores and spare parts, components consumed and percentage of each to the total consumption: | | | | |
| | 2012-2013 | | 2011-2012 | |
| Particulars | Amount | % | Amount | % |
| <i>Raw Materials:</i> | | | | |
| Imported | - | - | - | - |
| Indigenous | 354,407,498.10 | 100.00% | 261,455,209.48 | 100.00% |
| <i>Stores and Spares:</i> | | | | |
| Imported | 1,238,777.00 | 4.24% | 1,681,348.00 | 7.00% |
| Indigenous | 27,955,781.43 | 95.76% | 19,986,749.48 | 92.84% |
| 20 CHANGE IN INVENTORY OF FINISHED GOODS AND STOCK IN PROCESS | | | | |
| <i>Opening Stocks</i> | | | | |
| Stock in Progress | 55,422,602.18 | | 45,991,966.65 | |
| Finished Goods | 44,519,914.15 | | 25,178,670.12 | |
| | <u>99,942,516.33</u> | | <u>71,170,636.77</u> | |
| <i>Closing Stocks</i> | | | | |
| Stock in Progress | 76,106,814.92 | | 55,422,602.18 | |
| Finished Goods | 50,716,994.13 | | 44,519,914.15 | |
| | <u>126,823,809.05</u> | | <u>99,942,516.33</u> | |
| Change in Inventory | 26,881,292.72 | | 28,771,879.56 | |
| 21 EMPLOYEE BENEFIT EXPENSES | | | | |
| Salaries and Incentives | 8,908,225.00 | | 8,693,594.00 | |
| Company's Contribution to PF and ESI | 168,813.00 | | 97,363.00 | |
| Staff Welfare | 324,984.00 | | 242,785.00 | |
| TOTAL | 9,402,022.00 | | 9,033,742.00 | |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| PARTICULARS | As at 31.03.2013 Rupees | As at 31.03.2012 Rupees | | | | | | | | | |
|--|---|-------------------------------|-------------------------|-----------------------|--|-----------|-----------|-----------|-----------------|--------------|--------------|
| 21.1 Related Party Disclosures: | | | | | | | | | | | |
| a. Following are related parties: | | | | | | | | | | | |
| Key Management Personnel | Mr. Suneel Gupta (Managing Director) Mrs. Sangeeta Gupta (Whole time Director) | | | | | | | | | | |
| Significant Influence | Suneel Gupta & Sons, HUF | | | | | | | | | | |
| b. Related party transactions: | | | | | | | | | | | |
| Transaction | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="border: 1px solid black;">Key Management Personal</th> <th colspan="2" style="border: 1px solid black;">Significant Influence</th> </tr> <tr> <th style="border: 1px solid black;">2012-2013</th> <th style="border: 1px solid black;">2011-2012</th> <th style="border: 1px solid black;">2012-2013</th> </tr> </thead> <tbody> <tr> <td style="border: 1px solid black;">Director Salary</td> <td style="border: 1px solid black; text-align: right;">6,000,000.00</td> <td style="border: 1px solid black; text-align: right;">6,000,000.00</td> </tr> </tbody> </table> | | Key Management Personal | Significant Influence | | 2012-2013 | 2011-2012 | 2012-2013 | Director Salary | 6,000,000.00 | 6,000,000.00 |
| Key Management Personal | Significant Influence | | | | | | | | | | |
| 2012-2013 | 2011-2012 | 2012-2013 | | | | | | | | | |
| Director Salary | 6,000,000.00 | 6,000,000.00 | | | | | | | | | |
| c. | No balance has been written off and written back of the related parties during the year. | | | | | | | | | | |
| 22 FINANCIAL OVERHEADS | | | | | | | | | | | |
| Interest Expense | 21,880,456.89 | 15,948,240.91 | | | | | | | | | |
| Net Gain/Loss on Foreign Currency Transactions | 4,272,742.68 | (14,613,172.00) | | | | | | | | | |
| TOTAL | 26,153,199.57 | 1,335,068.91 | | | | | | | | | |
| 23 OTHER EXPENSES | | | | | | | | | | | |
| Clearing and Forwarding | 52,905,680.00 | 20,211,550.75 | | | | | | | | | |
| Sales Promotion and Documentation | 7,309,143.06 | 6,277,065.99 | | | | | | | | | |
| Commission | 14,896,339.00 | 6,966,697.00 | | | | | | | | | |
| Travelling and Conveyance | 7,028,978.88 | 4,795,380.36 | | | | | | | | | |
| Freight and Cartage | 389,775.00 | 235,977.00 | | | | | | | | | |
| Rent, Rates and Taxes | 335,235.00 | 265,309.00 | | | | | | | | | |
| Insurance | 211,371.00 | 354,284.00 | | | | | | | | | |
| Vehicle Maintenance | 284,792.27 | 845,138.87 | | | | | | | | | |
| Communication Expenditure | 748,283.34 | 578,500.60 | | | | | | | | | |
| Office Maintenance | 335,403.40 | 330,770.00 | | | | | | | | | |
| Legal and Professional Charges | 1,222,480.00 | 725,138.00 | | | | | | | | | |
| Payment to the Auditors | 381,433.00 | 370,000.00 | | | | | | | | | |
| Other Office Expenses | 3,436,744.36 | 1,459,925.27 | | | | | | | | | |
| | 89,485,658.31 | 43,415,736.84 | | | | | | | | | |
| 23.1 ACTIVITY IN FOREIGN CURRENCY | | | | | | | | | | | |
| Earnings in Foreign Currency (Realization Basis): | | | | | | | | | | | |
| FOB value of Export of Terry Towels | 778,967,853.00 | 400,120,757.00 | | | | | | | | | |
| Expenditure/Remittances in Foreign Currency: | | | | | | | | | | | |
| Stores and Spares | 3,681,355.00 | 991,052.00 | | | | | | | | | |
| Foreign Travelling | 4,185,649.88 | 2,055,671.00 | | | | | | | | | |
| Net Earnings in Foreign Currency | 771,100,848.12 | 397,074,034.00 | | | | | | | | | |

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

| PARTICULARS | As at 31.03.2013 Rupees . | As at 31.03.2012 Rupees |
|--------------------|--|--|
|--------------------|--|--|

23.2 IMPORTS (VALUE ON THE COST, INSURANCE AND FREIGHT BASIS)

| Particulars | | |
|--------------------|----------------------------|----------------------------|
| Stores and | 1,238,777.00 | 1,681,348.00 |
| Total Value | <u>1,238,777.00</u> | <u>1,681,348.00</u> |

24 EXTRA ORDINARY ITEMS

| | | |
|--|---------------------------|----------------------------|
| Prior Period Income /(Loss) | (51,506.00) | 397,092.00 |
| Depreciation of Earlier Years Written Back | - | 801,123.93 |
| Income Tax Adjustment Account | - | (171,336.00) |
| Profit/(Loss) on Sale of Fixed Assets | (41,439.00) | 445,800.00 |
| TOTAL | <u>(92,945.00)</u> | <u>1,472,679.93</u> |

25 EARNING PER SHARE

| Particulars | | |
|------------------------------------|-------------|-------------|
| Profit After Tax | 702,033.39 | 217,546.47 |
| Number of Equity Shares | 10,700,000 | 8,364,438 |
| Nominal Value of Each Equity Share | 10.00 | 10.00 |
| Basic Earning Per Share | 0.07 | 0.03 |

26. SIGNIFICANT ACCOUNTING POLICIES

1. System of Accounting

- Financial statements are prepared under the historical cost convention in consonance and accordance with applicable accounting standards, accepted accounting principles and relevant presentational requirements of the Companies Act, 1956.
- Company follows accrual basis of accounting in accordance with the provisions of the Companies Act, 1956.
- Purchases are booked net of discounts and rebates.
- The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Fixed Assets

- Fixed assets are recorded at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attribute cost of bringing the assets to its working condition for its intended use.
- Increase/decrease in liability towards creditors for capital goods due to change in foreign exchange rate is added to/reduced from the cost of asset.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

3. Depreciation

- a) Depreciation on Fixed Assets has been provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation on additions to fixed asset during the year has been provided on pro rata basis from the date of such addition. Depreciation of Plant and Machinery, Generator and Electrical Installation has been provided on triple shift basis.
- c) Depreciation on amount, added to/reduced from the cost of asset consequent to increase/decrease in liability towards creditors for capital goods, due to change in foreign exchange rate, is provided prospectively for the remaining life of the assets at the rates on which concerned asset has been depreciated so far.

4. Impairment of Assets
The Carrying amounts of assets are reviewed at each balance sheet if there is any indication of impairment based on internal/external factors. If any indications exist the recoverable value of assets is estimated. An Impairment loss is recognized whenever the carrying amount of an assets is exceeds its recoverable amount, the latter being greater of net selling price and value in use.

4. Inventories

- a) Inventory of raw material, packing material, fuels, consumables, dyes and chemicals, are valued on Lower of Cost and Net Realizable Value. Cost is calculated on First in First out (FIFO) basis of costing and is net of subsequently recoverable duties and taxes.
- b) Stock in progress is valued at Lower of Cost and Net Realizable Value. Costs include raw material cost, ascertained on the basis of average cost of purchases, and direct cost incurred up to the stage of production of Grey Yarn, processing and fabrication. Inventory lying for more than six months is valued at half of cost of production.
- c) Finished goods are valued at Lower of Cost and Net Realizable Value. Cost includes raw material cost, ascertained on the basis of average cost of purchases, and direct cost. Old inventory lying for more than six months is valued at half of cost of production. Inventory of rejected finished goods is valued at Net Realizable Value.
- d) Inventory of carpets and trading items is valued on lower of cost and net realizable value.
- e) Inventory of waste is valued on net realizable value.
- f) Stores and Spares are charged to expenses on purchase and no inventory is maintained.

5. Investments

Long Term investments are valued at cost. Provision for decrease in market value of the short term investment is created in the books as unrealized losses.

6. Retirement Benefits

Retirement benefits have been accounted for on accrual basis. Provision of Gratuity is created for the employees who became eligible after completing five years of services under the Payment of Gratuity Act, 1972. Provision of Gratuity has not been provided on the managerial remuneration.

ASHNOOR TEXTILE MILLS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

7. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

8. Revenue Recognition

- a) Sale is recorded on FOB value exclusive of freight, insurance and excise duty recovered from the customers. Sale is recognized on the date of dispatch of goods from factory after verification by the Excise Authorities from the Bonded Warehouse, which is located within the premises of the factory.
- b) Export Sale is recorded at the foreign currency exchange rate prevailing on the date of the transaction.
- c) Sales are recorded on invoice value net of discounts and rebates.

9. Foreign Currency Transactions

- a) Expenses and Income in foreign exchange are accounted for at the rates prevailing on the date of transactions and exchange differences on settlement of transaction are taken to the Profit and Loss Account.
- b) Monetary assets and liabilities relating to foreign currency transaction pending for settlement have been restated on the foreign currency conversion rates prevailing on March 31, 2013 in accordance with Accounting Standard-11 on 'Accounting for the Effects of Changes in Foreign Exchange Rates' issued by the Institute of Chartered Accountants of India. Resultant loss/gain has been booked as exchange rate fluctuation in the Profit and Loss Account under 'Financial Charges'/'Other Income'.

10. Segment Reporting

The Company is engaged in production of Towels of various sizes and operations are confined only to the factory at Gurgaon. As such there is no other reportable segment as defined by Accounting Standard - 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India.

11. Taxation

Deferred tax is recognized, on timing differences, being the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

For KSA & Co.
Chartered Accountants

For and on behalf of the Board

KAMAL PIYUSH
Partner
Membership Number: 83399
Place: New Delhi
Date : May 24, 2013

SUNEEL GUPTA
Chairman and Managing Director

SANGEETA GUPTA
Whole time Director

ASHNOOR TEXTILE MILLS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013
(PURSUANT TO THE LISTING AGREEMENT WITH THE STOCK EXCHANGES)

| S.No. | PARTICULARS | 31.03.2013 Rupees | 31.03.2012 Rupees |
|-------|--|----------------------|----------------------|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit/(Loss) Before Tax and Extraordinary Items | 4,096,999.31 | 1,081,186.89 |
| | Adjustments for : | | |
| | Depreciation | 15,628,484.00 | 14,452,272.00 |
| | Other Income | (4,726,033.75) | (3,564,744.24) |
| | Interest Paid | 26,153,199.57 | 1,335,068.91 |
| | Operating Profit Before Working Capital Changes | 50,604,716.63 | 20,433,272.04 |
| | Adjustments for: | | |
| | Trade and Other Receivables | (72,512,296.73) | 21,649,322.35 |
| | Inventories | (40,602,586.05) | (16,626,748.50) |
| | Trade Payments | 50,971,806.68 | 26,143,412.66 |
| | Cash Generated from Operations | (11,538,359.47) | 51,599,258.55 |
| | Interest Paid | 21,880,456.89 | 15,948,240.91 |
| | Net Gain/Loss on Foreign Currency Transactions | (4,272,742.68) | 14,613,172.00 |
| | Income and Fringe Benefit Tax | 3,302,020.92 | 2,336,320.35 |
| | CASH FLOW BEFORE EXTRAORDINARY ITEMS | (40,993,579.96) | 47,927,869.29 |
| | Extraordinary Items | (51,506.00) | 225,756.00 |
| | Net Cash from Operating Activities | (41,045,085.96) | 48,153,625.29 |
| B. | CASH FROM INVESTING ACTIVITIES | | |
| | Purchase of Fixed Assets | 15,816,975.00 | 10,663,698.00 |
| | Sale of Fixed Assets | 433,700.00 | 445,800.00 |
| | Investments | - | - |
| | Interest and Other Income | (4,726,033.75) | (3,564,744.24) |
| | Net Cash from Investing Activities | (20,109,308.75) | (13,782,642.24) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds from Issue of Share Capital/Share Application | 23,355,620.00 | - |
| | Proceeds from Long Term Borrowings | - | (7,328,860.90) |
| | Proceeds from Other Borrowings | 44,066,600.00 | (27,324,084.00) |
| | Public Issue and Other Expenses | - | - |
| | Capital Subsidy Received | - | - |
| | Net Cash from Financing Activities | 67,422,220.00 | (34,652,944.90) |
| D. | NET INCREASE IN CASH AND CASH EQUIVALENTS | 6,267,825.29 | (281,961.85) |
| | Cash and Cash Equivalents as at 01.04.2012 | 18,537,512.00 | 18,819,473.85 |
| | Cash and Cash Equivalents as at 31.03.2013 | 24,805,337.29 | 18,537,512.00 |

AUDITORS' CERTIFICATE

We have examined the attached cash flow statement of Ashnoor Textiles Mills Limited for the year ended March 31, 2013. The Statement has been prepared by the Company in accordance with the requirement of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For KSA & Co.
Chartered Accountants**

KAMAL PIYUSH
Partner
Membership Number: 83399
Place : New Delhi
Date : May 24, 2013

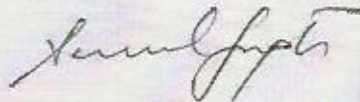
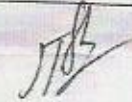
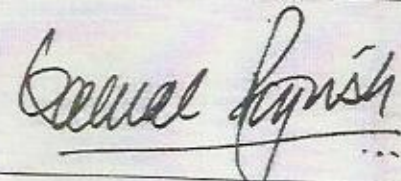
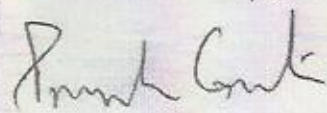
BOOK POST

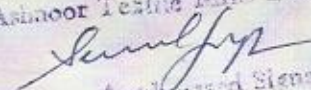
To,

If undelivered please return to :
Ashnoor Textile Mills Limited
Behrampur Road, Village Khandasa
District Gurgaon, Haryana - 122 001

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

| | | |
|----|---|--|
| 1. | Name of the Company | Ashnoor Textile Mills Limited |
| 2. | Annual financial statements for the year ended | March 31, 2013 |
| 3. | Type of Audit observation Un-qualified / Matter of Emphasis | Un-qualified |
| 4. | Frequency of observation Whether appeared first time...../ repetitive...../ since how long period | Not Applicable |
| 5. | To be signed by- | |
| | • CEO/Managing Director |  |
| | • CFO |  |
| | • Auditor of the company |  |
| | • Audit Committee Chairman |  |

Certified True Copy
For Ashnoor Textile Mills Limited

Authorized Signatory