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**16th ANNUAL REPORT**

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**2009 - 2010**

**HIGH STREET FILATEX LTD.**

**Board of Directors**

<b>Mr. Shanti Narain</b>	:	<b>Whole-Time Director</b> <b>(w.e.f. 15.07.2009)</b>
<b>Mr. Rajneesh Chindalla</b>	:	<b>Director</b>
<b>Mr. Raj Deep Ghiya</b>	:	<b>Director</b>
<b>Mr. Devendra Palod</b>	:	<b>Director</b>
<b>Mr. R.K. Sethia</b>	:	<b>Managing Director</b>
(Ceased to be a Managing Director w.e.f 30/07/09)		
<b>Chinu Gupta</b>	:	<b>Company Secretary</b>

**Auditors**

N. Bhandari & Co.,  
Chartered Accountants,  
35, Keshav Nagar,  
Hawa Sarak, Jaipur

**Corporate Advisor**

V.M. & Associates  
Company Secretaries  
403, Royal World,  
S.C. Road, Jaipur.

**Registered Office**

D-67, Janpath, Shyam Nagar,  
Jaipur (Raj.)

**Bankers**

State Bank of Bikaner & Jaipur  
State Bank of India

**Factory**

F-86, Hirawala Industrial Area,  
Vill. Kanota, Jaipur  
Rajasthan.

**Share Transfer Agent**

Beetal Financial & Computer  
Services Pvt. Ltd  
Beetal House,  
3<sup>RD</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhandas Mandir,  
New Delhi – 110 062  
Tel-011 29961281, 29961282

**E-Mail**

[highstreet.filatex@gmail.com](mailto:highstreet.filatex@gmail.com)

[info@highstreetfilatex.com](mailto:info@highstreetfilatex.com)

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 16<sup>th</sup> Annual General Meeting of the Members of High Street Filatex Limited will be held on Saturday, the 25<sup>th</sup> day of September, 2010 at 11.30 A.M. at its factory at F-86, Heerawala, Industrial Area, Kanota, Jaipur to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2010 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajneesh Chindalia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof) and all other statutory provisions, approvals, as may be applicable, the consent of the Company be and is hereby accorded to the appointment of Mr. Shanti Narain Kumar, as a Whole-time Director of the Company for a period of 5 (Five) years with effect from 15<sup>th</sup> July, 2009, and subject to other terms & conditions and stipulations, as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary the terms of remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the said terms of appointment of Mr. Shanti Narain Kumar, Whole-time Director be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Securities & Exchange Board of India (De-listing of securities) Regulations, 2009 or such other SEBI Guidelines on de-listing of securities as may be made applicable from time to time, and such other applicable rules, regulations, guidelines, etc. the consent of the Company be and is hereby given for voluntary de-listing of all the Equity Shares of the Company as listed with the Calcutta Stock Exchange Association Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all the necessary steps in this regard and may delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer(s) or employee(s) of the Company or any advisor, consultant as it may consider appropriate in order to give effect to the aforesaid resolution."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Securities & Exchange Board of India (De-listing of securities) Regulations, 2009 or such other SEBI Guidelines on de-listing of securities as may be made applicable from time to time, and such other applicable rules, regulation, guidelines, etc. the consent of the Company be and is hereby given for voluntary de-listing of all the Equity Shares of the Company as listed with the Jaipur Stock Exchange Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorised take all the necessary steps in this regard and may delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer(s) or employee(s) of the Company or any advisor, consultant as it may consider appropriate in order to give effect to the aforesaid resolution."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the existing Authorised Share Capital of Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lacs) divided into 75,00,000 (Seventy Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each be and is hereby re-structured and re-classified into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,50,000 (Three Lacs Fifty Thousand) 6 % Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/-

(Rupees One Hundred) each by the creation of 3,50,000 (Three Lacs Fifty Thousand) 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each.

**RESOLVED FURTHER THAT** Clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by deleting the same and substituting in place thereof, the following new Clause V:

- V. The Authorised Share Capital of the Company is Rs. 7,50,00,000/- (Rupees Seven Crores Fifty Lacs) divided into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,50,000 (Three Lacs Fifty Thousand) 6 % Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer(s) or employee(s) of the Company or any advisor, consultant as it may consider appropriate in order to give effect to the aforesaid resolution."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 31, 94 and all other applicable provisions, if any, of Companies Act, 1956, the existing Clause 4 of the Articles of Association of the Company be and is hereby altered by substituting with the following new Clause 4:

4. The Authorised Share Capital of the Company shall be as stated in Clause V of the Memorandum of Association of the Company. The Company shall have power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach there to any rights to consolidate or sub-divide the shares and to vary such rights as may be determined in accordance with the regulations of the company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer(s) or employee(s) of the Company or any advisor, consultant as it may consider appropriate in order to give effect to the aforesaid resolution."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and

in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time ("SEBI ICDR Regulations") and subject to all such approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, of such authorities including the Central Government / Reserve Bank of India and Securities and Exchange Board of India or any other relevant authority, wherever necessary in that behalf, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted/ to be constituted by the Board for exercising all or any of the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 3,50,000 (Three Lacs Fifty Thousand) 6 % Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- ( Rupees One Hundred ) each (herein after referred to as the "Preference Shares") as per the details set out in the Explanatory Statement, on such terms and conditions and in such manner in one or more tranches, as may be deemed appropriate by the Board, in its absolute discretion.

**RESOLVED FURTHER THAT** the said Preference shares shall not be redeemed before three (3) years and not later than five (5) years from the date of allotment at such price as may be decided by the Board of Directors in accordance with the terms of the issue and in accordance with the provisions of the Companies Act, 1956, or any re-enactment thereof and the said Preference shares shall not be listed on any stock exchanges in India or abroad.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to determine the issue amount, number of preference shares to be issued etc. as they may think proper.

**RESOLVED FURTHER THAT** for the purpose of giving effect to aforesaid resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable or expedient for such purpose and to resolve and settle all questions, difficulties or doubts that may arise in regard to the offer, issue, allotment and utilization of the proceeds of the issue of the above mentioned preference shares and further to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to finalize and execute all documents, papers, agreements, deeds and writings

as may be necessary and desirable as it may deem fit.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any other Director(s) or any other officer (s) or employee (s) of the Company or any advisor, consultant as it may consider appropriate in order to give effect to the aforesaid resolution."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles Of Association of the company shall be altered as mentioned hereunder:

- (i) By inserting Article 13A after Article 13 and before Article 14 : Article 13A :

(i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in dematerialized form pursuant to the Depositories Act, 1956.

(ii) Every person subscribing to the securities offered by the company shall have the option to receive securities certificate or to hold with the depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the Law, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his securities with the depository, the Company shall intimate such depository the details of allotment of securities, and on the receipt of such information, the depository shall enter in its records the name of the allottee as the beneficiary owner of the security.

- (iii) All the securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 153A, 187B, 187C and 372-A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

- (iv) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities

held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of depository shall be deemed to be member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are by a depository.

- (v) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the record of the beneficial ownership may be served by such depository or the Company by means of electronic mode or by delivery of floppies or discs.
- (vi) Noting contained in Section 108 of the act or these articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depositories.
- (vii) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.
- (viii) Notwithstanding anything in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with a depository.
- (ix) The register and index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the register and index of members and the securities holders for the purpose of this articles.
- (x) For the purpose of this articles:-

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository:

"SEBI" means the Securities and Exchange Board of India:

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 and

"Security" means such securities as may be specified by SEBI from time to time.

Date: 14.08.2010  
Place: Jaipur

By order of the Board

Sd/-  
Shanti Narain Kumar  
Whole-time Director

## NOTES:

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER. AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The duly stamped, filed and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 24<sup>th</sup> day of September, 2010 to Saturday, the 25<sup>th</sup> day of September, 2010 (both days inclusive).
5. Members desiring any information as regards the accounts are requested to write to the Company at least seven days in advance of the Meeting so as to enable the Management to keep the information ready.
6. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays & public holidays between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting. Members are requested to lodge their application for transfer etc. to Beetal Financial & Computer Services Pvt. Ltd Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada- Hersukhandas Mandir, New Delhi-110062, Tel-011 29961281, 29961282.
7. Pursuant to Clause 49 of the Listing Agreement, Details of Director seeking appointment / re-appointment in the forthcoming AGM :

Name of the Director Date of Birth	Mr. Rajneesh Chindalla 03/08/1968	Mr. Shanti Narain Kumar 10/11/1934
Date of appointment	30/01/2006	15/07/2009 (Whole-time Director 15/08/2001 (Director)
Qualifications	B.Com	B.A.
Expertise in specific functional areas	Business with wide managerial exposure	Rich and varied exposure in financial and managerial field
Directorship in other Public Limited Companies	Nil	Nil
Chairmanship/Membership of Committees in other Public Limited Companies	Nil	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT 1956****ITEM No. 4**

On the recommendation of the Audit Committee, the Board of Directors at its meeting held on 30.07.2009, has appointed Mr. Shanti Narain Kumar as a Whole-time Director w.e.f. 15<sup>th</sup> July, 2009 for a period of five years. Keeping in view the present financial position of the Company, Mr. Shanti Narain Kumar has voluntarily agreed to not to receive the salary as a Whole-time Director.

**Terms and conditions:**

- 1) Subject to the direction, control and superintendence of the Board of Directors, Mr. Shanti Narain Kumar shall have the overall responsibility for looking after the day-to-day business and affairs of the Company.
- 2) The appointment of Mr. Shanti Narain Kumar as Whole-time Director may be terminated by either party giving to the other two calendar months notice in writing.
- 3) The Whole-time Director is entitled to reimbursement of all actual expenses as per the rules of the Company including entertainment and traveling incurred in the course of the Company's business.
- 4) The Whole-time Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

The members are requested to accord their approval to the appointment of Mr. Shanti Narain Kumar as a Whole-time Director by passing the Ordinary Resolution as set out at Item No. 4 of the Notice.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Mr. Shanti Narain Kumar pursuant to Section 302 of the Companies Act, 1956.  
None of the Directors except Mr. Shanti Narain Kumar is concerned or interested in this resolution.

**ITEM No. 5 & 6**

Presently the Equity Shares of the Company are listed at Bombay Stock Exchange Limited (BSE), the Calcutta Stock Exchange Association Limited (CSE) and the Jaipur Stock Exchange Limited (JSE).  
With the extensive network of BSE, the investors have access to online dealings in the Equity Shares of the Company across the nation. The shares of the Company also have sufficient liquidity at BSE.  
Comparatively, the shares of the Company have not been traded at CSE & JSE since long. Besides, the listing at these exchanges entails financial and administrative cost to the Company with no benefit to the Company or investing community for trading.

In the above context, the Company proposes the special resolution for voluntary de-listing of the shares of the Company from these exchanges pursuant to the SEBI Guidelines for voluntary de-listing and seeks your consent on the proposed special resolutions.

The Equity Shares of the Company will continue to be listed at BSE.  
Your Directors recommend the resolutions set at item no. 5 & 6 for your approval.  
None of the Directors are concerned or interested in these resolutions.

**ITEM No. 7 & 8**

It is proposed to re-structure the Share Capital for corporate purposes including conforming with fiscal regulations in certain jurisdictions. Due to recurring losses, entire capital of the Company stood eroded as on 31-03-01. After lot of efforts, Company was able to negotiate One Time Settlement with SASF (since IDBI transferred assets of our Company to them). The promoters and others have brought in required funds from time to time to enable the Company to pay its settled dues to SASF of Rs. 266.84 Lacs. Accordingly, it is proposed to offer issue and allot 6 % Redeemable Cumulative Non Convertible Preference Shares of the face value of Rs. 100/- each to the promoters of the Company.

The proposed issue of preference shares is not permissible in the existing Capital Structure of the Company, thus it is proposed to restructure the share capital of the Company in the manner as specified in the resolution set above at Item No. 7. The restructuring of the capital clause, also requires the alteration in the Authorised Share Capital Clause in the Memorandum and Articles of Association of the Company, given in the resolutions.

Your Directors recommend the resolutions set at item no. 7 & 8 for your approval.

None of the Directors are concerned or interested in these resolutions.

**ITEM No. 9**

The promoters have brought in required funds from time to time to enable the Company to pay its settled dues to SASF of Rs. 266.84 Lacs. Accordingly, it is proposed to offer issue and allot 6 % Redeemable Cumulative Non Convertible Preference Shares of the face value of Rs. 100/- each to the promoters of the Company.

It is proposed to issue the 6% Redeemable Cumulative Non Convertible Preference Shares to the promoters, in one or more tranches on a private placement basis, for cash on such terms and conditions as may be determined by the Board of Directors of the Company or a duly authorised committee thereof.

**DISCLOSURES IN THE TERMS OF CLAUSE 73.1 OF THE SEBI (ICDR) REGULATIONS, 2009:****a. The objects of the Issue:**

The issue is made with a view to restructure the Authorised Share Capital of the Company. This will also result into raising long-term resources by converting the amount raised into Preference Shares.

**b. Intention of the promoters / directors / key management persons to subscribe to the offer:**

The intention and the primary object of the promoters is to subscribe to the issue of Preference Shares through this preferential issue. This will confirm the availability of long-term funds towards payment of its dues and growth plans of the Company.

**c. Equity Shareholding Pattern before and after the Issue:**

The information on shareholding pattern before and after the preferential issue is given hereunder:

CATEGORY	Pre- Issue		Post- Issue	
	No. of shares	% of Shareholding	No. of Shares	% of Share Holding
1. Promoters Holding				
a. Indian Promoters				
i) Individuals/HUF	196464	30.37	196464	30.37
ii) Central Government / State Government	—	—	—	—
iii) Bodies Corporate	—	—	—	—
iv) Financial Institution/Banks	—	—	—	—
v) Any Other (specify)	—	—	—	—
b. Foreign Promoters				
i) Individuals/HUF	—	—	—	—
ii) Bodies Corporate	—	—	—	—
iii) Institutions	—	—	—	—
iv) Any Other	—	—	—	—
<b>Sub Total</b>	<b>196464</b>	<b>30.37</b>	<b>196464</b>	<b>30.37</b>
2. Non- Promoters Holding				
A. Institutional Investors				
a. Mutual Funds	10000	1.54	10000	1.54
b. Indian financial Institutions and Banks	—	—	—	—
c. FIS	—	—	—	—
d. Indian Bodies Corporate	—	—	—	—
B. Non Institutional				
a. Bodies Corporate	175784	27.17	175784	27.17
b. Individual	260092	40.20	260092	40.20
c. Any other NRI	4660	0.72	4660	0.72
<b>Sub Total (A+B)</b>	<b>450536</b>	<b>69.63</b>	<b>450536</b>	<b>69.63</b>
<b>GRAND TOTAL</b>	<b>647000</b>	<b>100</b>	<b>647000</b>	<b>100</b>

The Company is not having any issue of Preference Shares in the past and this being the first issue, the pre issue holding of the allottees is Nil and post issue holding of the allottees will be as per allotment of shares.

A certificate from the Statutory Auditors of the Company as required under clause 73(2) of the SEBI ICDR Regulations, 2009, certifying that the pricing and issue of the above is in accordance with prescribed guidelines on preferential issue, is also available for inspection at the registered office between 11.00 A.M. to 1.00 P.M., on any working day upto the date of the date of the meeting and at the meeting.

The Preference Shares allotted will be subject to lock in as per SEBI ICDR Regulations, 2009.

The Company undertakes that if required, the price shall be re-computed in terms of the provisions of these regulations.

If the amount payable on account of the re-computation of price is not paid within the stipulated time as mentioned in the Regulations, the specified securities shall continue to be locked in till such amount is paid by the allottees.

**d. Proposed time within which the allotment shall be completed:**

The allotment, pursuant to this resolution passed by the shareholders, shall be completed within a period of fifteen (15) days from the date of passing of this resolution, provided that if the approval or permission by any regulatory authority or the Central Government for the allotment is pending, the period of fifteen days shall be counted from the date of such approval or permission, as the case may be.



**e. Issue Price**

The price of the shares shall be fixed as on the relevant date as per the preferential issue guidelines issued by the SEBI. There is no trading in the shares of the Company. Further this is the first preference shares issue by the Company. The price is at par, as agreed by the acquirer.

**f Identity of the proposed allottees and Percentage of the pre and Post Preferential Issue of Preference shares:**

Name of the Allottee	Pre-Issue		Further Allotment of preference shares	Post- Issue	
	No. Shares	%		No. of Shares	%
Raj Kumar Sethia (holder of 150581 Equity Shares)	—	—	278000	278000	100

**g. Change in the control and composition of the Board:**

There will be no change in the control and composition of the Board after the preferential allotment.

In view of the above proposals consent of the members is sought by way of Special Resolution, in terms of the provisions of Section 80, 81(1A) and other applicable provisions of the Companies Act, 1956 for offering, issuing and allotting the said Preference Shares upto an aggregate of Rs. 3, 50,00,000 (Rupees Three Crores Fifty Lakhs) to the promoters of the Company. Accordingly Special Resolution under item no. 9 of the notice are submitted for the approval of the members. If passed will have the effect of allowing the board to issue and allot shares to the specified persons on the terms and conditions as may be decided by the board. The board may be authorized to take all necessary steps for implementing this resolution and hence require the approval of the shareholders.

The Company has obtained a Certificate from the Statutory Auditors of the Company certifying that the proposed issue conforms to the subsisting guideline issued by SEBI. The said Certificate will be available for inspection by the members of the Company on all working days during the business hours at the registered office of the Company.

The said issue of preference shares on preferential basis also requires the passing of a Special Resolution by the members of the Company.

Your Directors recommend the above resolution for your approval.

None of the Directors of the Company is in any way concerned or interested in the aforesaid resolution except to the extent of their respective shareholding in the Company and only to the extent of shares that may be allotted to them in the present issue.

**ITEM No. 10**

The shares of the Company are tradable at the Stock Exchange in dematerialized form only. The company has accordingly applied with both the Depositories namely National Securities Depository Ltd. and Central Depository services (India) Ltd for demat facility. Although, the Company has provided its shareholders the benefit of dematerialization, it is desirable to amend the Articles of Association of the Company to create an enabling provision.

None of the Directors is interested in the resolution except to the extent of their shareholding in the Company.

Date: 14.08.2010

Place: Jaipur

By order of the Board

Sd/-  
Shanti Narain Kumar  
Whole-time Director

**DIRECTORS' REPORT**

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

Your Directors have great pleasure in presenting the 16<sup>th</sup> Annual Report on the business and operations of your Company, together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2010.

**FINANCIAL PERFORMANCE**

The operations of the Company remained suspended till January, 2010. It resumed its operations on 19<sup>th</sup> February, 2010 and came into production on 1<sup>st</sup> March, 2010.

As the domestic market had become very lucrative, it had become necessary to get rid of 100% EOU status. Accordingly, an application was moved to the Development Commissioner, Noida, Export Processing Zone for the same. The unit was thereafter de-bonded on 28<sup>th</sup> January, 2010 after payment of necessary duties.

The performance of the Company for the financial year ended March 31, 2010 is summarized as below:

Particulars	(Rs. in Lacs)	
	Year ended on	
	31.03.2010	31.03.2009
Sales	57.75	0.00
Others	23.39	0.00
Increase / (Decrease) in stock	(4.85)	0.00
Manufacturing & other expenses	52.62	2.74
Profit/(Loss) before Depreciation	23.67	(2.74)
Depreciation	8.30	0.00
Net Profit/(Loss) for the year	15.37	(2.74)
Expenses of previous year	0.00	(0.90)
Balance transferred to Balance Sheet	15.37	(3.64)

**PROGRESS UNDER OTS AND FULL PAYMENT TO IDBI (SASF)**

The net worth of the Company improved due to OTS settlement on account of remission of interest, liquidating damages and penalties etc.

The OTS dues of Stressed Assets Stabilization Fund (IDBI) were fully paid during the year. The funds were injected by the promoter to make payment under OTS settlement to SASF (IDBI). The funds so injected by the promoters are ultimately desired to be converted into equity subject to the approval of shareholders in the Annual General Meeting.

**PROGRESS UNDER BIFR**

Consequent upon liquidation of entire liabilities of the Company on account of debt burden of IDBI and SBBJ, the Company came out of the woods and made an application to BIFR to bring it out of sickness status and also for granting permission to do away with the services

of operating agency who had shown reluctance to give rehabilitation package as desired by the Company. The BIFR Bench observed on 13<sup>th</sup> May, 2010 that the Company's net worth had become positive on the basis of provisional Balance Sheet as on 31<sup>st</sup> March, 2010 and on the basis of Chartered Accountants certificate to that effect. The Bench was kind enough to grant permission under Sec 17(2) of SICA, to exempt the Company, from taking the support of the OA of IDBI who was also present and agreed to it. The Bench finally ordered to produce positive net worth certificate on basis of Audited Annual Report as on 31<sup>st</sup> March, 2010 and also file written submissions in this regard on next date of hearing i.e. 4<sup>th</sup> Aug, 2010 which has been adjourned due to reduction of no. of benches in BIFR.

Now the Company has filed miscellaneous application along with Audited Balance Sheet on 10<sup>th</sup> August, 2010 for de-registration as a sequel to Net Worth of the Company having turned positive as per its Audited balance Sheet as on 31<sup>st</sup> March, 2010 and is waiting for the next date of hearing to be fixed by the Bench for final order.

**REDUCTION OF CAPITAL**

In May 2009, your Directors approved the proposal for the reduction of capital of the Company from Rs. 6,47,00,000/- (Rupees Six Crore Forty Seven Lacs Only) to Rs. 64,70,000/- (Rupees Sixty Four Lacs Seventy Thousand Only), as per the provisions of the Section 100 to 104 of the Companies Act, 1956. Further, the same was approved by the Shareholders of the Company in the Annual General Meeting held on 10<sup>th</sup> July, 2009. Pursuant to the said approval, a petition for the same was filed with the Hon'ble High Court at Jaipur.

Hon'ble High Court has passed its final order on 22<sup>nd</sup> April, 2010 approving the Scheme of Reduction of Capital. The final working for the completion of the same is under process.

**DIVIDEND**

In order to conserve the profits for the future the Board of Directors of the Company did not recommend any dividend for the year under review.

**PUBLIC DEPOSITS**

The Company has not accepted any Deposit within the meaning of Section 58A of the Companies Act, 1956.

**DIRECTORS****Retire by Rotation**

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Article 89 of Articles of Association of the Company, Mr. Rajneesh Chindalia, Director retires by rotation at the ensuing Annual General

Meeting and being eligible offers himself for re-appointment.

The brief profile of the Director being re-appointed at the ensuing Annual General Meeting forms part of notice of the ensuing Annual General Meeting.

#### Appointment of Whole Time Director

Mr. Shanti Narain Kumar who was appointed as a Director w.e.f 15<sup>th</sup> June, 2001 is proposed to be re-appointed as Whole-time Director of the Company at the Annual General Meeting of the Company w.e.f 15<sup>th</sup> July, 2009.

#### Resignation of Managing Director

Mr. Raj Kumar Sethia, Managing Director of the Company has resigned from the post of Managing Director w.e.f. 30<sup>th</sup> July, 2009.

#### RE-STRUCTURING AND RE-CLASSIFICATION OF AUTHORISED SHARE CAPITAL

The Board of Directors have proposed to re-structure and re-classify the existing Authorised Share Capital of Rs. 7,50,00,000/- divided into 75,00,000 Equity Shares into 40,00,000 (Forty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,50,000 (Three Lacs Fifty Thousand) 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each by the creation of 3,50,000 (Three Lacs Fifty Thousand) 6% Redeemable Cumulative Non Convertible Preference Shares of Rs. 100/- (Rupees One Hundred) each, for the approval of shareholders of the Company at the Annual General Meeting.

#### ALTERATION OF MEMORANDUM & ARTICLES OF ASSOCIATION

The re-structuring and re-classification of Authorised Share Capital requires alteration in the Share Capital clause of the Memorandum and Articles of Association of the Company. The said alterations are proposed for the approval of members in the notice attached.

#### PREFERENTIAL ISSUE OF PREFERENCE SHARES

The Board of Directors subject to the approval of shareholders of the Company and such other approvals as may be necessary have decided to create, offer, issue and allot up to 3,50,000 (Three Lacs Fifty Thousand) 6 % Redeemable Cumulative Non Convertible Preference Shares to the promoters of the Company with a condition that the Preference shares shall not be redeemed before three (3) years and not later than five (5) years from the date of allotment.

The proceeds will help the Company to improve its financial ratios by increasing the net worth of the Company.

#### DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) read with section 292A of the Companies Act, 1956, we the Directors of High Street Filatex Limited, state in respect of financial year 2009-10 that:

- i) in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared annual accounts on a going concern basis.

#### AUDITORS

M/s. N. Bhandari & Co., Chartered Accountants, Jaipur, retiring Auditors at the ensuing Annual General Meeting, expressed their willingness to continue as Auditors. The Board recommends their re-appointment for the financial year 2010-11.

#### AUDITORS' REPORT

The Notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further clarifications under section 217(3) of the Companies Act, 1956.

#### PARTICULARS OF CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

The information related to conservation of energy, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is annexed and forms part of this report.

#### PARTICULARS OF EMPLOYEES

Disclosure about particulars of employees in relation to sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Directors' report for the year ended 31<sup>st</sup> March, 2010 is not applicable as there was no employee drawing remuneration in excess of prescribed limits.

#### POSTAL BALLOT

A Postal ballot was conducted by the Company for the purpose of passing ordinary resolution of restructuring and reclassification of Authorised Share Capital, special resolutions for alteration in Articles of Association and

offer, issue and allotment of 3,50,000 (three lacs fifty thousand) 9% redeemable, cumulative preference shares.

On the basis of the Scrutinizer's Report dated 20<sup>th</sup> March, 2010 it was revealed that total 15 votes were polled and out of which only 4 assented to the resolution and 11 and hence the resolutions were taken as not passed.

#### CASH FLOW STATEMENT

As required under Clause 32 of the Listing Agreement with the Stock Exchanges in India, a Cash Flow Statement, as prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) issued by the Institute of Chartered Accountant of India, is given along with Balance Sheet and Profit and Loss Account.

#### LISTING

The Securities of your Company are listed at Bombay Stock Exchange Limited, Jaipur Stock Exchange Limited and Calcutta Stock Exchange Association Limited. The Company has been generally regular in complying with the provisions of the Listing Agreement.

The Company has proposed to get the shares of the Company delisted from the Calcutta Stock Exchange Association Limited and Jaipur Stock Exchange Limited.

#### CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report forms a part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

A Certificate from the Auditors of the Company confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

#### ACKNOWLEDGEMENT

The Directors wish to express their gratitude to all the business associates and to the Investors/Shareholders for the confidence reposed in the Company and its management. The Directors also convey their appreciation to the employees at all levels for their enormous personal efforts as well as collective contribution.

For and on Behalf of the Board of Directors

Shanti Narain Kumar  
Whole-time Director

Rajneesh Chindalia  
Director

Place: Jaipur  
Dated: 14.08.2010

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion & Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India. The report herein presents the Company Overview, SWOT Analysis, Initiatives by the Company and overall outlook of the Company for the future. This outlook is based on the assessment of the current environment which may vary due to future economic and other developments in the universal arena.

#### COMPANY STRUCTURE AND DEVELOPMENTS

The Company's status as 100% EOU was a hindering factor in Company's growth for the simple reason that prices being offered by foreign buyers were abysmally low as compared to the prices being offered by multinational companies in domestic market. Therefore, it was considered prudent by the Company to get the unit debonded from 100% EOU status. Accordingly, the company was got itself debonded from DC NEPZ after paying necessary duties on the stocks. The unit also got itself deregistered from jurisdictional Central Excise and customs at Jaipur and surrendered the license.

The Company also got rid of OTS pending installments by paying to IDBI (SASF) the pending overdues of Rs. 93 lacs with interest and become a debt free company. The company by virtue of OTS and resultant remission of interest and liquidated damages got substantial relief for coming out of the purview of BIFR (sickness)

On BIFR court has already accepted to give relief to the company by way of accepting the company proposal to do away under section 17(2) with the services of O.A. appointed by BIFR, thereby enabling the company to save huge saving of professional and appraisal charges liable to be paid to SASF in the event of sanction of rehabilitation package.

The company in the backdrop of above vision, Introspection of the management and discussion with Board, is now set to fly high as soon as the factory which has resumed activities from 1-3-2010 and the Company is operational and its turnover, PBIDT and PAT during the FY 2009-10 amounted to Rs. 76.29 lacs, Rs. 25.36 lacs and Rs. 15.37 lacs respectively. The same figures during the previous FY 2008-09 amounted to (Rs. 2.74 lacs) PBDIT and (Rs. 3.64 lacs) PAT.

In short, it is noted that the Company has improved its performance very substantially and considering the fact that there has been very substantial reduction in its debt and interest burden, there does not remain any doubt about the long term viability of the Company.

#### SWOT ANALYSIS

##### 1. STRENGTHS

- The Company has most strategically located plant with varied and has adopted advanced production techniques.
- The company due to past experience and having good rapport with world's best exporters, is capable of recapturing the foreign market in short span of time.
- The Company's products are very well established

foreign market. It is capable of making socks of different designs/pattern.

## 2. Weakness

The Company's only weakness that Bombay Stock Exchange clearance to allow trading on the Stock Exchange, will also be converted into strength because the company has paid all the listing fees to BSE and await final verdict for revocation of suspension order.

## 3. Opportunities

- The opportunities now made available for sale in domestic market after debonding from 100% EOU will go a long way in adding to the strength of the company.
- Due to expansion of the manufacturing base of the company, there will be substantial increase in demand of Company's products.
- The Company will be able to use the copious potential available now in domestic market on which every Multi National Company has set their eyes upon in India.

## 4. Threats

- Stiff competition offered by other countries viz China, Bangladesh, Pakistan etc. will be converted into opportunities by dint of changes in policies being contemplated by the Govt. of India and measures like imposition of anti dumping duties which may be brought into force by Government, who is keeping eagle eye on the developments and hindering factors such as waiver of export duties/facilities being offered to their exporters by other countries. Grant of liberal financial support being provided by the Reserve Bank of India to its exporters by the Government will further help convert the outside threats into opportunities to the exporters.
- Foreign Exchange fluctuation in libor rate which at present is at low (0.9%) may effect the market and upward trend in the rate will help better realization of exports.

## ADEQUACY OF INTERNAL CONTROL

The Company has in place adequate internal control systems, which assures proper recording of transactions of its operations and also ensures protection against misuse or loss of the Company's assets. The Company has constituted an Audit Committee and has assigned to it tasks that will further strengthen the internal audit system.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Financial Statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of the applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include the availability of economically viable deposits, changes in Government regulations, tax regimes, economic developments in India and other incidental factors.

## ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2010

### A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken: The Company is taking adequate steps for reduction in non-essential loads to conserve power by increasing the production in each run.
- (b) Additional investments and proposals are being implemented for reduction of consumption of energy. The efforts to conserve energy on other areas are in progress.
- (c) Impact of above measures: More efficient utilization of power & reduction in energy consumption has considerably reduced the expenses under the head
- (d) Total energy consumption and energy consumption per unit of production: As per Form 'A' annexed

### B. TECHNOLOGY ABSORPTION

- (a) Efforts made in technology absorption: As per Form 'B' annexed.

### C. FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	Current Year Previous year	
	(Rs. in Thousand)	
Total foreign exchange earnings	NIL	NIL
Total foreign exchange outgo	NIL	NIL

## FORM A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY

Particulars	Current Year	Previous Year
	(2009-10)	(2008-09)
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. ELECTRICITY</b>		
(a) Purchased		
Unit (in lac)	0.72	NIL
Total Amount (Rs. in lac)	1.65	NIL
Rate (Rs./ Unit)	2.3	NIL
(b) Own Generation		
Cost (Rs./ Unit)	NIL	NIL

**B. CONSUMPTION PER UNIT OF PRODUCTION**

1. ELECTRICITY (UNIT/KG)	NIL	NIL
- PRODUCT		

growth, innovative knitting products will be developed and launched.

**4. EXPENDITURE ON R & D:**

(a) Capital (if any)	:	N.A.
(b) Total R & D Expenditure as a Percentage of total turnover	:	N.A.

**FORM B:****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)**

The future course of action for carrying out research & development will be as under:

**1. SPECIFIC AREAS IN WHICH R & D IS PROPOSED TO BE CARRIED OUT BY COMPANY:**

The R & D activities of the company have been directed towards improvement in the existing product range as well as to develop new products in line with the latest trend of consumers. Continuous efforts have been made to achieve the above.

**2. BENEFITS DERIVED:**

With the introduction of R & D activities, the Company has been able to improve the quality of its products, reduce the cost and has improved environmental conditions.

**3. FUTURE PLAN OF ACTION:**

With the object of attainment of better future and

**TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION****1. EFFORTS MADE:**

Continuous efforts are being made for improvement in the existing production process and products.

**2. BENEFITS:**

The Company has been able to improve the quality of its products.

For and on Behalf of the Board of Directors

Shanti Narain Kumar  
Whole-time Director

Rajneesh Chindalia  
Director

Place: Jaipur

Dated: 14.08.2010

**Corporate Governance Report for the Year 2009-10****1. Company's Philosophy on Corporate Governance**

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively. Your Company believes in fair business and Corporate Governance with all its Customers. Corporate responsibility and transparency is the core of High Street Filatex Ltd. The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreement with the stock exchanges.

**2. Board of Directors**

The Board of Directors guide, direct and oversee the management and protect long term interests of stakeholders, employees and society at large. The Board also ensures compliance of the applicable provisions, code of ethical standards and accurate financial reporting.

**Composition of the Board**

The Board of Directors of your Company consists of 4 Directors of which 3 Directors are Non-executive (Independent Directors) which is 75% of the total strength of Directors in the Company. The Independent Directors are eminent professionals with wide range of knowledge and experience in business, industry and finance. None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director.

The composition of the Board and other relevant details relating to Directors are as follows:

Name of Director	Designation	Category	Directorship in Other companies	Attendance at Board Meeting	Last AGM
Mr. Shanti Narain Kumar	Whole-time Director	Independent & Executive	NIL	10	YES
Mr. Rajdeep Ghiya	Director	Independent & Non-Executive	NIL	7	YES
Mr. Rajneesh Chindalia	Director	Independent & Non-Executive	NIL	5	YES
Mr. Devendra Palod	Director	Independent & Non-Executive	NIL	6	NO

**Notes:**

1. There is no inter se relationship amongst the Directors.
2. Directorship held by Directors, as above, do not include any alternative directorships, directorships in foreign companies, section 25 companies and private limited companies.

**Board Meetings**

During the year 2009-10, 10 meetings of Board of Directors were held with a time gap of not more than 4 months between any two meetings. The dates on which the said meetings were held were 30.04.2009, 30.05.2009, 25.06.2009, 30.07.2009, 31.10.2009, 07.11.2009, 01.12.2009, 30.01.2010, 13.02.2010 and 12.03.2010.

**Information supplied to the Board**

The Board has complete access to all information with the Company. Inter alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of Board Meeting and is tabled in the course of Board Meeting:-

1. Review of annual operating plans of business, capital budget, updates.
2. Quarterly results of the company.
3. Significant development in the human resources and industrial relations front.
4. Non-compliance of any regulatory or statutory provision or listing requirements as well as share holders services, such as delay in share transfer and other grievances.

The Board has established procedures to enable the Board to periodically review compliance reports of all laws applicable to the company prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

**Brief details of Director seeking re-appointment / appointment**

The brief details of Director retiring by rotation and the Whole-time Director to be appointed are appended to the Notice convening the 16<sup>th</sup> Annual General Meeting.

**3. Board Committees**

The Board has constituted three committees:

- a. Audit Committee
- b. Shareholders'/ Investors' Grievance Committee
- c. Remuneration Committee

These are briefly enumerated as under:

**Audit Committee****Constitution**

The Audit Committee seeks to ensure both corporate governance and provides assistance to the Board of Directors in fulfilling the Board's overall responsibilities. The Audit Committee of the Company is constituted in compliance with the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges read

with Section 292A of the Companies Act, 1956.

**Composition and Attendance**

Name	Category	No. of Audit Committee Meeting Held during the year	No of Audit Committee Meeting Attended
Mr. Rajdeep Ghiya (Chairman)	Independent, Non-executive	4	4
Mr. Rajneesh Chindalia	Independent, Non-executive	4	4
Mr. Devendra Palod	Independent, Non-executive	4	4

All the members of the committee possess good knowledge of finance, accounts and basic elements of Company Law. The Audit Committee invites such of the executives as it considers appropriate i.e. the head of the finance, representatives of the Statutory Auditors, etc. to attend the Committee's meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

**Terms of Reference**

The terms of reference of the Audit Committee are in accordance with all the terms listed in Clause 49 (II) (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956 and are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Recommending to the Board the appointment, re-appointment and replacement /removal of statutory auditor and fixation of audit fee.
- Reviewing with Management, the annual financial statements before submission to the Board for approval, focusing primarily on:
  - ✓ Matters required to be included in the Directors' Responsibility Statement included in the report of the Board of Directors.
  - ✓ Any changes in accounting policies and practices thereof and reasons for the same.
  - ✓ Qualifications in draft audit report.
  - ✓ Compliance with listing and other legal requirements concerning financial statements.
  - ✓ Disclosure of related party transactions.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the Company's financial and risk management policies.
- Disclosure of contingent liabilities



**Powers of Audit Committee:**

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal and professional advice.

**Audit Committee Meetings**

During the financial year 2009-10, 4 meetings of the Audit Committee were held. The dates of the meetings are 30.04.2009, 30.07.2009, 31.10.2009 and 30.01.2010

**Shareholders' / Investors' Grievance Committee Constitution**

The Shareholders' / Investors' Grievance Committee is constituted in line with the provisions of clauses of the Listing Agreement entered into with the Stock Exchanges to overlook the performance of the Registrar and Share Transfer Agent and to recommend measures for overall improvement in the Quality of Investor services.

**Composition and Attendance**

Name	Category	No. of Committee Meeting Held during the year	No of Committee Meeting Attended
Mr. Rajdeep Ghiya (Chairman)	Independent, Non-executive	2	2
Mr. Rajneesh Chindalia	Independent, Non-executive	2	2
Mr. Devendra Palod	Independent, Non-executive	2	2

**Terms of Reference**

The Shareholders'/Investors' Grievance Committee specifically looks into various issues of the Shareholders such as registration of transfer of shares, issue of share certificates, redressal of shareholders' complaints etc. The committee has been delegated by the Board to approve transfer / transmission of shares and to deal with all the matters related thereto.

**Meetings**

In order to expedite the working of the committee, the members of the committee will meet regularly as and when it is required. During the year 2009-10, 2 meetings of the committee were held. Dates of the Meetings are 03.08.2009 and 01.12.2009.

**Remuneration Committee****Constitution**

The Remuneration Committee has been constituted in order to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

**Composition**

The Remuneration Committee presently comprises of three members viz. Mr. Rajneesh Chindalia, Mr. Devendra

Palod and Mr. Rajdeep Ghiya.

Mr. Rajneesh Chindalia is the Chairman of the Committee.

**Terms of Reference**

The Board of Directors has constituted the Remuneration Committee with a view to-

- Fixing up of remuneration payable to the Director.
- Determining the remuneration policy of the Company.
- Reviewing the performance of the employees and their compensation.
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve.

**Meetings**

During the year under review no meeting of the committee was held.

**Remuneration paid to Directors:**

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

**Details of shares held by Non-executive Directors as on 31<sup>st</sup> March 2010:**

Name of the Director	No. of Shares Held
Mr. Rajneesh Chindalia	100
Mr. Rajdeep Ghiya	Nil
Mr. Devendra Palod	Nil

**Compliance Officer**

Ms. Chinu Gupta, Company Secretary is the Compliance Officer of the Company for complying with the requirements of the Listing Agreement entered into with the Stock Exchanges.

**4. General Body Meetings**

The details of Annual General Meetings held in the last three years are as under:

AGM	Day Date & Time	Venue	Details of Special Resolution Passed
13 <sup>th</sup>	Thursday 27.09.2007 09:00 A.M.	F-86, Hirawala Industrial Area, Kanota, Jaipur	NIL
14 <sup>th</sup>	Saturday 31.05.2008 10:30 A.M.	F-86, Hirawala Industrial Area, Kanota, Jaipur	2
15 <sup>th</sup>	Friday 10.07.2009 11:00 A.M.	F-86, Hirawala Industrial Area, Kanota, Jaipur	1

**SPECIAL RESOLUTION:**

- Two Special Resolutions were passed at 14<sup>th</sup> Annual General Meeting for Alteration of Articles of Association under Section 31 of the Companies Act, 1956 and for reduction of capital under Section 100 of the Companies Act, 1956.
- One Special Resolution was passed at 15<sup>th</sup> Annual



General Meeting for reduction of capital under Section 100 of the Companies Act, 1956.

**EXTRA-ORDINARY GENERAL MEETING:**

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

**POSTAL BALLOT:**

During the year under report, a Postal Ballot was conducted for passing an ordinary resolution for restructuring and re-classifying the Authorised Share Capital of the Company and subsequent alteration of Memorandum of Association, Special resolutions for alteration in the Articles of Association of the Company and to offer, issue and allotment of upto 3,50,000 (Three Lacs Fifty Thousand) 9 % Redeemable Optionally Convertible Cumulative Preference Shares. The below are the details of the Postal Ballot:

The Board of Directors of the Company in its meeting held on 13th February, 2010 sought approval of shareholders through postal ballot for the above stated resolutions.

The notice of Postal Ballot dated 13th February, 2010, Postal Ballot form and self-addressed pre-paid postage envelope were sent to the shareholders. The last date of receipt of the Postal Ballot form from the shareholders was 19th March, 2010.

Shri Manoj Maheshwari, Scrutinizer to the Postal Ballot submitted his report dated 20th March, 2010 and based on the said report, result of Postal Ballot were declared on 20th March, 2009 as under:

Details of the voting pattern of the said postal ballot were as follows :

No. of forms received	: 15	
No. of shares Held for which forms received	: 4201755	64.92% of the total share capital
No. of votes entitled	: 15	
No. of votes cast in favor	: 4	0.12% of the total number of shares held by the persons whose forms were received
No. of votes cast against	: 11	99.88% of the total number of shares held by the persons whose forms were received

The resolution was dissented by majority of the shareholders hence, it was treated as not passed. The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies Act, 1956 (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal ballot conducted during the year for the resolutions mentioned above.

**5. Board procedures**

The Board Meetings of the Company are convened in the manner as per provision of the Act. Sufficient notice in writing is given to all the Directors for the Board Meeting and /or Committee Meetings. All important matters concerning the working of the Company along with requisite details are placed before the Board enabling them to deliberate duty at the meetings.

**6. Compliance with other mandatory requirements**

**Management Discussion and Analysis Report**

A Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Clause 49 (IV) (F) of the Listing Agreement.

**Disclosures:**

**Related Party Transactions**

The Company has entered into related party transactions as set out in the notes to the accounts forming part of the Balance Sheet, which are not likely to have a conflict with the interest of the Company. The details of all significant transactions with related parties are periodically placed before the Audit Committee.

**Penalties imposed on the Company by Stock Exchanges or SEBI or any statutory authority**

No penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority or any matter related to Capital Market during the last three years.

**Disclosure of Risk Management**

The company has laid down the procedures to inform the members of the Board about the risk assessment and minimization procedures. The Board and Audit Committee periodically review these procedures to ensure that executive management controls risk through properly defined framework.

**Audit Qualifications**

During the period under review, there is no audit qualification in the Company's financial statements.

**Training of Board Members**

The board of directors of the company consists of professionals with expertise in their respective fields and industry. They attend workshops and seminars to keep themselves abreast with the changes in the business.

**Whistle Blower Policy**

The Company has adopted Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Bank or society as a whole.

**Code of Conduct**

The Company has adopted the code of conduct and

ethics for directors and senior management. The code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the same.

**CEO/CFO Certification**

A certificate from Chief Financial Officer on the financial statements of the Company has been provided elsewhere in the Annual Report.

**Disclosure of Accounting Treatment**

The Company has complied with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

**Means of Communication**

The Quarterly and Annual Financial Results are regularly submitted to the Stock Exchanges, published in the newspapers to comply with the provisions of the Listing Agreement.

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

**7. General Shareholder Information****Annual General Meeting**

Date of Annual General Meeting	25 <sup>th</sup> September, 2010
Time of the Annual General Meeting	11.30 A.M.
Venue	F-88, Heerawala, Ind. Area, Kanota, Jaipur

**Financial Calendar**

Financial Year	1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011
Results for the quarter ending on 30 <sup>th</sup> June, 2010	Within 45 days from the end of the quarter
Results for quarter ending on 30 <sup>th</sup> September, 2010	Within 45 days from the end of the quarter
Results for quarter ending on 31 <sup>st</sup> December, 2010	Within 45 days from the end of the quarter
Results for quarter ending on 31 <sup>st</sup> March, 2011	Within 45 days from the end of the quarter.

**Book Closure**

Closure of Register of Member and Share Transfer Book : Friday, 24<sup>th</sup> September, 2010 to Saturday, 25<sup>th</sup> September, 2010 (both days inclusive).

**Listing on Stock Exchanges:**

Bombay Stock Exchange Limited  
Calcutta Stock Exchange Limited  
Jaipur Stock Exchange Limited

The trading of Company's Equity Shares is suspended on the Stock Exchange.

However, the Company has proposed to delist its Shares

from Calcutta Stock Exchange Limited and Jaipur Stock Exchange.

**Corporate Identification Number (CIN):**  
L18101RJ1994PLC008388

**Registrar and Share transfer Agent:**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House,  
3<sup>rd</sup> Floor, 99 Madangir,  
Behind Local Shopping Centre,  
Near Dada- Harsukhandas Mandir,  
New Delhi-110062  
Tel-011 29961281, 29961282

**Distribution of Shareholding as on 31.03.2010**

Range in Numbers	No. of Shareholders	No. of Shares	% to total
Upto 5000	2687	512734	7.9248
5001-10000	308	281300	4.0386
10001-20000	98	154900	2.3941
20001-30000	73	163700	2.8393
30001-40000	48	171000	2.6430
40001-50000	22	108500	1.6770
50001-100000	31	230000	3.5549
100001 And Above	36	4847888	74.9284
<b>Total</b>	<b>3301</b>	<b>6470000</b>	<b>100</b>

**Categories of Shareholders as on 31.03.2010**

	No. of Shares	Percentage
<b>A. Promoter Holding</b>		
Indian Promoter	2668433	41.24
Foreign Promoter	NIL	N.A.
Sub Total	2668433	41.24
<b>B. Public Holding</b>		
Institutions	100000	1.55
Body Corporata	1054244	16.29
Individual	2600723	40.2
NR/OCB's	46600	0.72
Sub Total	3801567	58.76
<b>Total Share Holding</b>	<b>6470000</b>	<b>100</b>

**Dematerialization of Shares**

At present the Company does not have the facility of dematerialised form. All the shares are in physical mode.

**Address for Correspondence**

Registered Office : D-87, Janpath, Shyam Nagar, Jaipur-302019 (Raj.)

Factory Address : F-88, Heerawala, Ind. Area, Kanota, Jaipur-303012 (Raj.)

**Dedicated E-mail ID for Investors**

In terms of clause 47(F) of the Listing Agreement, the Company has created an e-mail id for redressal of Investor complaints i.e. [highstreet.filatex@gmail.com](mailto:highstreet.filatex@gmail.com)

**COMPLIANCE CERTIFICATE**

Compliance Certificate for Corporate Governance from Statutory Auditors of the Company forms the part of the Annual report.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE CODE

To the Members of  
High Street Filatex Ltd.

We have examined the compliance of conditions of Corporate Governance by High Street Filatex Limited for the year ended on 31<sup>st</sup> March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above-mentioned Listing Agreement.

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

For N. Bhandari and Co.,  
Chartered Accountants

Date: 14.08.2010  
Place: Jaipur

(N. Bhandari)  
Partner

CERTIFICATION FROM CFO

To the Board of Directors of  
High Street Filatex Ltd.

I, Shanti Narain Kumar, Chairman, CFO certify that :

- a. I have reviewed the financial statements and the cash flow statement for the year 2009-10 and that to the best of our knowledge and belief:
  - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Bank during the year 2009-10 which are fraudulent, illegal or violative of the Bank's code of conduct;
- c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee -
  - Significant changes in internal control over the financial reporting during the year 2009-10;
  - Significant changes in accounting policies during the year 2009-10 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Bank's internal control system over the financial reporting.

Place: Jaipur  
Date: 14.08.2010

CFO

## AUDITORS' REPORT

The Members,  
HIGH STREET FILATEX LTD  
(formerly known as Uni Legwears (India) Ltd.)  
JAIPUR.

We have audited the attached Balance Sheet of HIGH STREET FILATEX LTD (formerly known as Uni Legwears (India) Ltd.) as at 31st March, 2010 and also the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
3. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and

- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

for N. BHANDARI & CO.,  
Chartered Accountants  
Firm Reg No: 03185C

(N. BHANDARI)

Partner

M. No. 71710

PLACE : JAIPUR  
Date : 29 May, 2010

ANNEXURE TO THE AUDITORS' REPORT TO THE  
MEMBERS OF HIGH STREET FILATEX LTD  
(FORMERLY KNOWN AS UNI LEGWEARS (INDIA) LTD)

(REFERRED TO IN THE PARAGRAPH 1 OF OUR REPORT  
OF EVEN DATE)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The company has not disposed off any substantial part of the fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed in verification between the physical stocks and the book records were not material.
- (iii) (a) The company had not granted any loans, secured or unsecured to any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, the rate of interest and other terms and condition on which loans have been given by the company are, prima facie, not prejudicial to the interest of the company.
- (c) There being no such loans, receipt of principal amount, interest and overdue amount is not applicable.
- (d) The company had taken unsecured loan from 3 persons covered in the register maintained under section 301 of the companies act, 1956. The maximum amount involved during the year is Rs 30150274 and the year-end balance of loans taken from such parties was Rs. 30132274.
- (f) In our opinion, the rate of interest and other terms and condition on which the loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

- (g) The company is regular in repaying the principal amounts as stipulated and no interest is payable on such loan.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of its inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in the pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and has complied with the provisions of section 58A and 58AA of the companies act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal applicable to company in this connection.
- (vii) In our opinion, the company has an internal audit system commensurate with the nature and the size of the business.
- (viii) As informed to us, maintenance of cost records has not been prescribed by the Central Government under section 209 (1) of the Companies Act, 1956 for such companies.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, Service Tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, a demand of Rs 1,42,048.00 raised by Land & Building Tax Deptt has not been deposited by the company as the same is disputed and the matter is being contested in appropriate court.
- (x) The accumulated losses of the company are more than fifty percent of its net worth (without considering revaluation reserve). The company has not incurred cash losses during the financial year covered by our audit and but has incurred cash losses in the immediately preceding financial year.
- (xi) The company had defaulted in repayment of dues to Industrial Development Bank of India (IDBI). The entire term loan was recalled by the IDBI vide its letter dtd 30.3.2001 hence the entire outstanding amount was in default. Subsequently loan of the company was transferred to Stresses Assets Stabilisation Fund (SASF) by IDBI. A settlement was arrived at with the SASF but default was also made in repayments as per terms of settlement. Subsequently the company made a revised settlement with the SASF and upto 31st March 2010 entire outstandings were paid in terms of revised settlement.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not generally dealing in or trading in shares, securities, debentures and other investments. Proper records have been maintained of the transactions and contracts and timely entries have been made therein, in connection with occasional investment made by the company. The investments, shares, securities etc (if any) has been held by the company in its own name, except to the extent of the exemption granted under section 49 of the act.
- (xv) The company has not given any guarantees for loans taken by other from banks or financial institutions.
- (xvi) During the period covered by our audit report, the company has not taken any fresh term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the act.
- (xix) During the period covered by our audit report, the company has not issued any debentures.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit

for N. BHANDARI & CO.,  
Chartered Accountants  
Firm Reg No : 03185C

( N. BHANDARI )  
Partner  
M. No. 71710

PLACE : JAIPUR  
Date : 29 May, 2010

**Balance Sheet as at 31st March 2010**

PARTICULARS	SCHEDULE	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<b>I SOURCE OF FUNDS</b>			
<b>1 SHARE HOLDERS FUNDS</b>			
Capital	1	64700000.00	64700000.00
Reserves and Surplus	2	91536742.68	91591882.68
<b>2 LOAN FUNDS</b>			
Secured Loans	3	0.00	9300000.00
Unsecured Loans	4	33242827.00	24750827.00
<b>TOTAL</b>		<b>189479569.88</b>	<b>190342709.68</b>
<b>I APPLICATION OF FUNDS</b>			
<b>1 FIXED ASSETS</b>			
Gross Block	5	130814234.04	130792071.04
Less -Depreciation		96701054.71	95815956.71
Net Block		34113179.33	34976114.33
<b>2 INVESTMENTS</b>			
	6	3000.00	19200.00
<b>3 CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
<b>A CURRENT ASSETS</b>			
Inventories		742491.00	895178.77
Sundry Debtors		1242067.00	0.00
Cash and Bank Balances		610460.61	101901.61
<b>B LOANS &amp; ADVANCES</b>			
		489513.00	329318.70
		3084531.61	1326399.08
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
	8		
Liabilities		930256.00	725360.00
Provisions		0.00	0.00
		930256.00	725360.00
<b>NET CURRENT ASSETS</b>			
		2154275.61	601039.08
<b>4 MISC. EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)</b>			
		0.00	0.00
<b>5 PROFIT AND LOSS ACCOUNT</b>			
		153209114.75	154746356.28
<b>TOTAL :</b>		<b>189479569.88</b>	<b>190342709.68</b>

Significant Accounting Policies

15

Notes to the Accounts

16

As per our report of even date attached,

For and on behalf of the Board

For N. BHANDARI &amp; CO.,

Chartered Accountants

Firm Reg. No: 03165C

( N. BHANDARI )

Partner

M.No. 71710

PLACE: JAIPUR

DATE : 29th May 2010

Shanti Narain Kumar  
(W.T. Director)Rajdeep Ghilya  
(Director)Chinu Gupta  
(Company Secretary)

**PROFIT & LOSS ACCOUNT For the year ended on 31ST March 2010**

PARTICULARS		For the year 31.3.2010 (Rs.)	For the year 31.3.2009 (Rs.)
<b>INCOME</b>			
Sales of Socks		856976.00	0.00
Sales of Yarn		4918652.00	0.00
Profit on Sale of Shares		123900.00	0.00
Liabilities no longer required written off		2215000.00	
Increase/(Decrease) in Stock	9	(484824.00)	0.00
<b>TOTAL</b>		<b>7629704.00</b>	<b>0.00</b>
<b>EXPENDITURE</b>			
Material Cost	10	4503011.00	0.00
Personnel Expenses	11	56583.00	210.00
Manufacturing Expenses	12	261216.70	0.00
Administrative Expenses	13	265865.77	274545.70
Finance Expenses	14	175828.00	0.00
Depreciation	5	829958.00	0.00
		<b>6092462.47</b>	<b>274755.70</b>
Profit ( Loss) for the year		1537241.53	(274755.70)
Less: Previous year expenses		0.00	(90000.00)
Profit/(Loss) before Taxation		1537241.53	(364755.70)
Less : Provision for Taxation		0.00	0.00
Profit/(Loss) after Taxation		1537241.53	(364755.70)
Balance brought forward from previous year		(154746356.28)	(154381600.58)
Balance Carried to Balance Sheet		(153209114.75)	(154746356.28)
Significant Accounting Policies	15		
Notes to the Accounts	16		

The schedules referred to above form an integral part of Profit & loss Account.

As per our report of even date attached,

For and on behalf of the Board

For **N. BHANDARI & CO.,**  
Chartered Accountants  
Firm Reg. No: 03185C

( **N. BHANDARI** )  
Partner  
M.No. 71710  
PLACE: JAIPUR  
DATE : 29th May 2010

**Shanti Narain Kumar**  
(W.T. Director)

**Rajdeep Ghiya**  
(Director)

**Chinu Gupta**  
(Company Secretary)

**SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH ,2010 AND PROFIT & LOSS ACCOUNT  
FOR THE PERIOD ENDED 31-3-2010**

**Schedule - 1 : Share Capital**

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<b>Authorised :</b>		
75,00,000 Equity Shares of Rs. 10/- each (Previous Year 75,00,000 Equity Shares)	7,50,00,000.00	7,50,00,000.00
<b>Issued</b>		
64,70,000 Equity Shares of Rs. 10/- each (Previous Year 64,70,000 Equity Shares)	6,47,00,000.00	6,47,00,000.00
<b>Subscribed and Paid Up</b>		
64,70,000 Equity Shares of Rs. 10/- each (Previous Year 64,70,000 Equity Shares of Rs. 10/- each) Fully Called Up.	6,47,00,000.00	6,47,00,000.00
	6,47,00,000.00	6,47,00,000.00

**Schedule - 2 : Reserve & Surplus**

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
Capital Reserve	70188260.80	70188260.80
Revaluation Reserve of Land and Building.	21403621.88	21403621.88
less: Depreciation on Revaluation	55140.00	0.00
Net Revaluation Reserve of Land and Building.	21348481.88	21403621.88
Total	91538742.68	91591882.68

**Schedule - 3 : Secured Loans**

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
Stressed Assets Stabilisation Fund ( Amount payable in terms of settlement of outstanding loans to IDBI)	0.00	9300000.00

The company had negotiated settlement with Stressed Assets Stabilization Fund ( SASF) to whom account was transferrred by IDBI . Entire amount due has been paid and outstanding amount is nil as on 31-3-2010



**SCHEDULE-4  
UNSECURED LOANS**

		ASAT 31.3.2010 (Rs.)	ASAT 31.3.2009 (Rs.)
(A)	FROM DIRECTOR	718000.00	19425274.00
(B)	FROM OTHERS	32524827.00	5325553.00
	TOTAL	33242827.00	24750827.00

**SCHEDULE -5: FIXED ASSETS**

Fixed Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Bal. as on 1-4-2009	on Bal. as of revaluation On 1.4.2009	Addition during the year	Bal. as on 31-3-2010	Depreciation Upto 31-3-2009	on Revaluation	During the year	Total upto 31.3.2010	As on 31-3-2010	As on 31-3-2009
Land	287419.00	16443581.00	0.00	16731000.00	0.00		0.00	0.00	16731000.00	16731000.00
Building	13325959.12	4960040.88	0.00	18286000.00	4704204.86	55140.00	74182.00	4833526.86	13452473.14	13581795.14
Plant & Machinery	89260950.97		0.00	89260950.97	87098430.91		706650.00	87805080.91	1455870.06	2167520.06
Electric Fitting	3581712.33		0.00	3581712.33	1842279.87		28356.00	1870635.87	1711076.46	1739432.46
Furniture & Fixture	1506844.06		0.00	1506844.06	1022183.03		15898.00	1038081.03	468763.03	484661.03
Office Equipment	539728.64		0.00	539728.64	263023.99		4273.00	267296.99	272431.65	276704.65
Computer & Software	370573.00		22163.00	392736.00	370572.00		599.00	371171.00	21565.00	1.00
Vehicle	515262.04		0.00	515262.04	515262.04		0.00	515262.04	0.00	0.00
<b>Total</b>	<b>109388449.16</b>	<b>21403621.88</b>	<b>22163.00</b>	<b>130814234.04</b>	<b>95815956.71</b>	<b>55140.00</b>	<b>829958.00</b>	<b>96701054.71</b>	<b>34113179.34</b>	<b>34976114.34</b>
FIGURE FOR PREVIOUS Year	(109388449.16)	(21403621.88)	(0.00)	(130792071.04)	(95815956.71)	(0.00)	(0.00)	(95815956.71)	(34976114.34)	(13572492.46)

Note: Depreciation on revalued part of Building is transferred to Revaluation Reserve and balance amount of depreciation is charged to Profit & Loss A/c. Total life of Building is considered 30 years and residual life as on 1-4-09 is 15 years and depreciation is computed @ 6.67% so as to write off the entire value in residual life of assets.

**SCHEDULE -6 : INVESTMENT (AT COST)**

	ASAT 31.3.2010 (Rs.)	ASAT 31.3.2009 (Rs.)
<b>A. QUOTED</b>		
30 Equity Shares of Rs. 100/- each of State Bank of Bikaner & Jaipur at a premium of Rs. 440/- each	0.00	16200.00
<b>B. GOVT. SECURITIES</b>		
National Saving Certificate pledged with Govt. Deptt. as security (at face value)	3000.00	3000.00
	3000.00	19200.00

## Schedule - 7 : Current Assets, Loans &amp; Advances

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<b>A</b>		
<b>CURRENT ASSETS</b>		
1 INVENTORIES (As taken, valued and certified by the Management)		
(a) Raw Material (At cost)	562668.00	230531.77
(b) Finished & Semi Finished Good (At estimated cost)	179823.00	664647.00
	<u>742491.00</u>	<u>895178.77</u>
2 <b>SUNDRY DEBTORS</b> (Unsecured )		
(a) Debts Outstanding for a period exceeding six months( considered good)	0.00	0.00
(b) Others ( considered good)	1242067.00	0.00
	<u>1242067.00</u>	<u>0.00</u>
3 <b>CASH &amp; BANK BALANCES</b>		
(a) Cash in Hand	509197.38	13715.36
(b) Balances with Scheduled Banks in Current Account	101283.25	88186.25
	<u>610460.61</u>	<u>101901.61</u>
<b>B</b>		
<b>LOANS AND ADVANCES</b> (Unsecured, considered good) (Advances recoverable in cash or in kind or for value to be received)		
Advances to Suppliers	250345.00	0.00
Prepaid Expenses	7873.00	0.00
Deposits (Security) with Govt. and other authorities	153989.00	252012.70
Tax Deducted at Source	77306.00	77306.00
	<u>489513.00</u>	<u>329318.70</u>

## Schedule - 8 : Current Liabilities &amp; Provisions

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	525387.00	683396.00
Outstanding Expenses	42625.00	41964.00
Advance Received From Customer	300000.00	0.00
Statutory Liabilities	62244.00	0.00
	<u>930256.00</u>	<u>725360.00</u>
<b>B. PROVISIONS</b>		
Provisions	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT  
SCHEDULE-9: INCREASE/( DECREASE) IN STOCK

	AS AT 31.3.2010 (Rs.)	AS AT 31.3.2009 (Rs.)
FINISHED & SEMI FINISHED GOODS-CLOSING STOCK	179823.00	664647.00
LESS: OPENING STOCK	684647.00	664847.00
	<u>(484824.00)</u>	<u>0.00</u>

**Schedule - 10 : Material Cost**

	Cotton	Nylon,Elastic & Rubber	Lycra	TOTAL
<b>A: Material Cost For Manufacturing</b>				
Opening Stock of Raw Material	8993.27	17666.80	203871.70	230531.77
	(8993.27)	(17666.80)	(203871.70)	(230531.77)
Purchases	241917.00	127040.00	56801.00	425758.00
	(0.00)	(0.00)	(0.00)	(0.00)
Material Returned Back	8993.27	17666.80	203871.70	230531.77
	(0.00)	(0.00)	(0.00)	(0.00)
Closing Stock	112820.00	72305.00	15857.00	200982.00
	(8993.27)	(17666.80)	(203871.70)	(230531.77)
Cost Of Material Consumed	129097.00	54735.00	40944.00	224776.00
	(0.00)	(0.00)	(0.00)	(0.00)
<b>B. Material Cost of Goods Sold</b>				
Opening Stock of Raw Material	0.00			0.00
	(0.00)			(0.00)
Purchases	4639921.00			4639921.00
	(0.00)			(0.00)
Closing Stock	381886.00			361688.00
	(0.00)			(0.00)
Cost Of Material Sold	4278235.00			4278235.00
	(0.00)			(0.00)

**Schedule - 11 : Personnel Expenses**

	For the year ended 31/3/2010 (Rs.)	For the year ended 31/3/2009 (Rs.)
Salaries & Wages( Including PF and ESI)	56583.00	0.00
Staff Welfare Expenses	0.00	210.00
	<u>56583.00</u>	<u>210.00</u>

**Schedule - 12 : Manufacturing Expenses**

	For the year ended 31/3/2010 (Rs.)	For the year ended 31/3/2009 (Rs.)
Power & Fuel	165843.50	0.00
Stores & Spares	4900.00	0.00
Central Excise Duty on Debonding	49590.20	0.00
Repair & Maintenance		0.00
- Building	27595.00	0.00
- Plant & Machinery	13288.00	0.00
	<u>261216.70</u>	<u>0.00</u>

**SCHEDULE-13: Administrative Expenses**

	For the year ended 31/3/2010 (Rs.)	For the year ended 31/3/2009 (Rs.)
1 Advertisement & Publicity	11510.00	29654.00
2 Bank Charges	1664.00	1183.00
3 Audit Fee	11225.00	11225.00
4 Conveyance	200.00	0.00
5 Electric Expenses	0.00	43335.50
6 Filing Fees	9050.00	2000.00
7 Miscellaneous Expenses	298.77	309.20
8 Postage ,Telephone, Telegram	28500.00	13875.00
9 Printing & Stationery	14908.00	0.00
10 Legal & Professional	74050.00	78678.00
11 Listing Expenses	18170.00	48920.00
12 Stock Exchange Fee	80584.00	28090.00
13 Share Transfer Expenses	15706.00	17276.00
	<u>265865.77</u>	<u>274545.70</u>

**SCHEDULE-14: Finance Charges**

	For the year ended 31/3/2010 (Rs.)	For the year ended 31/3/2009 (Rs.)
1 Interest to Stressed Assets Stabilisation Fund.	175828.00	0.00
	<u>175828.00</u>	<u>0.00</u>

## SCHEDULE - 15

## Significant Accounting Policies

## A. Basis of Preparation of Financial Statements

A The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted by the Company

B The Company generally follows mercantile system of accounting, recognises significant items of income and expenditure on accrual basis

## B. Fixed Assets and Depreciation

A Fixed Assets are stated at cost of acquisition/ construction less accumulated depreciation. The cost includes all the pre-operative expenses and the financing cost of borrowings related to the pre production period. In case of revaluation of assets cost of acquisition is substituted by appropriate value in terms of valuation by competent professional

B Depreciation on Fixed Assets is provided on straight line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on assets acquired during the year is charged on pro rata basis & part of the month is considered as a full month.. Depreciation on revalued assets is recomputed so as to write off the entire value in residual life of assets.

## C. Foreign Currency Transactions

A Export Sales- At the rates as on the date of negotiation or collection, where export bills are negotiated after the close of the year, then at the year end rate when not covered by forward contract.

B Expenditure- At the rates as on the date of transaction, receivables, creditors and outstanding liabilities are translated at the rate as at the close of the year, or at forward contract rate, wherever applicable.

C Foreign Currency Loans for acquiring Fixed Assets and outstanding at the close of the Financial Year - At the contracted /prevailing rate of exchange, at the close of the year. The gain or loss due to decrease/increase in rupee liability due to fluctuations in rates of exchange is adjusted to the cost of the assets acquired through these loans. The depreciation on such increase/decrease in value of assets is provided for prospectively on residual life of the assets.

D. Investments : Investments are stated at cost.

E. Inventories: Stock of Raw Material, spare parts and work in process are valued at cost. Finished goods are valued at lower of direct cost or net realisable value.

F. Expenditure During Construction Period : Expenditure incurred on projects during implementation is capitalised and apportioned to various assets on commissioning of the project.

G. Preliminary, Capital Issue and Deferred Revenue Expenses : Preliminary, capital issue

expenditure are written off in 10 years from the year of commercial production.

H. Retirement Benefit : Gratuity:- Provision for gratuity is made on the basis of actual accrued liability.

## SCHEDULE - 16 Notes on Accounts:

1. The previous years figures have been re-worked, re grouped, re-arranged and re classified wherever necessary.

	Current Year (Rs.)	Previous Year (Rs.)
--	-----------------------	------------------------

2. Contingent Liabilities		
Claims against company not acknowledged as debts*	1,42,048.00	1,42,048.00

\* Demand of Rs.1,42,048 raised by Land & Building Tax Deptt. which is challenged by the company in appropriate court.

3. In the opinion of Board of Directors the Current Assets, Loans and Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

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

5. As the production of the company has restarted from 19-2-2010 so depreciation on fixed assets has been provided for two months only in terms of decision of Board of Directors..

6. The loan of Stressed Assets Stabilization Fund (SASF) to whom account was transferred by IDBI was fully paid during the year.

7. Due to non availability of reliable information regarding SSI status of suppliers/sundry creditors, information regarding outstanding toward them can not be ascertained. However the amount is not likely to be significant.

8. In terms of decision of Board of Directors, revaluation of Land and Building of the company was got done during 2008-09 by approved valuers so as to represent the true realizable value of assets. The cost of acquisition in case of Land and written down value in case of Building were substituted with the value arrived as per revaluation report and the difference was credited to revaluation reserve. Accordingly depreciation is calculated on revalued portion of Building as adjusted to write off entire value in residual life and the same has been shown reduced from revaluation reserve. In terms of decision of Board of Directors the depreciation has been calculated for two months only .

9. The accounting of deferred tax in terms of "Accounting Standard ( AS22) on " Accounting for Taxes on Income" results in deferred Tax Assets. However in view of sickness of the company there is no certainty of realization of such assets in a reasonable period of time, hence the same has not been accounted for.

10. Related Party Disclosure as per Accounting Standard (AS 18) issued by Institute of Chartered Accountants of India.

Name of The Party	:	Raj Kumar Sethia
Nature of Relationship	:	Key Promoter
Unsecured Loan op. balance	:	186.89 lacks credit
Received During the Year	:	107.25 lacks credit
Closing Balance as on 31-3-2010	:	294.14 lacks credit

No interest has been given on the loan.

Name of the Party	High Street Fashions Pvt Ltd	Golden Girl Fashions
Nature of relationship	Directors of this company are close relative of The Managing Director/ Promoter	Proprietor is close relative of The Managing Director/ Promoters.
Op. Balance	288652.00 credit	275607.00 Credit
Purchases	323748	0
Goods returned	27727	212027
Sales	5876640	
Receipts	4190000	
Payment	0	71735
Closing Balance	1101967 Debit.	8155.00 Debit.

11 Segments are identified in line with the Accounting Standard 17 ( AS17) taking into account the organisation structure. Expenses which were identified were attributed directly i.e manufacturing and depreciation related to Socks segment only and other expenses were attributed on pro-rata basis of sale value.

#### Segment Reporting

##### (a) Primary Segment Information

The company's operation primarily relates to manufacturing of Knitted socks, head band and wrist band and trading in yarn. Accordingly segments have been identified in line with Accounting Standard on Segment Reporting "AS-17". Sale of socks and yarn are the primary segment and there is no other segment.

Details of business segments are as follows:

<u>Particulars</u>	<u>2009-10</u>	<u>2008-09</u>
1 Segment Revenue		
(a) Manufacturing of Socks	858978	0
(b) Trading of Yarn	4918652	0
(c) Income from other sources	2338900	
Total	8114528	0
less : Intersegment Revenue	0	0
Turnover/ Income from Operation	8114528	0

2	Segment wise result ( Before Interest & tax		
	(a) Manufacturing of Socks	(1220279)	0
	(b) Trading of Yarn	594449	0
	( c) income from other sources	2338900	0
	Total	1713070	0
	less: Interest paid	175828	0
	less: Unallocable charges/ expenditure	0	0
	Total Profit before tax	1537242	0
3	Capital Employed( Segment assets- Segment Liabilities)		
	(a) Manufacturing of Socks	2088763	34776187
	(b) Trading of Yarn	938865	0
	Total	3027628	34776187

**Secondary segment information**

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

12	Earning per share ( Accounting Standard 20)	<u>2009-10</u>	<u>2008-09</u>
	Profit (Loss) after Tax as per Profit and Loss a/c	1537241.53	364755.70
	Number of equity shares	6470000	6470000
	Basic and diluted Earning Per Share	0.24	(.06)

13. In view of paucity of funds no salary were paid to any of the Director for the financial year, however in view of directors confirmations not to avail any remuneration, no provision for liability is required.
14. In Terms of Provisions of Accounting Standard 28 ( AS28) issued by The Institute of Chartered Accountants of India the company had provided for loss due to impairment of assets during 2004-05. The Value in use being uncertain due to sickness of unit, recoverable amount has been reduced from carrying amount and resultant loss ( impairment loss) was debited to balance of Profit and Loss a/c .In view of high obsolescence rate of machinery the board had decided to provide depreciation on original value of block of machinery.
15. The Board of Director have approved vide its meeting dt May 30, 2009, a proposal for reduction of share capital from Rs. 6,47,00,000/- to 64,70,000. The proposal was approved by Share holders of the company at Annual General Meeting dt July 10, 2009. On the basis of the approval the company has filed petition in Hon'ble High court of Jaipur . Hon'ble High court of Jaipur by its order no 1/2010 has passed the scheme for reduction of Capital on April 22, 2010.
16. The company has applied to The Central Excise Department for De-bonding of 100% Export oriented status on 28-1-2010. The central excise has issued final De-bonding of their 100% EOU and LOP dt. 30-9-1994.
17. Additional Information pursuant to the provision of Schedule VI of the Companies Act 1956 for current Year.

## A: CAPACITIES &amp; PRODUCTION

	ANNUAL CAPACITY			ACTUAL PRODUCTION
	UNIT	LICENCED (AS PER E.O.U REGISTRATION)	INSTALLED	
Knitted Socks	Pairs	21.00 Lakh	21.00 lakh	3653.00 pairs
Stockings		(21.00 lakh)	(21.00 lakh)	0.00 pairs

## B SALES AND STOCKS

	UNIT	OPENING STOCK		PRODUCTION	SALES/TRANSFER	CLOSING STOCK		
		Qty	Value Rs.	Qty	Qty	Value Rs.	Qty	Value Rs.
Finished Socks	Pairs	35785.00	536775.00	31912.00	81809.00	814928.00	8088.00	100452.00
( socks)		(35785.00)	(536775.00)	(0.00)	(0.00)	(0.00)	(36785.00)	(536775.00)
Finished Stockings	Pcs	2010.00	38190.00	0.00	2010.00	4020.00	0.00	0.00
( stocking)		(2010.00)	(38190.00)	(0.00)	(0.00)	(0.00)	(2010.00)	(38190.00)
Semi finished	Pairs	8.00	80.00			0.00	4578.00	59488.00
( socks)		(8.00)	(80.00)	(0.00)	(0.00)	(0.00)	(8.00)	(60.00)
Semi finished	Pcs	1410.00	18920.00	0.00	1410.00	2820.00	0.00	0.00
( stocking)		(1410.00)	(18920.00)	(0.00)	(0.00)	(0.00)	(1410.00)	(18920.00)
Rejected Goods	Pairs	14579.00	51027.00	42.00	14579.00	29158.00	42.00	504.00
( socks)		(14579.00)	(51027.00)	(0.00)	(0.00)	(0)	(14579.00)	(51027.00)
Yarn on machine	Kg	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		(0)	(0)	(0)	(0)	(0)	(0)	(0)
waste	Kg	5099.87	21875.00	64.88	805.00	6050.00	4559.76	19379.00
( socks and stockings)		(5099.87)	(21875.00)	(0)	(0.00)	(0.00)	(5099.87)	(21675.00)

Notes (Figure shown in brackets relate to previous year)

## C. Raw Material Consumption

Consumption	2009-10		2008-09	
	Qty (Kg.)	Value (Rs.)	Qty (Kg.)	Value (Rs.)
Cotton	1392.00	129097.07	0.00	0.00
Nylon , Elastic & Rubber	135.80	32466.86	0.00	0.00
Lycra/Spandex ( Imported)	85.92	22268.47		0.00
Spandex Indigenous	187.17	40944.43	0.00	0.00
TOTAL	1780.89	224776.84	0.00	0.00

## D. Value of Imported and indigenous Raw material consumed and Percentage thereof

	2009-10		2008-09	
	Value (Rs.)	% of Total Consumption	Value (Rs.)	% of total Consumption
Indigenous	224776.84	100.00	0.00	100.00
Imported	0.00	0.00	0.00	0.00
	224776.84	100.00	0.00	100.00



18	Expenditure /Income in foreign Currency		2009-10	2008-09
	C.I.F. Value of Imports		0.00	0.00
	Raw Material		0.00	0.00
	Spares		0.00	0.00
	Expenditure in foreign Currency( on payment basis) On account of			
			2009-10	2008-09
			0.00	0.00
	Travelling		0.00	0.00
	Earning In foreign Exchange			
	F.O.B Value of Export		0.00	0.00
19	<b>BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE</b>			
i)	Registration Details		State Code	17
	Registration No.	8386		
	Balance sheet Date	31/3/2010		
ii)	Capital Raised during the year		(Amount in Rs/lakhs)	
	Public Issue	NIL	Right Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
iii)	Position of Mobilisation and Deployment of Funds			
	Total Liabilities	1894.80	Total Assets	1894.80
	<b>Sources of Funds</b>			
	Paid-up-capital	647.00	Reserves and Surplus	915.37
	Secured Loans	0.00	Unsecured Loans	332.43
	<b>Application of Funds</b>			
	Net Fixed Assets	341.13	Investments	0.03
	Net Current Assets	21.54		
	Accumulated Losses	1532.09		
iv)	<b>Performance of Company</b>			
	Turnover/(Total Income)	81.15	Total Expenditure	65.78
	Profit before Tax	15.37	Profit after Tax	15.37
	Earning per Share (Rs)	0.24	Dividend Rate %	NIL
v)	<b>Generic Names of principal Products of Company</b>			
	1. Item Code No. (ITC Code)		61159200	
	Product Description		Knitted socks	

As per our report of even date attached,

For and on behalf of the Board

**For N. BHANDARI & CO.,**  
Chartered Accountants  
Firm Reg. No: 03185C

**( N. BHANDARI )**  
Partner  
M.No: 71710  
PLACE: JAIPUR  
DATE : 29th May 2010

**Shanti Narain Kumar**  
(W.T. Director)

**Rajdeep Ghiya**  
(Director)

**Chinu Gupta**  
(Company Secretary)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax and extra ordinary items	15.37	(2.75)
Adjustments for :		
Depreciation	8.30	
Prior years adjustment	0.00	(0.90)
Profit/ Loss on sale of fixed Assets / or from Investment	(22.15)	0.00
Interest & other income on investments	(1.23)	0.00
Interest	1.76	0.00
Operating profit before working capital changes	2.05	(3.65)
Adjustments for :		
Trade and other Receivables	(14.02)	0.42
Inventories	1.53	0.00
Trade Payables	2.14	(0.10)
Cash generated from operations	(8.30)	(3.33)
Interest paid	0.00	0.00
Direct taxes paid	(0.49)	
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<b>(7.81)</b>	<b>(3.33)</b>
Extraordinary Items-Deferred Revenue Expenses		
Net Cash from operating activities :	(7.81)	(3.33) B
<b>CASH FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	0.22	0.00
Sales of fixed assets	0.00	0.00
Acquisitions of Companies (As per Annexura)		
Purchases of Investments		
Loans/Deposits Received back	0.00	0.00
Sales of Investments	(1.40)	0.00
Interest received and other income	0.00	0.00
Dividend received		
Net cash used in Investing activities	(1.18)	0.00
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital		
Proceeds from long term borrowings	107.07	96.20
Repayment of Long term loans	(93.00)	(93.00)
Dividends paid		
Preliminary Expenses	0.00	0.00 NET
<b>CASH FROM FINANCING ACTIVITIES</b>	<b>14.07</b>	<b>3.20</b>
Net increase/(decrease) in cash and cash equivalents ( A+B+C)	5.08	(0.13)
Cash and Cash Equivalents as at 1-4-2009 ( Opening Balance)	1.02	1.15
Cash and Cash equivalents as at 31-3-2010( Closing Balance)	6.10	1.02

Shanti Narain Kumer  
(W.T. Director)

Rajdeep Ghilya  
(Director)

Chinu Gupta  
( Company Secretary)

## AUDITORS' CERTIFICATE

We have examined the above cash flow statement of High street filatex ltd, which has been compiled from and is based on the audited financial statements for the year ended 31st March 2010 and 31st March 2009. To the best of our knowledge and belief and according to the information and explanation given to us, it has been prepared in accordance with the requirements of listing agreement with the stock exchange.

For N. BHANDARI & CO.  
Chartered Accountants  
Firm Reg. No: 03185C

( N. Bhandari)  
( Partner )  
M.No. 71710  
Place : Jaipur  
Date: 20th May, 2010

**HIGH STREET FILATEX LTD.**

Registered Office : D-67, Janpath, Shyam Nagar, Jaipur (Raj.)

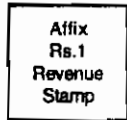
**PROXY FORM**

Reg. Folio No. ....

No. of Shares held .....

HIGH STREET FILATEX LTD. hereby appoint ..... of

proxy to attend and vote for me/us and on my/our behalf at the 16th ANNUAL GENERAL MEETING of the Company to be held on Saturday, 25th Sep., 2010 and at any adjournment thereof.



Note : This form duly completed and signed must be deposited at the Registered office of the Company not less than 48 hour before the Meeting.

**HIGH STREET FILATEX LTD.**

Registered Office : D-67, Janpath, Shyam Nagar, Jaipur (Raj.)

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting hall)  
16th Annual General Meeting - 25th Sep., 2010

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company held at F-86, Hirawala Industrial Area, Vill. Kanota, Jaipur, on Saturday 25th Sep., 2010 at 11.30 a.m.

Full name of Member (IN BLOCK LETTERS) .....

Full name of Proxy (IN BLOCK LETTERS) .....

**BOOK POST**  
**(Printed Matter)**

**HIGH STREET FILATEX LTD.**  
F-86, HIRAWALA INDUSTRIAL AREA, KANOTA, DISTT. JAIPUR, INDIA