

18th
Annual Report
2009-10



HARYANA TEXPRINTS (OVERSEAS) LTD.
(Formerly known as INDO TEXPRINTS (OVERSEAS) LTD.)



BOARD OF DIRECTORS

| | | |
|---------------------------------------|---|----------------------|
| Shri N.P. Jhanwar | - | (Managing Director) |
| Shri Rang Nath Maheshwari | - | (Executive Director) |
| Shri Satya Narayan Maheshwari | - | (Director) |
| Shri. Padam Chand Gupta | - | (Director) |
| Shri. M.P. Rungta (w.e.f. 11.08.2010) | - | (Director) |

AUDITORS

M/s. Doogar & Associates
13, Community Centre,
East of Kailash
New Delhi.

REGISTERED OFFICE

Plot No. 3, Sector 25
Faridabad - 121 004
(Haryana)

BANKERS

The Jammu & Kashmir Bank Ltd.
Chandni Chowk
Delhi - 110 006

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NOTICE

Notice is hereby given that the 18th ANNUAL GENERAL MEETING of the Shareholders of Haryana Texprints (Overseas) Ltd. (Formerly known as Indo Texprints (Overseas) Ltd.) will be held at the Registered office of the Company at Plot No.3, Sector-25, Faridabad-121004 on Monday, 27th September 2010, at 10.00 A.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March'10 and the Profit & Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.N. Maheshwari, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration by considering and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

"RESOLVED that M/s Doogar & Associates, Chartered Accountants, the retiring Auditors, be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company, and reimbursement of out of pocket expenses incurred in connection with the Audit."

SPECIAL BUSINESS

4. Appointment of Shri M.P. Rungta as Director

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

ORDINARY RESOLUTION

"RESOLVED that Shri M.P. Rungta who was appointed as an Additional Director of the Company, by the Board under Article 89 of the Articles of Association of the Company, read with section 260 of the Companies Act 1956 and who holds office on the up to the date of forthcoming Annual General Meeting and in respect of whom the Company has received a notice in writing from a member along with a deposit of Rs.500.00 (Rupees Five Hundred only) as required under Section 257 of the Companies Act 1956, proposing appointment of Shri M.P. Rungta as a Director of the Company, be and is hereby appointed as Directed of the Company, liable to retire by rotation.

5. Re-appointment of Shri N.P Jhanwar as Managing Director.

To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary Resolution.

"RESOLVED That approval of members of the Company be and is hereby granted in accordance with the provisions of section 198,269,309 and other applicable provisions, if any, of the Companies Act. 1956 including Schedule XIII to the said Act as amended upto date, to the re-appointment of Shri N.P Jhanwar as a Managing Director of the Company for a period of Three years w.e.f. 01.07.2010

"SALARY:Rs. 1,00,000/-per month with annual increase of Rs. 10,000/- thereafter.

PERQUISITES:

PART-A

- a) HOUSING 1: The expenditure by the Company on hiring unfurnished accommodation shall not exceed 40% of the salary over and above 10% payable by the Managing Director.
HOUSING 2: In case accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
HOUSING 3: In case no accommodation is provided by the Company. The Managing Director shall be entitled to House Rent Allowance subject to ceiling laid down in housing1.
- b) The expenditure by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of salary.



Medical Reimbursement:-

Expenses incurred by the Managing Director and his Family, subject to the ceiling of one month's salary in year

c) **LEAVE TRAVEL ALLOWANCES:**

Expenses incurred by the Managing Director for self and family subject to the ceiling of one month's salary in year.

For the purpose of this category "Family" means the spouse, the dependent Children and dependent parents.

PART-B

a) **Provident Fund**

Contribution to Provident Fund, Super Annuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent is not taxable under the Income Tax Act 1961.

b) Gratuity not exceeding one-half month's salary for each completed year of services.

PART-C

a) **MOTOR CAR**

Free use of car with driver for the Company's business, all the expenditure in connection therewith being borne by the Company.

b) **TELEPHONE**

Free use of Telephone facility at the residence.

EXPLANATION Provision of car on Company's business and telephone facility at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes would be billed to the Managing Director by the Company and reimbursed by him to the Company.

OTHER TERMS:-

A) EARNED LEAVE:

One month's leave with full pay and allowances as per the rules of the Company for every eleven month of the service. However, leave accumulated and not availed of during his tenure as Managing Director may be allowed to be encashed.

B) REIMBURSEMENT OF EXPENSES:-

The Managing Director shall also be entitled to re-imbusement of reasonable entertainment expenses actually and properly incurred in the course of the business of the Company. A reasonable ceiling of such expenses shall be fixed in this regard by the Board.

C) SITTING FEES:-

He is not entitled to sitting fees for attending meetings of the Board or of a committee thereof.

D) TERMINATION CLAUSE:-

The agreement shall be terminable by the Company giving to the Managing Director a notice of three months of such termination or on payments of three months salary in lieu thereof.

OTHER CONDITIONS:-

A) If during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate in any Financial Year, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under section II of the part II of schedule XIII of the Companies Act, 1956.

B) For all other terms & conditions not specifically spelt out above, the rules and order of the Company shall apply.

6. Re-appointment of Shri R.N. Maheshwari as Executive Director.

To consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary Resolution.

"RESOLVED" That approval of members of the Company be and is hereby granted in accordance with the provisions of Section 198,269,309 and other applicable provisions, if any, of the Companies Act. 1956 including Schedule XIII to the

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said Act as amended up to date, to the re-appointment of Shri R.N. Maheshwari as a Executive Director of the Company for a period of Three Years w.e.f. 01.07.2010.

“**SALARY:** Rs.75000/-per month with annual increase of RS.7500/- thereafter.

PERQUISITES:

PART-A

- a) **HOUSING 1:** The expenditure by the Company on hiring unfurnished accommodation shall not exceed 40% of the salary over and above 10% payable by the Managing Director.

HOUSING 2: In case accommodation is owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.

HOUSING 3: In case no accommodation is provided by the Company, The Executive Director shall be entitled to House Rent Allowance subject to ceiling laid down in housing 1.

- d) The expenditure by the Company on Gas, Electricity, Water and Furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of salary.

e) **Medical Reimbursement:-**

Expenses incurred by the Executive Director and his Family, subject to the ceiling of one month's salary in year.

f) **LEAVE TRAVEL ALLOWANCES:**

Expenses incurred by the Executive Director for self and family subject to the ceiling of one month's salary in year.

For the purpose of this category “Family” means the spouse, the dependent Children and dependent parents.

PART-B

c) **Provident Fund**

Contribution to Provident Fund, Super Annuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent is not taxable under the Income Tax Act 1961.

- d) Gratuity not exceeding one-half month's salary for each completed year of services.

PART-C

c) **MOTOR CAR**

Free use of car with driver for the Company's business, all the expenditure in connection therewith being borne by the Company.

d) **TELEPHONE**

Free use of Telephone facility at the residence.

EXPLANATION Provision of car on Company's business and telephone facility at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes would be billed to the Executive Director by the Company and reimbursed by him to the Company.

OTHER TERMS:-

E) **EARNED LEAVE:**

One month's leave with full pay and allowances as per the rules of the Company for every eleven month of the service. However, leave accumulated and not availed of during his tenure as Executive Director may be allowed to be en-cashed.

F) **REIMBURSEMENT OF EXPENSES:-**

The Executive Director shall also be entitled to re-imbusement of reasonable entertainment expenses actually and properly incurred in the course of the business of the Company. A reasonable ceiling of such expenses shall be fixed in this regard by the Board.

G) **SITTING FEES:-**

He is not entitled to sitting fees for attending meetings of the Board or of a committee thereof.



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

H) TERMINATION CLAUSE:-

The agreement shall be terminable by the Company giving to the Executive Director a notice of three months of such termination or on payments of three months salary in lieu thereof.

OTHER CONDITIONS:-

- C) If during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate in any Financial Year, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under section II of the part II of schedule XIII of the Companies Act, 1956.

For all other terms & conditions not specifically spelt out above, the rules and order of the Company shall apply.

By order of the Board
For Haryana Texprints (Overseas) Ltd.

(N.P. Jhanwar)
Managing Director
DIN No. 00401788

Place : Faridabad

Date : 11.08.2010

NOTES

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and such proxy need not be a member(s) of the Company. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books shall remain closed from Saturday, the 25th September 2010 to Monday, the 27th September 2010 (both days inclusive).
3. All members are requested to intimate the change, if any, in their registered address immediately.
4. Members/proxies should bring the attendance slip sent herewith, duly filled in for attending the meeting
5. All documents referred to the notice and the explanatory statements are open for inspection at the Registered Office of the company during office hours.
6. Members holding shares of the company under more than one ledger folio are requested to send the company, details of all such folios together with the share certificates for consolidating the folios into one. The share certificates will be returned to the members after making the requisite endorsement thereon.
7. The explanatory statement U/S-173(2) of the Companies Act, 1956, in respect of special business to be transacted at the meeting, is annexed hereto.
8. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are advised to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the meeting.

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

EXPLANATORY STATEMENT ITEM NO. 4

Shri M.P. Rungta was appointed as an Additional Director w.e.f. 11.08.2010 by the Board of Directors of the Company, in terms of the Companies Articles of the Association and Section 260 of the Companies Act 1956.

Notice under Section 257 of the Companies Act 1956, has been received in writing from a member along with a deposit of Rs.500.00 (Rupees Five Hundred only) as required under Section 257 of the Companies Act 1956, proposing appointment of Shri M.P. Rungta as a Director of the Company, Liable to retire by rotation.

Shri. M.P. Rungta, aged 60 years, has more than 35 years experience in the field of Industry. He is also associated with various Chamber of Commerce.

Your Director therefore recommends the resolution for approval.

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No other Director except the proposed appointee may be deemed to be interested in the resolution.

This may also be treated as abstract and memorandum required to be sent to the members of the company as per Provisions of Section 302 of the Companies Act 1956.

EXPLANATORY STATEMENT ITEM NO. 5

The Terms of appointment of Shri N.P. Jhanwar expired on 30.06.2010. The Board of Directors of the company in their meeting held on 30.06.2010 have reappointed Shri N. P. Jhanwar for a further period of Three Years, commencing from 01.07.2010 on the Terms and Conditions in the above resolution.

Shri N. P. Jhanwar is associated with the Company since long time and having more than 33 years experience in Textile Business.

Your Directors therefore recommend the resolution for approval.

No other Director except the proposed appointee Shri N. P. Jhanwar and Shri R.N. Maheshwari being relative, may be deemed to be interested in the resolution.

This may also be treated as abstract and memorandum required to be sent to the members of the company as per Provisions of Section 302 of the Companies Act 1956.

EXPLANATORY STATEMENT ITEM NO. 6

The Terms of appointment of Shri R. N. Maheshwari expired on 30.06.2010. The Board of Directors of the company in their meeting held on 30.06.2010 have reappointed Shri R.N. Maheshwari for a further period of Three Years, commencing from 01.07.2010 on the Terms and Conditions in the above resolution.

Shri R.N. Maheshwari is associated with the Company since long time and having more than 28 years experience in Textile Business.

Your Directors therefore recommends the resolution for approval.

No other Director except the proposed appointee Shri R.N. Maheshwari and Shri N. P. Jhanwar being relative, may be deemed to be interested in the resolution.

This may also be treated as abstract and memorandum required to be sent to the members of the company as per Provisions of Section 302 of the Companies Act 1956.

By order of the Board
For Haryana Texprints (Overseas) Ltd.

(N.P. Jhanwar)
Managing Director
DIN No. 00401788

Place : Faridabad
Date : 11.08.2010



DIRECTOR'S REPORT

The Members,

Your Directors have pleasure in presenting the 18th Annual Report and Audited Accounts for the year ended on 31st March 2010.

| | Rs.in Lakhs 2009-10 | Rs. In lakhs 2008-09 |
|---------------------------------------|-------------------------------|--------------------------------|
| Turn Over & Other Income | 4525.09 | 3834.04 |
| Profit before interest & Depreciation | 309.57 | 307.00 |
| Interest & Finance Charges | 113.00 | 133.69 |
| Cash Profit | 196.57 | 173.31 |
| Depreciation | 98.86 | 112.98 |
| Profit for the year before Tax | 97.71 | 60.33 |
| Deferred Tax Charges | 19.51 | 17.37 |
| M.A.T & FBT | 15.10 | 7.89 |
| M.A.T Credit | (15.10) | (6.21) |
| Profit after Tax | 78.20 | 41.28 |

OPERATION:-

During the year under review the Turn over and other income of the company increased to Rs.4525.09 Lakhs as compared to Rs.3834.04 Lakhs in the previous year showing an increase of 16.78%. During the year under review margins have improved due to cost control measures taken by the management. Export sales during the year was under pressure due to slowdown in the U.S. and European economies.

DIVIDEND:

In order to conserve the resources for the growth of Company's Operations, your Directors do not recommend any Dividend for the year under review.

FINANCE:

During the year under review, your company received intimation from Nodal Agency for sanction of Capital and Interest subsidy under Technology up-gradation fund (TUF) on Term Loan of Rs. 275 Lacs. Accordingly credit of Rs. 26 Lacs on account of Capital Subsidy and Rs.36.03 Lacs on account of Interest subsidy has been taken in the accounts. The company has regularly paid Interest on Working Capital & Term Loans. As on 31.03.2010 there is no over dues on account of Term Loan installment and interest.

FIXED DEPOSITS:

Your Company has not accepted any fixed deposit from the public under section 58A of the Companies Act 1956 and rules framed there under.

DIRECTORS:

Shri R.N. Maheshwari, Director of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

Shri M.P. Rungta, has been inducted as Additional Director on the Board to hold office in the forth coming Annual General Meeting. The appointment requires Share holder's approval and the same is included in the notice. A notice has been received from the member (s) under section 257 of the Companies Act 1956, signifying their intention to move the resolution for the appointment of Shri. M.P. Rungta, as Director of the Company, liable to retire by rotation.

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DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217 (2AA) of the Companies Act 1956 your Directors confirm as under.

1. That in the preparation of the Annual Accounts for the Financial Year ended on 31 st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were responsible and prudent so as to give true and fair view of the State of affairs of the Company at the end of the Financial Year and of the Profit of the Company for the year under review.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act of safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the Annual Accounts for the year ended 31.03.10 on going concern basis. A report on the Corporate Governance code along with Auditor's certificate regarding Compliance of the Conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

CORPORATE GOVERNANCE

A report on the Corporate Governance code along with Auditor's Certificate regarding Compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is annexed to this report.

AUDITORS :

Mis Doogar & Associates Chartered Accountants, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors have been received to the effect that their re-appointment, if made, would be with in the prescribed limit under section 224 (1 B) OF The Companies Act 1956.

The observation in the Auditor's Report are dealt within the notes to account at appropriate places and being self-explanatory need no other explanations.

CONSERVATION OF ENERGY, TECHNOLOGY, FOREIGN EXCHANGE EARNING AND OUT GO:

The prescribed details as required under section 217 (1) (e) of the Companies (Disclosure of Particulars in Report of Board of Directors) Rule 1988 are set out in Annexure to the Director's Report.

PERSONNEL:-

The relations between the management and the workers have remained co-ordeal during the year. There was no employee drawing remuneration beyond the Limits prescribed under section 217 (2A) of the Companies Act 1956.

ACKNOWLEDGEMENT:-

Your Directors would like to express their gratitude for the assistance and co-operation received from the Financial Institution, the Bank, and Government Agencies during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the devoted services of executives, staff and workers of the Company.

For and on Behalf of the Board of Directors

Place : Faridabad
Date : 11.08.2010

N.P.Jhanwar
Managing Director
DIN 00401788

R.N.Maheshwari
Executive Director
DIN 00403174



ANNEXURE TO DIRECTORS' REPORT

Particulars under the Companies (Disclosure of Particulars in the report of Directors) Rules 1988:

(A) CONSERVATION OF ENERGY:

1. Energy conservation measures taken:
The Company in its pursuit to conserve energy, has taken the following measures:
 - a) Improvement in work practices focusing on energy saving.
 - b) Regular Preventive maintenance of electrical devices is being undertaken.
 - c) Use of natural light and provision of allowing natural airflow in the plant as much as possible.
 - d) Appointed consultant for study of energy costs and possibilities of reducing the same.
2. Additional investments and proposal, if any being implemented for reduction of consumption of energy: None
3. Impact of measures 1 & 2 on energy consumption and consequent impact on cost of production of goods: The above measures have resulted in reduction of consumption of energy.
4. Total energy consumption and energy consumption per unit of production as per prescribed Form A:

| Electricity | Current Year | Previous Year |
|----------------------------------|---------------------|----------------------|
| a) Purchased Units | 1935007 | 2058421 |
| Total Amount (Rs.) | 8861150 | 9400878 |
| Rate per Unit (Rs.) | 4.58 | 4.56 |
| b) Own Generation through DG Set | 680692 | 679604 |
| Unit per Ltr of Diesel | 2.95 | 2.99 |
| Cost per Unit (Rs.) | 11.41 | 12.48 |
| Coal | | |
| Quantity (Tones) | 2735 | 1486 |
| Total Amount (Rs.) | 18926075 | 8948118 |
| Average Rate (per Ton) Rs. | 6920 | 6022 |
| Rice Husk | | |
| Quantity (Tones) | 2755 | 7082 |
| Total Amount (Rs.) | 15261389 | 28466455 |
| Average Rate (per Ton) Rs. | 5540 | 4019 |

Energy consumption per unit is not ascertainable.

(B) TECHNOLOGY ABSORPTION:

1. RESEARCH AND DEVELOPMENT (R &D):

- A) Specific Development: None
- B) Benefits of R & D: R & D efforts have improved working and quality and also reduced the cost of production.
- C) Future Plans: Management is committed to strengthen R & D efforts to improve competitiveness through continuous efforts in cost of production, quality up gradation and development of new product and applications.
- D) Expenditure on R & D: As per established accounting policies, expenditure incurred on R & D remains merged with the various heads. Expenditure related to Capital items is debited to fixed assets and depreciated at applicable rates. Revenue Expenditure is charged to Profit and Loss Account of the year in which they are incurred.

2. TECHNOLOGY ADAPTATIONS, ABSORPTION AND INNOVATION:

- A) Efforts in brief, made towards technology absorption, adaptation & innovation. **N.A.**
- B) Benefits derived as a result of the above efforts, e.g. product improvement, Cost reduction, product development, import substitution etc **N.A.**
- C) Technology imported during last 5 years **Nil**

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. ACTIVITIES RELATING TO EXPORT:

The Company has initiated several steps to establish into export markets and achieved export turnover worth Rs.50.72 lacs from fabric and garment exports.

2. FOREIGN EXCHANGE EARNINGS: Rs.50.72 lacs

For and on Behalf of the Board of Directors

Place : Faridabad
Date : 11.08.2010

N.P.Jhanwar
Managing Director
DIN 00401788

R.N.Maheshwari
Executive Director
DIN 00403174

Management discussion and Analysis

The Business of the company is processing cotton and man-made Fabric for Exporters on Job Work basis as well as for own Fabric and manufacturing of Garments.

a) Industry structure and Development

The operations of Textile processing units are showing improvement in respect of production and profitability during last 2-3 years due to increased Export of Garments and other Textile products. Future of the Industry appears to be better in view of revival of European and US Economies.

b) Opportunities and Threats

Due to quota free system, International Textile Markets are now more competitive in terms of Quality & prices. Although the Quota free system brings unlimited opportunities to Indian Textile Industry, It also poses threat of stiff competition with Major Textile Exporting Countries like China and other South East Asian Countries. However the Indian Textile Industry is taking appropriate steps towards modernization and to meet rising costs by effective cost reduction on all fronts to maintain cost competitiveness in domestic and overseas Markets. The Government of India is also providing various incentives like Interest Subsidy of 5% under TUF Scheme and 10% Central Government Cash Subsidy for Textile processing units to Expand manufacturing Capacity and modernize plant and machineries to bring them at International Level, in respect of Technology. These steps will certainly help the Textile Industry to face global challenges in year to come. In order to compensate losses incurred by Textile Exporters due to sluggish Export Orders that too on un-remunerative prices. Government Of India is increasing rate of DEPB and Duty drawback from time to time.

c) Segment wise Performance

The company is engaged in processing of Cotton and Manmade fabrics and manufacturing of Garments. Garment sale contribution is insignificants in the total turn over of the company, hence not reported separately. The company has no activity out side India except Export of processed Fabric produced by the unit.

d) Future Out-Look

Indian Fabric processing industry is depended on Garment Export Orders which have been badly affected due to sluggish Export order at un-remunerative prices. However, the US and European Economies are showing sign of recovery which would definitely help Indian Textile Industry in General and Garment Industry in particular. The future of the Industry is bright.

e) Risks and Concern

In the context of changes, which have taken place due to Quota free system, globalization of Indian Economy, the company has already modernized its plant. In order to improve productivity and further reduction of cost ,Company has installed balancing machines.

f) Internal Control System

The Company maintains adequate Internal Control System, which provides adequate safe guards and proper monitoring of the transactions. The Company's Internal Auditor conducts periodic Audits to assure that the Company's Control System is properly followed and the entire statutory requirements are complied with. The Company remains committed to maintain effective Internal Control System and procedures designed to provide reasonable assurance for orderly and efficient conduct of Business and security of its assets.

g) Discussion on Financial Performance with respect to operating Performance

The Operating Performance of the Company has been discussed in the Director's Report under the Head Operations.

h) Development in human resources and Industrial relation.

The Company's HRD activities involve total approach to develop the employees with emotional maturity, creativity Customer focus, Quality Consciousness etc. The Industrial relations throughout the year remained cordial.

i) Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be " Forward Looking Statement" with in the meaning of applicable security 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 economic conditions affecting demands and supply and price Conditions in domestic and Overseas Markets in which the company operates. Changes in Government regulations, tax regimes, economic developments with in India and the Countries in which the Company Conducts Business and Other incidental factors.



CORPORATE GOVERNANCE REPORT:

The detailed report of corporate governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on code of Corporate Governance envisages the attainment of the high level of transparency, accountability in the functioning of the company and assist the top management of the Company in the efficient conduct of its business internally and externally, including its interaction with its shareholders, employees, the government and lenders place due emphasis on regularity compliance.

BOARD OF DIRECTOR'S:

| Category | Name of Directors | |
|-----------------------------|-----------------------------|--------------------|
| Promoter/Executive Director | Sh.N.P .Jhanwar | Managing Director |
| | Sh. Rang Nath Maheshwari | Executive Director |
| Non-Executive | Sh.Satya Narayan Maheshwari | Director |
| Independent | Sh.P.C.Gupta | Director |
| | Sh*. M.P. Rungta | Director |

(* Appointed as Additional Director on 11.08.2010)

Brief Resume of Director's Being Re-appointed at the ensuing Annual General Meeting.

- Shri R.N. Maheshwari aged 54 years retired by rotation and being eligible, offers himself for reappointment. He is a commerce graduate and having more than 28 years experience in Textiles Business.
- Shri. M.P. Rungta aged 60 Years, appointed as an Additional Director w.e.f. 11.08.2010, is having more than 35 years experience in the field of Industry. He is also associated with various Chamber of Commerce.

BOARD MEETINGS ITS COMMITTEE MEETINGS AND PROCEDURES

A. Institutionalized Decision making process

With a view to institutionalize all corporate affairs and setting up systems and procedures for advance planning for matters requiring discussion /decisions by the Board, the Company has defined guidelines for the meetings of Board of Directors and committees thereof. These Guidelines seek to systematize the decision making process at the meeting of Board, Committees, in an informed and most efficient manner.

B. Scheduling and selection of Agenda items for Board Meetings

- The Company holds minimum of four Board Meetings in each year. Apart from the four Board Meetings, additional Board Meetings are convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolution by circulation.
- The meetings are usually held at the Company's Registered Office in Faridabad.
- All divisions /departments in the company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion /approval/decision in the Board/Committee Meetings.
- The Board is given presentations covering Finance, Sales & Marketing and major business segments and operations of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the scheduled Board Meeting .The Board's annual agenda includes determining Directors who shall retire by rotation and recommending appointment of Directors /Auditors, authentication of Annual accounts and approving Directors Report, long term strategic plan for the Company expects to face in the future .Board Meetings also note and review functions of its committees.
- The Managing Director in consultation with other concerned persons in the senior management, finalize the agenda papers for the Board Meetings

BOARD MATERIAL DISTRIBUTED IN ADVANCE

- Agenda papers are circulated to the Directors in advance. All material information is incorporated in the agenda papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with special reference to this effect in the Agenda.
- In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

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Recording Minutes of Proceedings at Board Meeting

The minutes of the proceedings of each Board and Committee Meetings are entered in the Minutes Book within 30 days from the conclusion of the meeting. Draft minutes are circulated to all the members of the Board for their comments.

Post Meeting Follow up Mechanism

The guidelines for Board and Committee facilitate an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committees.

Compliance

Due care is taken while preparing the agenda, notes on agenda, minutes etc of the Meeting (s) and holding and conducting the meetings as regards to adherence to all the applicable provisions of law including the Companies Act, 1956 and secretarial Standards recommended by the institute of Company Secretaries of India, New Delhi.

Attendance of each Director at the Board Meetings, Last Annual General Meeting and Number of other Directorship and Chairmanship /Membership of Committee of each Director in various Companies:

| Name of The Director | Attendance Particulars | | No. Of Directorships & Committees Membership & Chairmanship | | |
|----------------------|---|----------|---|-------------------------|--------------------------|
| | Board Meetings | Last AGM | Other Director Ships | Committee Members Ships | Committee Chairman Ships |
| N.P.Jhanwar | 6 | Present | - | 1 | 1 |
| S.N.Maheshwari | 5 | LOA | - | 1 | - |
| R.N.Maheshwari | 6 | Present | - | 1 | - |
| P.C.Gupta | 4 | Present | 4 | 1 | 1 |
| M.P. Rungta* | (* Appointed as an Additional Director w.e.f. 11.08.2010) | | | | |

Number of Board Meetings Held and the Dates on which held

Six Board Meetings were held during the year, as against the minimum requirement of 4 meetings. The dates on which the meetings were held as follows: 30.04.09, 27.06.09, 31.07.09, 25.09.09, 30.10.09 & 30.01.2010. The maximum time gap between any two meetings was not more than four calendar months. None of the Directors of the Company was a member of more than ten committees nor was the Chairman of more than Five committees across all Companies in which he was a Director.

BOARD COMMITTEES

A. Standing Committees

The Company has the following standing Committees of the Board.

1. Audit Committee :-

A) As on 31st March 2010, the Audit Committee consists of Sh.P.C.Gupta and Sh. S. N. Maheshwari. All of them are independent. Shri P.C. Gupta Chairman having financial and accounting knowledge

The terms of reference stipulated by the Board of Directors to the Audit Committee are as follows.

- Oversight of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditors, fixation of Audit fee and also approval for payment for any other services.
- Reviewing with management the half yearly and annual financial statements before submission to the Board focusing primarily on (i) any changes in accounting policies, (ii) major accounting entries based on exercise of judgment by management, (iii) qualifications in draft audit report, judgment by management (iv) significant adjustments arising out of Audit, (v) the going concern assumption (vi) compliance with accounting standards, (vii) compliance with stock exchange and legal requirements concerning financial statements and, (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, External and Internal Auditors, the adequacy and compliance of internal control system.



- (e) Reviewing the adequacy of internal audit functions.
- (f) Discussion with Internal Auditors any significant findings and follow up there on.
- (g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is Suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the Matter to the Board.
- (h) Discussion with External Auditors before the Audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- (i) Reviewing the Company's financial and risk management policies.
- (j) To look into the reasons for substantial defaults in the payments to the depositors, shareholders in case of non payment of declared dividends if any, and creditors.

During the year, Audit Committee has met 4 times .The auditors were also invited to attend the Audit Committee Meetings.

ATTENDANCE OF EACH MEMBER OF AUDIT COMMITTEES MEETINGS HELD DURING THE YEAR

| Name of Member of Audit Committee | Attendance Particulars |
|--------------------------------------|---|
| Sh. P.C. Gupta | 27th June 09, 31st July 09, 30th Oct 09, 30th Jan 10. |
| Sh. S.N. Maheswari | 27th June 09, 31st July 09, 30th Oct 09, 30th Jan 10. |

1. Remuneration Committee: -

Remuneration Committee will be constituted as and when required. Details of remuneration paid to Directors are as follows:-

| | | |
|------------------------|--------------------|-----------------|
| A. Sh. N.P. Jhanwar | Managing Director | Rs.12,11,270.00 |
| B. Sh. R.N. Maheshwari | Executive Director | Rs.9,62,766.00 |

2. Share Transfer committee: -

The Board of Directors of the Company has constituted a Share Transfer Committee so as to give effect to transfer as desired by investors at an early date to avoid any delay. During the year the Committee has met 15 times.

ATTENDANCE OF EACH MEMBER OF SHARE TRANSFER COMMITTEE MEETINGS HELD DURING THE YEAR

| | | | |
|--------------------|----------|----------|----------|
| Sh. N.P. Jhanwar | 30.04.09 | 31.08.09 | 19.12.09 |
| Sh. R.N.Maheshwari | 09.05.09 | 20.10.09 | 31.12.09 |
| | 10.06.09 | 20.11.09 | 20.01.10 |
| | 10.07.09 | 30.11.09 | 20.03.10 |
| | 20.07.09 | 10.12.09 | 31.03.10 |

B. Functional Committees:

The Board may, from time to time, constitute one or one more functional Committees delegating powers and duties with respect to specific purposes. Meetings of such committees will be held as and when the need for discussing the matter concerning the purpose arises. Time schedule for holding the meetings of such functional committees are finalized in consultation with the committee members.

C. Procedures at Committee Meetings:

Company's guidelines relating to Board Meetings are applicable to committee meetings as far as may be practicable. Each committee has authority to engage outside experts, advisers and counsels to the extent it considers appropriate to assist the committee in its work. Minutes of the proceedings of each of the committee meeting are placed before the Board for its perusal and noting.

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D. Annual General Meeting:

Location and time for last 3 Annual General Meetings were as follows:

| Year | Location | Date | Time |
|-----------|--|------------|----------|
| 2006-2007 | Plot No-3, Sector-25 Faridabad (Haryana) | 28.09.2007 | 10.00a.m |
| 2007-2008 | Plot No-3, Sector-25 Faridabad (Haryana) | 22.09.2008 | 10.00a.m |
| 2008-2009 | Plot No-3, Sector-25 Faridabad (Haryana) | 29.09.2009 | 10.00a.m |

During the year ended 31st March 2010, there have been no resolutions passed by the Company's Shareholders through postal ballot. At the ensuing Annual General Meeting there is no resolution proposed to be passed by postal ballot.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS I.E. TRANSACTIONS OF THE COMPANY OF MATERIAL NATURE, WITH ITS PROMOTERS, THE DIRECTORS OR THE MANAGEMENT, THEIR SUBSIDIARIES OR RELATIVES ETC. THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTEREST OF THE COMPANY AT LARGE.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

DETAILS OF NON COMPLIANCE OF THE COMPANY PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY STOCK EXCHANGES OR SEBI, OR ANY STATUTORY AUTHORITY, OR ANY MATTER RELATING TO CAPITAL MARKETS, DURING LAST THREE YEARS.

No penalty or strictures were imposed on the Company during last three years.

MEANS OF COMMUNICATION

The quarterly results were published in Hari Bhumi and the Pioneer.

GENERAL SHAREHOLDERS INFORMATION

Distribution of Share Holding as on 31.03.10

| No of Equity Share Held | No of Share Holders | % of Share Holders | No of Shares Held | % of Share Holding to Total |
|-------------------------|---------------------|--------------------|-------------------|-----------------------------|
| Up to 500 | 23982 | 99.58 | 2440000 | 4.88 |
| 501 to 1000 | 24 | 0.10 | 19000 | 0.04 |
| 1001 to 2000 | 8 | 0.03 | 11700 | 0.02 |
| 2001 to 3000 | 2 | 0.01 | 5100 | 0.01 |
| 3001 to 4000 | -- | -- | -- | -- |
| 4001 to 5000 | 22 | 0.09 | 108700 | 0.22 |
| 5001 to 10000 | 23 | 0.10 | 221500 | 0.44 |
| 10001 & above | 21 | 0.09 | 47194000 | 94.39 |
| Total | 24082 | 100.00 | 50000000 | 100.00 |

Category of Share Holders as on 31.03.2010

| Category | No. Of Shares | % Of Total Equity |
|---|---------------|-------------------|
| Promoters and Persons acting in Concert | 35664600 | 71.33 |
| Bodies Corporate | 903000 | 1.81 |
| Indian Public | 13432400 | 26.86 |
| Total | 50000000 | 100.00 |



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

Annual General Meeting

Date and Time: Monday, the 27th of September 2010 at 10.00 a.m.

Venue: Plot No-3, Sector-25, Faridabad (Haryana)

Financial Calendar(tentative)

| | | |
|--------------------------------|--------------|---|
| Results for the quarter ending | June 30'2010 | Second week of August, 2010 |
| Results for the quarter ending | Sep.30'2010 | Second week of November, 2010 |
| Results for the quarter ending | Dec.31'2010 | Second week of February, 2011 |
| Results for the quarter ending | Mar.31'2011 | Second week of May, 2011 |
| Results for the year ending | Mar.31'2011 | Second week of August, 2011 |
| Annual General Meeting | | September, 2011 |
| Book Closure Date | | Sept.25th 2010 To Sept 27th 2010 (Both days inclusive) |

LISTING OF SHARES:

The Company shares are listed at Delhi, Mumbai, Ahmedabad & Jaipur Stock Exchanges

DEMAT ISIN NUMBER IN NSDL & CDSL FOR EQUITY SHARES

The Company is registered with NSDL for de-materialization having ISIN NO.INE 206G01012 w.e.f 20.09.2003. The Company has already appointed SEBI approved R&T agent M/S Skyline Financial Services Pvt. Ltd., D-153 A Okhla Industrial Area Phase-I New Delhi-110020 PH: - 011-26812682.

STOCK MARKET DATA

The shares of the Company were not traded during the year on any Stock Exchanges.

ADDRESS FOR CORRESPONDENCE

Registered office: Plot No-3, Sector-25, Faridabad (Haryana) 121004

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with Clause 49 sub-clause 1(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the senior management personnel of the Company have affirmed Compliance to their respective codes of conduct, as applicable to them for the Financial Year ended 31st March, 2010.

For Haryana Texprints (Overseas) Ltd.

Place : Faridabad
Date : 11.08.2010

N.P.Jhanwar
Managing Director
DIN 00401788

Auditors' Report on Corporate Governance

To the Members,

HARYANA TEXPRINTS (OVERSEAS) LIMITED

We have examined the compliance of conditions of Corporate Governance by Haryana Texprints (Overseas) Limited, for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of 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 based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

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

For DOOGAR & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 000561N)

Place : Faridabad
Date : 11.08.2010

(M.S. Agarwal)
Partner
M.N. 86580

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AUDITORS' REPORT

We have audited the attached Balance Sheet of M/S HARYANA TEXPRINTS (OVERSEAS) LTD as at 31st March 2010 and Profit & Loss Account of the company for the year ended on that date annexed thereto and cash flow statement for the Year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on 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 overall financial statements presentation. We believe that our audit provides a reasonable basis of our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto 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 in paragraph 1 above we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far appears from our examination of the books;
 - c) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors of the Company as on 31/03/2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31/03/2010 from being appointed as the director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Attention is drawn to the following: -

- i. *Deferred Tax Assets amounting to Rs.115.05 lacs has been recognized in accounts on the basis of future income projections made by the management, as in the opinion of the management, there is a virtual certainty that sufficient taxable income would be available in future to adjust such deferred tax assets. We are unable to offer our comments on such future projections and creation of deferred Tax Asset based on such projections and Consequent impact there of, if any, (Note No15 of Schedule 18).*
- ii. *Treatment of Plant & Machinery as continuous process Plant (Note No. 7 of Schedule 18)*

Subject to above,

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with Schedules and Notes thereon, give the information required under Companies Act, 1956 in the manner so required and presents a true & fair view in conformity with the accounting principles generally accepted in India: -
 - i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st , March, 2010
 - ii) In so far as it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For DOOGAR & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 000561N)

(M.S. Agarwal)

Partner
M.N. 86580

Place : Faridabad
Date : 11.08.2010



ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph '3' of the Auditors' Report to the Members of Haryana Texprints (Overseas) Limited on the accounts for the year April 1, 2009 to March 31, 2010.

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a programme of physically verifying all its fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. The management during the period physically verified some of the fixed assets. The discrepancies noticed on such verification between the physical balances and the fixed assets records were not material and have been properly dealt with in the books of accounts.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial part of fixed Assets during the year, hence, no impact on the going concern status of the Company.
- (ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of accounts.
- (iii) (a) During the year, Company has taken / earlier Taken interest-free loans from 4 persons/firm covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.55.25 lacs and the year-end balance of such loans taken from such parties was Rs.25 lacs.
- (b) In our opinion, the other terms and conditions on which loans have been taken from companies, firms or other 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.
- (c) As the loans taken are long term and are repayable on demand, there is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (d) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
- (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 the purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- (v) (a) According to the information and explanations give to us, we are of the opinion that during the period, the transactions that were required to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5.00 Lacs in respect of any party during the period. Therefore, no comments are being offered on whether or not the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies exceeding Rs.5.00 lacs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of sections 58A and 58AA of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

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- (viii) As informed, the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection funds, employee's state insurance, income tax, sales tax, wealth tax, custom duty, service tax, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.10 for a period of more than six months from the date they became payable.
- (c) The disputed statutory dues aggregating to Rs. 86.98 lacs , that have not been deposited on account of matters pending before appropriate authorities are as under:

| S. No. | Name of Statute | Nature of Dues | Forum where dispute is pending | Amount (Rs. In lacs) |
|--------|---|---|--|----------------------|
| 1 | Haryana Local Area Development Tax Act, 2000. | Entry Tax A.Y 2000-01 | Excise Commissioner Faridabad | 21.46 |
| 2 | Textile Committee | Textile Cess Upto Dec. 2000 | Mumbai High Court | 4.06 |
| 3 | Haryana VAT Act 2003 & CST ACT 1956 | VAT & SALES TAX A.Y 2003-04 & 2004-05 & 2006-07 | Jt. Commissioner (Excise & Taxation) Faridabad | 60.18 |
| 4 | Employee State Insurance Act | ESI Dues | ESI Court Faridabad | 1.28 |

- (x) There are no accumulated losses of the Company as on 31/03/2010. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) The company has not granted 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 dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) No Term Loan has been raised by the Company during the year.
- (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) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued debentures.
- (xx) No fund by way of public issue has been raised by the company.
- (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 DOOGAR & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 000561N)

(M.S. Agarwal)

Partner

M.N. 86580

Place : Faridabad

Date : 11.08.2010



BALANCE SHEET AS AT 31st MARCH 2010

(Amount in Rs.)

| | SCHEDULE | AS AT 31.03.2010 | AS AT 31.03.2009 |
|--|----------|------------------|------------------|
| I SOURCE OF FUNDS | | | |
| 1 Share Holder's Funds | 1 | 50000000 | 50000000 |
| Share Capital | | | |
| 2 Reserves & Surplus | 2 | 37559527 | 29739841 |
| 3 Loan Funds | 3 | | |
| a) Secured Loans | | 85421489 | 87420866 |
| b) Unsecured Loans | | 22800000 | 110220866 |
| | | <u>108221489</u> | <u>121242932</u> |
| TOTAL | | <u>195781016</u> | <u>189960707</u> |
| II APPLICATION OF FUNDS | | | |
| 1 Fixed Assets | 4 | | |
| Gross Block | | 176069078 | 184157195 |
| Less : Depreciation | | 112805969 | 116069284 |
| Net Block | | <u>63263109</u> | <u>68087911</u> |
| Capital Advances & Work in Progress | | - | 400400 |
| 2 Deferred Tax Assets (Net) | | 11504729 | 13455929 |
| 3 Current Assets, Loans & Advances | | | |
| a) Inventories | 5 | 136838113 | 112263182 |
| b) Sundry Debtors | 6 | 89446046 | 87430474 |
| c) Cash & Bank Balances | 7 | 782316 | 2828885 |
| d) Other Current Assets & Loans & Advances | 8 | 13629264 | 5618808 |
| | | <u>240695739</u> | <u>208141349</u> |
| Less : Current Liabilities | 9 | 116242858 | 96946769 |
| Provisions | 10 | 3439703 | 3178113 |
| Net Current Assets | | 121013178 | 108016467 |
| Accounting Policies & Notes on | | | |
| Accounts | 18 | | |
| TOTAL | | <u>195781016</u> | <u>189960707</u> |

All Schedules referred to above forms an integral part of Balance Sheet

As per our report of even date attached

For **DOOGAR & ASSOCIATES**

Chartered Accountants

(Ref.No. 000561N)

For and on behalf of the **BOARD OF DIRECTORS**

M.S.Agarwal

Partner

M.N.86580

Place : Faridabad

Dated : 11.08.2010

N.P.Jhanwar

Managing Director

DIN 00401788

R.N.Maheshwari

Director

DIN 00403174

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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2010

(Amount In Rs.)

| | SCHEDULE | FOR THE YEAR 31.03.2010 | FOR THE YEAR 31.03.2009 |
|--|----------|----------------------------|----------------------------|
| INCOME | | | |
| Sales | 11 | 447760103 | 380481622 |
| Other Income | 12 | 4749255 | 2922496 |
| Increase / Decrease In Stock | 13 | 11290217 | 6317973 |
| | | <u>463799575</u> | <u>389722091</u> |
| EXPENDITURE | | | |
| Raw Material Consumed | 14 | 306564433 | 238712492 |
| Manufacturing Expenses | 15 | 93362623 | 90836784 |
| Selling & Administrative Expenses | 16 | 33858178 | 29472164 |
| Financial Expenses | 17 | 11300452 | 13369323 |
| Depreciation | | 9886464 | 11297918 |
| | | <u>454972150</u> | <u>383688681</u> |
| Profit before Tax but but before excess Depreciation written back | | 8827425 | 6033410 |
| Add: Excess Depreciation written back (Refer Note no. 6) | | 943461 | - |
| Profit before tax | | 9770886 | 6033410 |
| Less:Provision For Taxation:- | | | |
| Current | | 1509602 | 621441 |
| Tax adjustment for earlier year | | - | (1959216) |
| Fringe Benefit Tax | | - | 168312 |
| Deferred Tax Charge | | 1951200 | 1736972 |
| MAT Credit | | (1509602) | (621441) |
| MAT Credit Reversed | | - | 1959216 |
| Profit after Tax | | <u>7819686</u> | <u>4128126</u> |
| Profit / (Loss) brought forward from earlier years | | 10944841 | 6816715 |
| Profit / (Loss) carried forward to Balance Sheet | | 18764527 | 10944841 |
| Basic and Diluted Earnings per Share of Rs.1/- each (In Rupees) | | 0.16 | 0.08 |

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All Schedules referred to above forms an integral part of Profit & Loss Accounts

As per our report of even date attached

For **DOOGAR & ASSOCIATES**

Chartered Accountants

(Ref.No.000561N)

M.S.Agarwal

Partner

M.N.86580

Place : Faridabad

Dated : 11.08.2010

For and on behalf of the **BOARD OF DIRECTORS**

N.P.Jhanwar

Managing Director

DIN 00401788

R.N.Maheshwari

Director

DIN 00403174



SCHEDULES OF STATEMENT OF ACCOUNTS

(Amount In Rs.)

| | AS AT 31.03.2010 | AS AT 31.03.2009 |
|---|---------------------|---------------------|
| SCHEDULE - 1 : SHARE CAPITAL | | |
| Authorised | | |
| 50000000 Equity Shares of Re. 1/-each | 50000000 | 50000000 |
| Issued, Subscribed & Paid Up | | |
| 50000000 Equity Shares of Re. 1/- | 50000000 | 50000000 |
| | 50000000 | 50000000 |
| SCHEDULE - 2 : RESERVE & SURPLUS | | |
| Capital Reserve | 18795000 | 18795000 |
| Profit & Loss A/c | 18764527 | 10944841 |
| | 37559527 | 29739841 |
| SCHEDULE - 3 : Loan Funds | | |
| 1) SECURED LOANS | | |
| From J & K Bank Ltd. | | |
| a) WORKING CAPITAL LOAN | 67985171 | 62112613 |
| b) TERM LOAN | 10113333 | 15219006 |
| c) TERM LOAN I I | 5842516 | 8804630 |
| (Note : The Working Capital Loan & Term Loan is secured by hypothecation of stocks of Raw material, Semi - finished, Consumable (both existing and future) and Receivables. Further there is also charge on Plant & Machinery, Furniture & Fixtures, Office Equipments, Vehicle and Other Fixed Assets of the company, both existing and to be created. The Working Capital Loan & Term Loan is also secured by personal gurantee of promoters and equitable mortgage of Land and Building.) | | |
| 2) VEHICLE LOANS | 1480469 | 1284617 |
| (Secured against hypothecation of vehicles) | | |
| | 85421489 | 87420866 |
| 3) UNSECURED LOANS (INTEREST FREE) | | |
| I) From Promoters & Associates | 2500000 | 2500000 |
| II) From Others | 20300000 | 20300000 |
| | 22800000 | 22800000 |

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SCHEDULE - 4 : FIXED ASSETS

| PARTICULARS | GROSS - BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------------|-------------------|---------------------------------|--------------------------|-------------------|-------------------|---------------------------------|--------------------------|-------------------|-------------------|-------------------|
| | AS AT 01.04.09 | ADDITIONS DURING THE YEAR | SALES / ADJUSMENT | AS AT 31.03.10 | AS AT 01.04.09 | ADDITIONS DURING THE YEAR | SALES / ADJUSMENT | AS AT 31.03.10 | AS AT 31.03.10 | AS AT 31.03.09 |
| Land | 967610 | | | 967610 | 0 | | 0 | 0 | 967610 | 967610 |
| Building - Factory | 20751453 | | | 20751453 | 14400120 | 635133 | | 15035253 | 5716200 | 6351333 |
| - Adm. Block | 8943990 | 740574 | | 9684564 | 4313895 | 249968 | | 4563863 | 5120701 | 4630095 |
| Plant & Machinery (Main) | 94306566 | 4596344 | 5121091 | 93781819 | 56356358 | 5784835 | 3384929 | 58756264 | 35025555 | 37950208 |
| Plant & Machinery (Other) | 50351031 | 552959 | 9686382 | 41217608 | 35863518 | 2244884 | 8889835 | 29218567 | 11999041 | 14487513 |
| | | | (see note no.1 below) | | | | (see note no.2 below) | | | |
| Furniture & Fixtures | 915319 | 231606 | 707870 | 1146925 | 803182 | 23104 | | 826286 | 320639 | 112137 |
| Office Equipment / Computer | 2121270 | 368733 | | 2490003 | 1141313 | 163221 | | 1304534 | 1185469 | 979957 |
| Vehicle | 5234557 | 1502409 | 565399 | 6029096 | 2704176 | 774577 | 377551 | 3101202 | 2927894 | 2530381 |
| Air Conditioner | 565399 | | | 0 | 486722 | 10742 | 497464 | 0 | 0 | 78677 |
| Total for the year | 184157195 | 7992625 | 16080742 | 176069078 | 116069284 | 9886464 | 13149779 | 112805969 | 63263109 | 68087911 |
| Previous Year | 179299612 | 9220323 | 4362740 | 184157195 | 108109288 | 11297918 | 3337922 | 116069284 | 68087911 | 71190324 |

Note no.1: includes deduction in plant & machinery on account of TUF Capital Subsidy of Rs.26.00 lacs

Note no.2: includes Rs. 9.43 lacs being excess depreciation on plant & machinery charged in earlier years written back

| | |
|------------|------------|
| AS AT | AS AT |
| 31.03.2010 | 31.03.2009 |

SCHEDULE - 5 : INVENTORIES

(As per stock taken, valued & certified by the management)

1) Materials

| | | |
|-------------------|----------|----------|
| - Raw Material | 50886072 | 35690304 |
| - Stores & Others | 1951230 | 3862284 |
| - Designs | - | 3046094 |

2) Stock in Trade

| | | |
|--------------------|-----------|-----------|
| - Finished Goods | 27238464 | 19586811 |
| - Stock in Process | 51310590 | 46851114 |
| - Garment | 5451757 | 3226575 |
| | 136838113 | 112263182 |



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

(Amount in Rs.)

| | AS AT 31.03.2010 | AS AT 31.03.2009 |
|--|---------------------|---------------------|
| SCHEDULE - 6 : SUNDRY DEBTORS | | |
| (Unsecured considered good) | | |
| Due for more than 6 months | 7498821 | 6692505 |
| Others | 81947225 | 80737969 |
| | <u>89446046</u> | <u>87430474</u> |
| SCHEDULE - 7 : CASH & BANK BALANCES | | |
| 1) Cash In Hand | 255738 | 217336 |
| 2) Balances with Scheduled Banks in Current Accounts | 326578 | 111549 |
| 3) Fixed Deposits | 200000 | 250000 |
| | <u>782316</u> | <u>2828885</u> |
| SCHEDULE - 8 : OTHER CURRENT ASSETS AND LOANS AND ADVANCES | | |
| (Unsecured considered good) | | |
| 1) Interest accrued but not due | 6517 | 1644 |
| 2) Advances recoverable in cash or in kind for value to be received | 1367225 | 1301144 |
| 3) Excise and Other Deposits | 800441 | 800441 |
| 4) Income Tax Refundable (Net of Provisions) | 2910211 | 2684752 |
| 5) MAT Credit entitlement | 2340429 | 830827 |
| 6) TUF subsidy receivable | 6204441 | - |
| | <u>13629264</u> | <u>5618808</u> |
| SCHEDULE - 9 : CURRENT LIABILITIES & PROVISIONS | | |
| 1) Sundry Creditors | | |
| Due to Micro, Small & Medium Enterprises (Ref. note no.11) | - | - |
| Others - For Goods | 104789250 | 82350170 |
| - For Expenses | 1573372 | 1482792 |
| - For Capital Goods | - | 400400 |
| | <u>106362622</u> | <u>84233362</u> |
| 2) Advance From Customers | 5996545 | 8220884 |
| 3) Other Liabilities | 3883691 | 4492523 |
| | <u>116242858</u> | <u>96946769</u> |
| SCHEDULE - 10 : PROVISIONS | | |
| 1) Provision for gratuity | 3080302 | 2850594 |
| 2) Provision for leave encashment | 359401 | 327519 |
| | <u>3439703</u> | <u>3178113</u> |

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(Amount in Rs.)

| | FOR THE YEAR ENDED 31.03.2010 | FOR THE YEAR ENDED 31.03.2009 |
|--|-------------------------------------|-------------------------------------|
|--|-------------------------------------|-------------------------------------|

SCHEDULE - 11 : SALES

| | | |
|------------------------|------------------|------------------|
| 1) Fabric | 255221510 | 188373293 |
| 2) Exports | 1569880 | 2756554 |
| 3) Job Work & Services | 178946855 | 175521390 |
| 4) Garment | | |
| Exports | 3502529 | 9382279 |
| Domestic | 8519329 | 4448106 |
| | <u>12021858</u> | <u>13830385</u> |
| | <u>447760103</u> | <u>380481622</u> |

SCHEDULE - 12 : OTHER INCOME

| | | |
|---------------------------------|----------------|----------------|
| 1) Interest Received | 109778 | 463503 |
| 2) Misc. Income | 1662334 | 2138607 |
| 3) Foreign Exchange Fluctuation | - | 320386 |
| 4) TUF Interest Subsidy | 2977143 | - |
| | <u>4749255</u> | <u>2922496</u> |

SCHEDULE - 13 : INCREASE / (DECREASE) IN STOCKS

| | | | |
|---------------------------------|-----------------|-----------------|-----------------|
| Stock in Trade (At Closing) | | | |
| Finished Goods | 27238464 | 19586811 | |
| Stock in Process | 51310590 | 46851114 | |
| Design | - | 3046094 | |
| Garment | <u>5451757</u> | <u>84000811</u> | <u>3226575</u> |
| Stock in Trade (At Opening) | | | |
| Finished Goods | 19586811 | 15697356 | |
| Stock in Process | 46851114 | 45906751 | |
| Design | 3046094 | 3046094 | |
| Garment | <u>3226575</u> | <u>72710594</u> | <u>1742420</u> |
| Increase / (Decrease) in Stocks | <u>11290217</u> | <u>6317973</u> | <u>66392621</u> |

SCHEDULE - 14 : MATERIAL CONSUMED

| | | | |
|----------------------|------------------|------------------|-----------------|
| 1) Fabric | | | |
| Opening Stock | 22603769 | 18106723 | |
| Add : Purchase | <u>215244821</u> | <u>136591593</u> | |
| | 237848590 | 154698316 | |
| Less : Closing Stock | <u>35854357</u> | <u>22603769</u> | 132094547 |
| 2) Dyes & Chemicals | | | |
| Opening Stock | 13086535 | 10481051 | |
| Add : Purchase | <u>92288682</u> | <u>95745275</u> | |
| | 105375217 | 106226326 | |
| Less : Closing Stock | <u>15031715</u> | <u>90343502</u> | <u>13086535</u> |
| 3) Packing Material | | | |
| Opening Stock | 106062 | 76341 | |
| Add : Purchase | <u>1901133</u> | <u>1831222</u> | |
| | 2007195 | 1907563 | |
| Less : Closing Stock | <u>102142</u> | <u>1905053</u> | <u>106062</u> |
| 4) Stores & Others | | | |
| Opening Stock | 1379291 | 1155601 | |
| Add : Purchase | <u>12322205</u> | <u>11900343</u> | |
| | 13701496 | 13055944 | |
| Less : Closing Stock | <u>1379851</u> | <u>12321645</u> | <u>1379291</u> |
| | <u>306564433</u> | <u>238712492</u> | <u>11676653</u> |



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

(Amount in Rs.)

| | FOR THE YEAR ENDED 31.03.2010 | FOR THE YEAR ENDED 31.03.2009 |
|---|-------------------------------------|-------------------------------------|
| SCHEDULE - 15 : MANUFACTURING EXPENSES | | |
| Wages | 10422376 | 9719472 |
| Labour Welfare | 1853978 | 1973576 |
| Power & Fuel | 53283256 | 55214450 |
| Processing Charges | 19578321 | 16186835 |
| Repairs & Maintenance | | |
| - Building | 479911 | 280043 |
| - Plant & Machinery | 4999254 | 4504156 |
| - Others | 2745527 | 7742451 |
| | <u>93362623</u> | <u>90836784</u> |
| SCHEDULE - 16 : SELLING , ADMINISTRATIVE AND OTHER EXPENSES | | |
| Salaries | 15660871 | 14304098 |
| Employee Welfare | 425481 | 405263 |
| Rent | 504000 | 490000 |
| Rates & Taxes | 60615 | 60615 |
| Travelling & Conveyance Expenses [Directors Travelling Rs.65093 (Previous year Rs. 356134)] | 1705880 | 1680536 |
| Communication Expenses | 949004 | 1062179 |
| Printing & Stationery | 355477 | 327466 |
| Business Promotion | 698 | - |
| Legal, Professional & Consultancy | 654596 | 596238 |
| Fees , Registration & Subscription | 342192 | 265914 |
| Director's Remuneration & Prequisites | 2174036 | 2052137 |
| Rebate & Claims (Net) | 4668098 | 2621504 |
| Insurance Expenses | 234523 | 201113 |
| Payment to Auditors | 89720 | 122458 |
| Freight & Cartage | 2943127 | 2956391 |
| Miscellaneous Expenses | 2044211 | 1781149 |
| Foreign Exchange Fluctuation | 55901 | - |
| Loss on Sale of Fixed Assets | 480222 | 403223 |
| Donation | 179301 | 108300 |
| Advertisement | 36772 | 33580 |
| Bad Debts Written Off | 293453 | - |
| | <u>33858178</u> | <u>29472164</u> |
| SCHEDULE - 17 : FINANCIAL EXPENSES | | |
| 1) Interest | | |
| Working Capital Loan | 8167309 | 7893007 |
| Term Loan (Net of TUF Interest Subsidy of Rs.626649/-) | 1686920 | 3347892 |
| Other | 596560 | 810264 |
| 2) Bank Charges | 849663 | 1318160 |
| | <u>11300452</u> | <u>13369323</u> |

SCHEDULE - 18:

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A) SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The accounts of the Company are prepared under the historical cost convention and in accordance with generally accepted Accounting Principles in India, applicable Accounting Standards (AS) issued by The Institute of Chartered Accountants of India and provisions of Companies Act, 1956, except where otherwise stated. For recognition of income and expenses accrual basis of accounting is followed.

2. REVENUE RECOGNITION

- Sales are recognized as and when goods are dispatched from bonded premises.
- Job charges are recognized as income when processed fabric cleared from bonded premises.

3. FIXED ASSETS

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost comprises direct expenses & any interest attributable to bring in its intended use.

4. ACCOUNTING FOR GOVERNMENT GRANTS

Government grants are recognized when there is a reasonable assurance as to its receipt and that the condition attached there to shall be complied with. Government grants related to capital investments are reduced from the gross value of fixed assets and such grants relating to expenses are reduced from the respective expense head.

5. DEPRECIATION

Depreciation on fixed assets is provided on written down value method at the rates and in the manner provided in Schedule XIV (as amended) to the Companies Act, 1956. Plant & machinery of the company have been considered as continuous process plant & depreciation is provided accordingly.

6. INVENTORIES

| | | |
|------------------|---|---|
| Raw Material | : | At cost or realisable value whichever is lower |
| Store | : | At cost or realisable value whichever is lower. |
| Stock in process | : | At direct cost |
| Finished Goods | : | At cost or market value whichever is lower |
| Waste | : | At estimated realisable value |

7. CLAIMS

Claims are accounted for on merit basis.

8. FOREIGN EXCHANGE

- Transactions denominated in Foreign Currency are normally recorded at the exchange rates Prevailing at the time of transaction.
- Foreign Exchange Fluctuation on Export/Import is accounted for in the year in which such fluctuation arised.

9. RETIREMENT BENEFITS

Contribution to provident and other funds are accounted for on accrual basis. Gratuity and leave Encashment is provided for in the Accounts on the basis of Actuarial valuation.

10. BORROWING COSTS

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as part of the cost of such assets a qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

11. Taxation

Income Tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.



12. IMPAIRMENT OF ASSETS

If internal/external indication suggests that an asset of the company may be impaired, the recoverable amount of asset/cash generating asset is determined on the Balance Sheet date and if it is less than its carrying amount, the carrying amount of the asset/cash generating unit is reduced to the said recoverable amount. The recoverable amount is measured as the higher of Net selling price and value in use of such assets/cash generating unit, which is determined by the present value of the estimated future Cash flows.

13. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (a) The Company recognize as Provision, the liabilities being Present obligation arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of estimation.
- (b) Contingent Liabilities is disclosed, unless the possibility of an outflow of resource is remote.
- (c) Contingent Assets are neither recognized nor disclosed.

(B) NOTES ON ACCOUNTS:

- 1. Figures of previous year have been regrouped/rearranged wherever considered necessary to conform with current year classification and therefore are not strictly comparable.
- 2. Figures have been rounded off to the nearest of rupee one.
- 3. Contingent Liabilities as at 31st March 2010
- a) Demand under Haryana VAT ACT 2003 and CST ACT 1956 for the Assessment Year 2003-04, 2004-05 and 2006-07 amounting to Rs.60.18 Lacs (Previous Year – 61.62 Lacs) against which Company has filed an appeal before Joint Commissioner (Excise & Taxation) Faridabad & Tribunal at Chandigarh.
- b) Textile Committee Cess Rs.4.06 Lacs upto December 2000 (Previous year Rs. 4.06 Lacs).
- c) Tax demand of Rs. 21.46 Lacs assessment year 2000-01 (Previous year – Rs21.46 Lacs) under Haryana Local Area Development Tax Act, 2000.
- d) ESI dues amounting to Rs.1.28 Lacs (Previous Year Rs.2.55 Lacs) are pending with ESI Court Faridabad.
- e) The Company (through Faridabad Textile Processors Association) has filed writ petition before Hon'ble Punjab & Haryana High Court in the matter of applicability of Sales Tax on Job Work. The company may be liable to pay Sales Tax on Job Work already/to be undertaken by it, if the case is not decided in the favour of the Company/Association the amount of which is unascertainable. (Previous year NIL)
- 4. Income Tax Assessment up to the Assessment year 2007-08 has been completed.
- 5. Pursuant to BIFR order dated 06.10.05, the Company was permitted to increase its paid up capital by Rs.250 Lacs. Accordingly 250 Lacs Equity Shares of Rs.1/- each were allotted by way of conversion of unsecured loans into equity duly approved by Resolution of Board of Directors in meeting held on 31st March'06. The Company is yet to apply to concerned Stock Exchange, where the Shares of the Company are listed, for listing of additional shares worth Rs.250 Lacs.
- 6. During the year grant in the nature of Capital Subsidy of Rs. 26 Lacs and Interest Subsidy of Rs. 36.03 Lacs under Technology Up-gradation Fund (T.U.F.) scheme has been recognized aggregating Rs. 62.03 Lacs as there is a reasonable assurance as to its receipt and that conditions attached there to are complied with. Accordingly, capital subsidy of Rs.26 Lacs has been reduced from the gross block of related fixed assets in the year of its acquisition and depreciation have been re-computed. Excess depreciation on account of this charged in earlier years amounting to Rs.9.43 Lacs have been written back. Interest subsidy up to 31.03.2009 amounting to Rs.29.77 Lacs have been taken as other income and such subsidy for the current year amounting to Rs.6.26 Lacs have been reduced from the interest charged for the year.
- 7. The Company has continued to treat plant & machinery as continuous process plant on the basis of expert opinion obtained. This being a technical matter, without forming an independent opinion has been relied upon by the Auditors.
- 8. Provision on Account of impairment of Assets as required under AS-28 ICAI has not been made, as in the opinion of the management; the carrying amount of the assets is not less than the recoverable amount.
- 9. In the opinion of the Management and to the best of their knowledge and belief, the value on realization of Loans, Advances and Current Assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 10. Certain Sundry Creditors and Debtors have been shown at net of debit & credit balances owing to nature of trade. Balances of all Debtors and Few Creditors are subject to confirmation and reconciliation from the respective parties. The final adjustment, if any, in Debtors and Creditors account would be made as and when the reconciliation is completed, the impact of which is not identifiable and not provided for.
- 11. The Company has not received information from vendors regarding their Status under the Micro, Small and Medium Enterprises Development Act, 2006, hence, disclosure relating to amount unpaid as at the year end together with interest paid/ payable under this Act have not been given.
- 12. The Company is engaged in business of Textile viz Fabric Processing and Garment Manufacturing, which has been considered as one reportable segment, therefore, no disclosure on segment wise revenue etc., has been given.

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13. As per accounting standard (As)-15(Revised) the disclosure of Employee benefits as defined in the Accounting Standards are given below:

| Sr. No. | Items | Gratuity (Unfunded) | Leave Encashment (Unfunded) | Gratuity (Unfunded) | Leave Encashment (Unfunded) |
|-----------|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 1. | Change in present value of obligation | 31.03.10 | 31.03.10 | 31.03.09 | 31.03.09 |
| | a) Present value of obligation as at the beginning of the period (01.04.09) | 28,50,594 | 3,27,519 | 24,48,566 | 2,14,300 |
| | b) Acquisition adjustment | -- | -- | -- | -- |
| | c) Interest cost | 1,99,542 | 22,926 | 1,71,400 | 15,001 |
| | d) Past service cost | -- | -- | -- | -- |
| | e) Current service cost | 4,13,458 | 98,595 | 3,85,140 | 79,418 |
| | f) Curtailment cost/ (Credit) | -- | -- | -- | -- |
| | g) Settlement cost/ Credit | -- | -- | -- | -- |
| | h) Benefits Paid | (1,24,499) | -31,789 | (1,07,296) | (1,21,147) |
| | i) Actuarial (gain) / loss on obligation | (2,58,793) | -57,850 | -47,216 | 1,39,947 |
| | j) Present Value of obligation as at the end of Period (31/03/2010) | 30,80,302 | 3,59,401 | 28,50,594 | 3,27,519 |
| 2. | Actuarial gain /(loss) recognized | | | | |
| | a) Actuarial gain /(loss) for the period- obligation | 2,58,793 | 57,850.00 | 47,216.00 | (1,39,947) |
| | b) Actuarial gain /(loss) for the period- plan assets | -- | -- | -- | -- |
| | c) Total (gain)/loss for the period | (2,58,793) | (57,850.00) | (47,216) | 1,39,947 |
| | d) Actuarial (gain)/ loss recognized in the period. | (2,58,793) | (57,850.00) | (47,216) | 1,39,947 |
| | e) Unrecognized actuarial (gain) losses at the end of period | -- | -- | -- | -- |
| 3. | Amount Recognised in Balance sheet | | | | |
| | a) Present Value of obligation as at the end of the period | 30,80,302 | 3,59,401 | 28,50,594 | 3,27,519 |
| | b) Fair Value of plan assets as at the end of the period | -- | -- | -- | -- |
| | c) Funded status | (30,80,302) | (3,59,401) | (28,50,594) | (3,27,519) |
| | d) Excess of actual over estimated | -- | -- | -- | -- |
| | e) Unrecognized actuarial (gains)/ losses | -- | -- | -- | -- |
| | f) Net assets/(liability) recognized in balance sheet | (30,80,302) | (3,59,401) | (28,50,594) | (3,27,519) |
| 4. | Expense recognized in the statement of profit and loss | | | | |
| | a) Current service cost | 4,13,458 | 98,595 | 3,85,140 | 79,418 |
| | b) Past service cost | -- | -- | -- | -- |
| | c) Interest cost | 1,99,542 | 11,926 | 1,71,400 | 15,001 |
| | d) Expected return on plan assets | -- | -- | -- | -- |
| | e) Curtailment cost/(credit) | -- | -- | -- | -- |
| | f) Settlement cost/(credit) | -- | -- | -- | -- |
| | g) Net actuarial (gain)/ loss recognized in the period | (2,58,793) | (57,850) | (47,216) | 1,39,947 |
| | h) Expenses recognized in the statement of profit & losses | 3,54,207 | 63,671 | 5,09,324 | 2,34,366 |
| 5. | Actuarial Assumption | | | | |
| | Discount Rate | 7% | 7% | 8% | 8% |
| | Future Increase in salary | 4.5% | 4.5% | 5.5% | 5.5% |
| | Actuarial Method | Projected Unit credit Method | Projected Unit credit Method | Projected Unit credit Method | Projected Unit credit Method |



13. As per Accounting Standard (AS)-18 issued by The Institute of Chartered Accountants of India, the Disclosure of transactions with the Related Parties as defined in Accounting Standard are given below

(i) Related parties with whom transactions have taken place and relationships:

ASSOCIATES

| | | | |
|---|------------------------|---|----------------------------------|
| 1 | Balaji Trading Company | - | Firm in which M.D. is Proprietor |
| 2 | Indian Texprints | - | Firm in which E.D. is Proprietor |

KEY MANAGEMENT PERSONNEL

| | | | |
|---|----------------------|---|--------------------|
| 1 | Shri N.P. Jhanwar | - | Managing Director |
| 2 | Shri R.N. Maheshwari | - | Executive Director |
| 3 | Shri S.N. Maheshwari | - | Director |

Relative of Key Management Personnel

| | | |
|--------------------------|---|--------------------------|
| Shri Abhishek Maheshwari | - | Son of Managing Director |
|--------------------------|---|--------------------------|

(ii) Transactions during the year with related parties

| LOANS TAKEN (Interest free loan) | Associate Enterprises | (Rs. in Lacs) Key Mgmt. Personnel |
|---|----------------------------------|--|
| Balance as at 1st April, 2009 | 0.00 | 25.00 |
| | (0.00) | (25.00) |
| Taken during the year | 52.10 | 0.80 |
| | (--) | (20.30) |
| Repaid/adjusted during the year | 52.10 | 0.80 |
| | (5.00) | (15.30) |
| Balance as at 31st March, 2010 | 0.00 | 25.00 |
| | (0.00) | (25.00) |

EXPENDITURE

| | |
|--|---------|
| Payment to and provisions | 21.74 |
| for Director Remuneration | (20.52) |
| Salary to relative of Key Management Personnel | 4.83 |
| | (4.43) |

14. EARNING PER SHARE (EPS)

| | 2009-2010 | 2008-2009 |
|---|-----------|-----------|
| a) Net profit after Tax (Rs. In Lacs) (Numerator used for calculation) | 78.2 | 41.28 |
| b) Weighted Average number of Equity Shares (Denominator used for calculation) | 50000000 | 50000000 |
| c) Basic & Diluted earning per Share of Rs. 1/- each (in Rupee) | 0.16 | 0.08 |

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15. DEFERRED TAX

The net Deferred Tax Asset as on 31st March, 2010 is as under:-

| SL | Particulars | As at 31.03.2009 | As at 31.03.2010 |
|-----------|--|------------------|------------------|
| A. | Deferred Tax Asset | | |
| 1. | On account of brought forward unabsorbed Depreciation | 150.95 | 127.32 |
| 2. | On account of Expenses deductible on cash basis. | 10.80 | 10.63 |
| | Total (A) | 161.75 | 137.95 |
| B. | Deferred Tax Liability | | |
| 1. | On account of Timing difference between Depreciation as per a/cs as per Tax base | 27.19 | 22.90 |
| | Total of (B) | 27.19 | 22.90 |
| C. | Net Deferred Tax Assets (A-B) | 134.56 | 115.05 |

The Deferred Tax Asset amounting to Rs.115.05 Lacs has been recognized by the Company, as in the opinion of the management, there is a virtual certainty based on convincing evidences that sufficient taxable income would be available in the future against which such Deferred tax Asset can be realized. The Deferred Tax charge for the current year amounting to Rs.19.51 Lacs has been charged to Profit & Loss Account.

16. Provision for current tax amounting to Rs.15.10 Lacs has been made under Section 115 JB of Income Tax Act 1961. In view of Tax Credit available U/S115JAA of Income Tax Act 1961, the Company has credited MAT credit entitlement account of equivalent amount by crediting Profit & Loss Account.

17. Remuneration to Managing Director & Executive Director (Whole Time):

| | Current Year (Rs.) | Previous Year (Rs.) |
|------------------------|-----------------------|------------------------|
| Salary | 1903500 | 1741500 |
| Perquisites and others | 270536 | 310367 |
| | <u>2174036</u> | <u>2051867</u> |

18. Payments to Auditors Re-present:

| | Current Year (Rs.) | Previous Year (Rs.) |
|--|-----------------------|------------------------|
| i) Towards Statutory Audit | 55150 | 55150 |
| ii) Towards Certification | 22060 | 44635 |
| iii) Reimbursement of out of Pocket Expenses | 12510 | 22673 |
| | <u>89720</u> | <u>122458</u> |

19. Additional information pursuant to the provisions of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956.

| | Unit | Current Year | Previous Year |
|------------------------|------|---------------|---------------|
| A) Capacities | | | |
| I) Licensed Capacity | -- | N.A. | N.A. |
| II) Installed Capacity | Mtrs | 60000 per day | 60000 per day |
| III) Actual Production | | | |
| i) Own | Mtrs | 5389598 | 4028707 |
| ii) Job | Mtrs | 11647512 | 9703437 |
| iii) Garments | Pcs | 129722 | 71274 |



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

B) Stocks

| | Opening Stocks | | Closing Stocks | |
|--|--------------------|------------------------|--------------------|------------------------|
| | Qty (Mtrs) | Value (Rs.) | Qty (Mtrs) | Value (Rs.) |
| i) Fabric | 510852 (447894) | 17399938 (13596534) | 632453 (510852) | 24087224 (17399938) |
| ii) Job Work (Excluding cost of fabric) | 156165 (162311) | 2186873 (2100821) | 221399 (156165) | 3151240 (2186873) |
| iii) Garments (pcs) | 23323 (15265) | 3226575 (1742420) | 40517 (23323) | 5451757 (3226575) |

C) Turnover

| | Qty. (Mtrs) | Value (Rs.) |
|--|------------------------|--------------------------|
| i) Fabric | *5267997 (*3965749) | 256791390 (191129847) |
| ii) Job Work (Excluding cost of fabric) | 11582278 (9709583) | 178946855 (175521390) |
| iii) Garments (pcs) | 112528 (63216) | 12021858 (13830385) |

a. Includes 63163 meters transferred to garment division (Value – NIL) previous year 65501 Mtrs, Value NIL.

D) Material Consumed

| Particulars | Unit | Quantity | Value (Rs.) |
|----------------------|------|-----------|-------------|
| i) Fabric | Mtrs | 5729872 | 201994233 |
| | Mtrs | (4116853) | (132094547) |
| ii) Dyes & Chemicals | Kgs | 2380333 | 90343502 |
| | Kgs | (2075764) | (93139791) |
| E) Stores & Spares | - | - | 12321645 |
| | - | - | (11676653) |
| F) Packing Material | - | - | 1905053 |
| | - | - | (1801501) |

Note: (i) Raw material, Dyes & Chemicals and Stores & Spares were 100% Indigenous.

(ii) Figures in bracket represent previous year figure.

| | Current Year (Rs. In Lacs) | Previous Year (Rs. In Lacs) |
|---|-------------------------------|--------------------------------|
| G) Expenditure in foreign Currency Traveling | NIL | 1.59 |
| H) FOB value of exports | 50.72 | 121.39 |

Signed for identification Schedule 1 to 18 in terms of our report of even date

For DOOGAR & ASSOCIATES

For and on behalf of BOARD OF DIRECTORS

Chartered Accountants

(Firm Reg. No. 000561N)

M.S. Agarwal

Partner

M.N. 86580

N.P. Jhanwar

Managing Director

DIN 00401788

R.N. Maheshwari

Director

DIN 00403174

Place : Faridabad

Date : 11.08.2010

18th Annual Report 2009-2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

| | 2009-2010 Rs. | 2008-2009 Rs. |
|---|-----------------------|-----------------------|
| A Cash Flow from Operating Activities | | |
| Net Profit/Loss before tax & extra-ordinary items | 8,827,425.00 | 6,033,410.00 |
| Adjustments for :- | | |
| Depreciation | 9,886,464.00 | 11,297,918.00 |
| Loss / (Profit) on sale of fixed assets | 480,222.00 | 403,223.00 |
| Interest | 11,300,452.00 | 13,369,323.00 |
| Operating Profit/Loss before working capital change | <u>30,494,563.00</u> | <u>31,103,874.00</u> |
| Adjustments for :- | | |
| Trade receivables | (2,015,572.00) | (10,871,000.00) |
| Inventories | (24,574,931.00) | (14,274,178.00) |
| Loans & Advances | (8,010,456.00) | (923,139.00) |
| Trade Payable | 19,557,679.00 | 17,691,159.00 |
| Cash Generated From Operations | <u>15,451,283.00</u> | <u>22,726,716.00</u> |
| Interest Paid | (11,300,452.00) | (13,369,323.00) |
| Direct Taxes Paid | | (168,312.00) |
| Cash Flow Before Extra-ordinary Items | <u>4,150,831.00</u> | <u>9,189,081.00</u> |
| Extra-ordinary Items | | - |
| Net Cash From Operating Activities | <u>4,150,831.00</u> | <u>9,189,081.00</u> |
| B Cash Flow From Investing Activities | | |
| Purchase of Fixed Assets & CWIP | (7,592,225.00) | (5,157,406.00) |
| Sale of Fixed Assets | 3,394,202.00 | 621,595.00 |
| Net Cash Used in Investing Activities | <u>(4,198,023.00)</u> | <u>(4,535,811.00)</u> |
| C Cash Flow From Financing Activities | | |
| Proceeds from Long Term Borrowings [Unsecured loans from Others] | 1,392,172.00 | 2,731,729.00 |
| Repayment of Deferred Liabilities | | (3,600,000.00) |
| Repayment of Finance/Lease Liabilities | (9,264,107.00) | (8,853,394.00) |
| Bank Borrowings | 5,872,558.00 | 7,527,513.00 |
| Net Cash From Financing Activities | <u>(1,999,377.00)</u> | <u>(2,194,152.00)</u> |
| Net Increase/Decrease in Cash & Cash Equivalent | (2,046,569.00) | 2,459,118.00 |
| Cash & Cash Equivalents [Opening Balance] | 2,828,885.00 | 369,767.00 |
| Cash & Cash Equivalents [Closing Balance] | 782,316.00 | 2,828,885.00 |

As per our report of even date
For **DOOGAR & ASSOCIATES**
Chartered Accountants
(Ref.No. 000561N)

For and on behalf of the **BOARD OF DIRECTORS**

M.S.Agarwal
Partner
M.N.86580
Place : Faridabad
Date : 11.08.2010

N.P.Jhanwar
Managing Director
DIN 00401788

R.N.Maheshwari
Director
DIN 00403174



Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date
Day Month Year

II. Capital raised during the year (amount in Rs. thousands)

Public Issue Right issue

Bonus Issue Private Placement

III. Position of mobilisation and development of funds (amount in Rs. thousands)

Total Liability Total Assets

Sources of funds

Paid-up Capital Reserves and Surplus

Secured Loans Unsecured Loans

Deferred Liabilities Current Liabilities & Provisions

IV. Application of funds

Net Fixed Assets Investments

CWIP & advance Misc Expenditure

Current Assets

Loans & Advances

Deferred Tax Asset

Accumulated Losses

V. Performance of Company (Amount in Rs. Thousands)

Turnover including Total Expenditure

Other Income & Tax adjustment for earlier year

Profit/Loss Before Tax Profit/Loss after Tax

Earning per Share in Rs.0.16 Dividend rate %

VI. Generic Names of Three Principal product/Service of the Company

Item Code No. (ITC Code) : General Catagory

Product Description : Processing & printing of knitted & woven fabrics

Item Code No. (ITC Code) : N.A.

Product Description : N.A.

For and on behalf of BOARD OF DIRECTORS

Place : Faridabad
Date : 11.08.2010

N.P. Jhanwar
Managing Director
DIN 00401788

R.N. Maheshwari
Director
DIN 00403174

Haryana Texprints (Overseas) Limited

(Formerly known as INDO TEXPRINTS (OVERSEAS) LIMITED)

REGD. OFFICE: PLOT NO. 3, SECTOR 25, FARIDABAD - 121 004

PROXY FORM

Folio No.:

No. of Shares held:

I/We _____ of _____
in the District of _____ being a Member/Members of the above named Company,
hereby appoint Shri _____ of _____

in the District of _____ of failing him
Shri _____ in the District of _____ of failing
him Shri _____ of _____ in the District of _____
as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting
of the Company to be held on Monday the 27th September, 2010 at 10.00 A.M and at any adjournment thereof.

Signed this _____ day of _____, 2010

Signature _____

**Affix
one rupee
Revenue
Stamp**

NOTE : -The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at the 17th ANNUAL GENERAL MEETING OF HARYANA TEXPRINTS (OVERSEAS) LIMITED,
AT PLOT NO. 3, SECTOR 25, FARIDABAD - 121 004 on Monday the 27th September, 2010 at 10:00 A.M.

No. of shares held _____

Folio No.(s) _____

Full name of shareholders _____

Signature _____

Full name of the proxy* _____

Signature _____

*(To be filled in the Proxy attends instead of the Member)

BOOK - POST



If undelivered please return to :
HARYANA TEXPRINTS (OVERSEAS) LTD.
(Formerly Indo Texprints (Overseas) Ltd.)
Plot No.3, Sector-25
Faridabad - 121004