

**OMKAR OVERSEAS  
LIMITED.  
AHMEDABAD.**

**ANNUAL REPORT  
FOR F.Y. 2009-2010**

NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
211, NEW CLOTH MARKET,  
AHMEDABAD-380002.

## AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY

TO,  
The Share Holders  
M/S. OMKAR OVERSEAS LIMITED  
Ahmedabad.

1. We have audited the attached balance sheet of OMKAR OVERSEAS LTD. as at 31st March, 2010, the Profit and Loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies' (Auditor's Report) Order, 2003, issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
  - i) We have obtained all the information and explanation, which, to the best of our knowledge and belief were necessary for the purpose of our audit.
  - ii) In our opinion proper books of accounts as required by the law have been kept by the company so far as its appears from our examination of the books.
  - iii) The balance sheet and profit and loss Account dealt with by this report are in agreement with such books of accounts.
  - iv) In our opinion the Profit and Loss Account and the Balance Sheet comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956.



v) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2010, from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts of the company being prepared on "going concern basis", give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) In so far as it relates to balance sheet, of the state of affairs of the Company as at 31st March, 2010 and.

b) In so far as it relates to the profit and loss account, of the LOSS of the company for the year ended on 31st March, 2010.

c) In the case of Cash Flow Statement of the Cash Flow for the year ended on that date.

PLACE : AHMEDABAD

DATE : 15-06-2010

FOR AND ON BEHALF OF  
M/S.NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA GAURAV NAHTA)  
PARTNER  
M.NO.116735  
FRN-106801 W



**ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE**  
**OF OMKAR OVERSEAS LTD.**

Referred to in paragraph 3 of our report of even date,

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) Physical Verification of major assets was conducted by the Management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) During the year, the company has not disposed off substantial part of its assets and hence has not affected the going concern status of the company.
- 2) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3) (a) The Company has not taken unsecured loans from any companies, firms or Other parties listed in the register maintained under section 301 of the Companies Act, 1956.  
The company has granted unsecured loans to five companies, firms, or or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.505.71 Lacs (P.Y. Rs.722.05 Lacs) and the year end balance of the loans given to such parties was Rs.329.91 Lacs (P.Y. Rs.434.78 Lacs)  
(b) In our opinion, the rate of interest wherever applicable and 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) 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.
- 4) (a) 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 nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.



(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of agreements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices or the price at which the transactions for similar goods or services have been made with other parties.

6) The Company has not accepted any fixed deposits from the public so the question of applicability of the provisions of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptances of Deposits) Rules, 1975 with regard to the deposits accepted from the public does not arise.

7) The Company has an internal control system, commensurate with the size and nature of the business.

8) We are informed that the maintenance of the cost records u/s. 209(1)(d) of the Companies Act, 1956 are not required for the Company for the year under review.

9) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues towards income tax, sales tax, custom duty, excise duty, service tax, or any other statutory dues/cess applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, service tax, etc., were outstanding as at 31.03.2010 for a period of more than 6 months from the date they become payable.

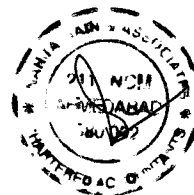
(b) According to the information & explanation given to us and according to the records of the company examined by us, the following are the particulars of disputed dues on account of Sales Tax, Income Tax, Custom Duty, Excise Duty, service tax, and any other cess or tax that have not been deposited or deposited under protest:-

Sr.No.	Name of the Statute	Nature of dues	Amt.of Dispute (Rs.in Lacs)	Period to which it relates	Forum where it is pending
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----- N I L -----

10) The Company has an accumulated losses of Rs. 596.79 Lacs as on 31.03.2010. Further, the company has incurred cash losses of Rs.66.52 lacs during the current year. The company has not incurred cash losses during the preceding financial year.

11) Based on our audit procedures and on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders, etc.



- 12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities of a similar nature and hence maintenance of documents and records relating to such items are not applicable.
- 13) 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.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) We are informed that the company has not given any guarantee for loans taken by others from banks or any financial institutions.
- 16) The company has not taken any term loans during the year covered by our audit and hence the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company for the year.
- 17) Based on our examinations of the books of account and Balance Sheet of the Company and as explained to us, we are of the opinion that funds raised on short term basis have not been used for long term investments. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) According to the information and explanations given to us, The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) The company has not issued any debentures during the year.
- 20) The company has not raised any money by public issues during the year.
- 21) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : AHMEDABAD

DATE : 15-06-2010

FOR AND ON BEHALF OF  
M/S.NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA GAURAV NAHTA)  
PARTNER  
M.NO.116735  
FRN- 106801 W

**OMKAR OVERSEAS LIMITED**

**BALANCE SHEET AS AT 31st MARCH, 2010**

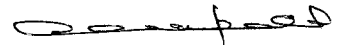
PARTICULARS	<u>SCHEDULE</u>	AS AT 31.03.2010	AS AT 31.03.2009
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	A	43621250	39112250
Reserve & Surplus	B	34485000	16449000
<b>Loan Funds :</b>			
Secured Loans		0	0
Unsecured Loans	C	4946250	590000
	<b>TOTAL</b>	<b>83052500</b>	<b>56151250</b>
<b>APPLICATIONS OF FUNDS :</b>			
Fixed Assets	D		
Gross Block		0	4929653
Less : Depreciation		0	2501108
		0	2428545
Investments	E	0	14000000
<b>Current Assets, Loans &amp; Advances</b>	F		
Current Assets		89652095	148633010
Loans & Advances		62002075	45884759
		151654170	194517769
Less: Current Liab. & Prov.	G	128280533	207886033
Net Current Assets		23373637	-13368264
Profit & Loss Account (NET)		59678863	53090969
	<b>TOTAL</b>	<b>83052500</b>	<b>56151250</b>
<b>NOTES ON ACCOUNTS</b>	M		

PLACE : AHMEDABAD

AS PER OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF  
M/S NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

M/s.OMKAR OVERSEAS LIMITED

DATE :15-06-2010




(DIRECTOR)



(DIRECTOR)



  
(CA-GAURAV NAHTA)  
(PARTNER)  
M.NO.116735  
FRN- 106801W

# OMKAR OVERSEAS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	<u>SCHEDULE</u>	For the Year Ended <u>31.03.2010</u>	For the Year Ended <u>31.03.2009</u>
<b>INCOME</b>			
Sales (Net)	H	196999799	217625889
Variation in Stock	I	0	0
Other Income	J	0	10582
<b>TOTAL</b>		<b>196999799</b>	<b>217636471</b>
<b>EXPENDITURE :</b>			
Purchases	K	193217937	216221382
Administration & Other Expenses	L	10433567	207619
<b>TOTAL</b>		<b>203651504</b>	<b>216429001</b>
NET PROFIT/(LOSS)before Taxation & Depreciation		-6651705	1207470
Less : Depreciation		142382	155327
<b>Profit/(Loss) Before Tax</b>		-6794087	1052143
Less : Provision for Taxation			
- Current		0	125000
- Deferred		0	0
- Fringe Benefit Tax		0	0
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>-6794087</b>	<b>927143</b>
Add/(Less):Prior Period Items		206193	-58389
Transfer from General Reserve		0	0
Balance Brought Forward		-53090969	-53959723
Profit & Loss Account		<b>-59678863</b>	<b>-53090969</b>

**NOTES ON ACCOUNTS**

M

PLACE : AHMEDABAD

AS PER OUR REPORT OF EVEN DATE

M/s.OMKAR OVERSEAS LIMITED

FOR AND ON BEHALF OF

DATE :15-06-2010

M/S. NAHTA JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

*[Signature]*

(DIRECTOR)



*[Signature]*

(CA GAURAV NAHTA)

(PARTNER)

M.NO.116735

FRN- 106801W

*[Signature]*

(DIRECTOR)



AS AT  
31.03.2010

AS AT  
31.03.2009

SCHEDULE "A" OF SHARES CAPITAL

Authorised Share Capital

6000000 (Prv.Yr.6000000) Equity Shares of  
Rs. 10/- each (Prv. Yr. Rs.10/- each)

60000000

60000000

Issued, Subscribed & Paid-up Share Capital

5000000 (Prv.Yr.5000000) Equity Shares of  
Rs.10/- each fully paid up.  
(Prv. Yr. Rs.10/- each)

50000000

50000000

(Of the above share 28,00,000 (28,00,000) Equity  
Shares allotted as fully paid up, pursuant to an  
Agreement without payment being received in cash)

Less : Calls Unpaid

6378750

10887750

43621250

39112250

SCHEDULE "B" OF RESERVE & SURPLUS

Share Premium Account

34485000

16449000

34485000

16449000

SCHEDULE "C" OF UNSECURED LOANS

From Directors, Relatives, etc.

0

590000

From Others

4946250

0

4946250

590000



SCHEDULE "D" OF FIXED ASSETS

S.NO.	NAME OF THE ASSETS	Rate	GROSS BLOCK		DEPRECIATION				NET BLOCK			
			Opening	Closing	Opening	FOR THE	Closing	AS ON	AS ON	31.03.10	31.03.09	
			01.04.09	ADDITION DEDUCTION TOTAL	1.04.09	YEAR	ADJUSTED TOTAL	31.03.10	31.03.09			
1	LAND	0.00	1872442	0	1872442	0	0	0	0	0	1872442	
2	PLANT & MACHINERY	4.75	2844408	0	2844408	0	2319028	123850	2442878	0	0	525380
3	VEHICLES	9.50	212803	0	212803	0	182080	18532	200612	0	0	30723
<b>TOTAL</b>			<b>4929653</b>	<b>0</b>	<b>4929653</b>	<b>0</b>	<b>2501108</b>	<b>142382</b>	<b>2643490</b>	<b>0</b>	<b>0</b>	<b>2428545</b>
<b>PREVIOUS YEAR</b>			<b>4929653</b>	<b>0</b>	<b>4929653</b>	<b>2345781</b>	<b>155327</b>	<b>0</b>	<b>2501108</b>	<b>2428545</b>		



AS AT  
31.03.2010

AS AT  
31.03.2009

**SCHEDULE "E" OF INVESTEMENT**

	No. of Share		
<b><u>LONG-TERM NON-TRADE INVESTMENTS (UNQUOTED) : (AT COST)</u></b>			
Shares in Arnav Textile Mills Pvt. Ltd. (Formerly known as Alok Synthetics P.Ltd.)	400000	0	14000000
		<u>0</u>	<u>14000000</u>

**SCHEDULE "F" OF CURRENT ASSETS**

**A. CURRENT ASSETS**

1. Inventories

(As valued and certified by management)

Grey Cloth(Traded)(At Cost)	0	0
Printed Cloth(Traded)(At Cost)	0	0
Work-in-process (At Estd. Cost)	0	0
Finished Goods (At lower of Cost or Net Realisable Value w/e is less)	0	0
	<u>0</u>	<u>0</u>

2. Debtors

(Unsecured considered good outstanding for the period of)

More than six months	48254268	50271216
Others	41099265	148011358
	<u>89353533</u>	<u>198282574</u>
Less : Provision for Doubtful Debts	0	49845662
	<u>89353533</u>	<u>148436912</u>

3. Cash & Bank Balance

Cash in hand	290528	184434
Cash At Bank		
In Current Accounts	8034	11664
In Deposits Account	0	0
	<u>298562</u>	<u>196098</u>
<b>TOTAL A</b>	<u>89652095</u>	<u>148633010</u>

**B. LOANS & ADVANCES**

(Unsecured but considered good)

Other Advance (Recoverable in Cash or Kind  
or valued to be received)

	62002075	45074347
Advances to Creditors	0	810412
	<u>62002075</u>	<u>45884759</u>
<b>TOTAL B</b>	<u>62002075</u>	<u>45884759</u>
<b>TOTAL A + B</b>	<u>151654170</u>	<u>194517769</u>



AS AT  
31.03.2010

AS AT  
31.03.2009

SCHEDULE "G" OF CURRENT LIABILITIES & PROVISION

**A. Current Liabilities**

Sundry Creditors	128277224	207753088
Statutory Creditors	3309	7945
	<u>128280533</u>	<u>207761033</u>

**B. Provisions**

- For Income Tax	0	125000
- For Fringe Benefit Tax	0	0
	<u>0</u>	<u>125000</u>
	<u>128280533</u>	<u>207886033</u>

SCHEDULE "H" OF SALES

Printed/Dyed Cloth	196999799	200606063
Grey Cloth	0	17019826
	<u>196999799</u>	<u>217625889</u>

SCHEDULE "I" OF VARIATION IN STOCK

**STOCK AT CLOSE :**

Printed Cloth	0	0
Grey Cloth	0	0
	<u>0</u>	<u>0</u>

**STOCK AT COMMENCEMENT :**

Printed Cloth	0	0
Grey cloth	0	0
	<u>0</u>	<u>0</u>

**INCREASE/ (DECREASE) IN STOCK**

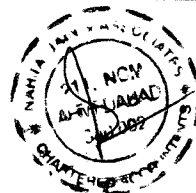
	<u>0</u>	<u>0</u>
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SCHEDULE "J" OF OTHER INCOME

Excise Duty Refund	0	10582
	<u>0</u>	<u>10582</u>

SCHEDULE "K" OF PURCHASES

Printed Cloth	193217937	200011968
Grey Cloth	0	16209414
Frieght & Octroi (Grey)	0	0
	<u>193217937</u>	<u>216221382</u>

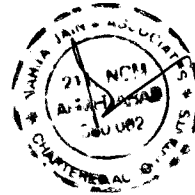


For the Year Ended  
31.03.2010

For the Year Ended  
31.03.2009

**SCHEDULE "L" OF MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES**

Postage & Telegram	0	979
Membership & Subscription	0	432
Legal Expenses	34156	25115
Printing & Stationery Exp.	0	120
Audit Fees	33090	44120
Consulting Fees	73573	94929
Filing Fees	1740	5454
Listing Fees	24176	21670
Sundry Balance Written off	0	2788
Bank Charges & Commission	74025	12012
Interest paid on Deposits	80	0
LOSS ON SALE OF ASSETS	192727	0
LOSS ON SALE OF INVESTMENTS	10000000	0
	<u>10433567</u>	<u>207619</u>



## SCHEDULE - M: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. Significant Accounting Policies

#### **Accounting Convention**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

#### **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

#### **Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing costs directly attributable to the acquisition / construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charges on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same has been allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

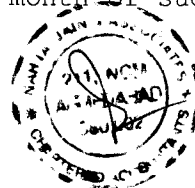
#### **Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

#### **Depreciation**

All fixed assets, except capital work in progress, are depreciated on a **STRAIGHT LINE METHOD** at the rates and in the manner prescribed in Schedule XIV of the Companies' Act, 1956.

Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the month of such addition / deletion as the case may be.



**Investments**

Long term investments are stated at cost. Current investments are stated at lower of cost and market price. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

**Inventories**

Inventories are measured at lower of cost and net realizable value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Cost for finished goods and process stock is ascertained on full absorption cost basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their present location & condition.

**Revenue Recognition**

Sales are recognized when goods are supplied. Sales are net of trade discounts, rebates and vat. It does not include interdivisional sales.

Revenue in respect of other item is recognized when no significant uncertainty as to its determination or realization exists.

**Borrowing Cost**

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

**Employee Benefits**

Short -term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.

**Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

**Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



## B. Notes on Accounts

### 1. Micro & Small Enterprises Dues

The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

2. Balances of Sundry Debtors, Creditors, Loans and advances are subject to confirmation.
3. Payments & Provisions for employees include Directors Remuneration Rs. NIL (P.Y.- Rs. NIL).
4. Contingent liabilities (not provided for) is Nil.
5. In the opinion of the directors, current assets, loan and advances, other than doubtful have the value at which they are stated in the balance-sheet if realized in the ordinary course of business. The provision for all known liabilities is adequate & not in excess of the amount reasonably necessary.
6. Tax provision has been made as per tax on the profits available to the company under Income tax Act, 1961.
7. Considering the volume of huge accumulated losses, the management is of the opinion that it is not necessary to recognise "Deferred Tax Assets" as there is no reasonable certainty of recoupment past carry forward losses. Hence no provision for "Deferred Tax Assets" as per the Accounting Standard-22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, is being made in the accounts.
8. Figures have been rounded off to nearest rupees.
9. Previous year figures are regrouped, rearranged, wherever necessary.
10. In compliance of the Accounting Standard - 20 on "Earning Per Share" issued by the Institute of Chartered Accountants of India, the elements considered for calculation of Earning Per Share (Basic and Diluted) are as under :

Sr.No.	Particulars	31.03.2010	31.03.2009
1	Profit After Tax (Rs.)	(6794087)	927143
2	Weighted Avg. No. of Equity Shares	4009169	3911225
3	Earning Per Share(Basic and Diluted)(Rs.)	0.00	0.24
4	Face Value Per Share (Rs.)	10	10

11. In compliance of Accounting Standard - 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the required information is given below :

#### [1] Relationship :

##### [A] Key Management Personnel :-

Shri Champalal G. Agarwal

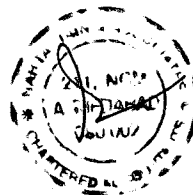
C M D

Shri Subhashchand O. Agarwal

Director

##### [B] RELATIVES

:- NIL





[C] Associate Body Corporate :-

Omkar Textiles Pvt. Ltd., Omkar Textile Mills Pvt.Ltd., Omkar Industries Limited, Arnav Textile Mills Pvt. Ltd., Arnav Industries Pvt. Ltd.,

[D] Associate Concerns :-

Arnav Finance Corporation, Pooja Enterprise, Saroj Textile, Arnav Industries, Pish Industries,

[E] Subsidiaries or Investing Companies :- NIL

[F] Transactions with Related Parties :- (In Rs.)

Nature of Transaction	Associate Body Corporate	Associate Concerns	Directors	Relatives
Remuneration	Nil	Nil	Nil	---
	(---	(---	(---	(---
Sales	134536590	Nil	Nil	Nil
	(20265029)	(---	(---	(---
Purchases	Nil	Nil	Nil	Nil
	(---	(---	(---	(---
Job Charges Paid	NIL	Nil	Nil	Nil
	(---	(---	(---	(---
Interest/Rent/Other Charges Paid	Nil	Nil	Nil	Nil
	(---	(---	(---	(---
Sale of Investments	NIL	4000000	Nil	Nil
	(---	(---	(---	(---
Deposits Given	884000	791000	Nil	Nil
	(653000)	(4626500)	(---	(---
Deposits Received	600000	2700000	Nil	Nil
	(---	(590000)	(---	(---
Net Balance(as on 31.3.2010)	736.20 Lacs (Dr.)			
	439.80 Lacs (Dr.)			

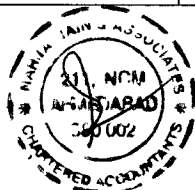
12. No Disclosure is required under the Accounting Standard - 24 on "Discontinuing Operations" as the company has not discontinued any line of its activity/product line during the year.

13. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS - 28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Based on such review, no provision for impairment is required to be recognised for the year.

14. Additional information pursuant to the provisions of para 3 & 4 of part II, schedule VI of the Companies Act,1956 to the extent applicable to the company.

Quantitative Information (Mtrs.)	Current Year	Previous Year
I.Licensed Capacity & Installed Capacities: TANK(Pcs)	100000	100000
CLOTH(SETS)	3300000	3300000

II. Quantitative Details :	CURRENT YEAR		PREVIOUS YEAR	
	QTY.	Amount (Rs)	QTY.	Amount (Rs.)
A.Raw Material Consumed(Indigenous only)				
Grey Cloth	NIL	NIL	NIL	NIL
Colour & Chemicals	NIL	NIL	NIL	NIL
Grey Cloth Purchased (Mtrs.)	NIL	NIL	810406	16209414
Printed Cloth Purchased (Mtr.)	4182508	193217937	4617295	200011968
B. Production	NIL	NIL	NIL	NIL



C. SALES					
Printed Cloth	- Mtrs.	4182503	196999799	4617295	200606063
Grey Cloth	- Mtrs.	NIL	NIL	810406	17019826
Water Tanks	- Nos.	NIL	NIL	NIL	NIL
Trolley	- Nos.	NIL	NIL	NIL	NIL

D. Closing Stock :-					
GREY CLOTH (Traded)	- Mtrs.	NIL	NIL	NIL	NIL
Printed Cloth(Traded)	- Mtrs.	NIL	NIL	NIL	NIL
Trolley		NIL	NIL	NIL	NIL
Water Tanks	- Nos.	NIL	NIL	NIL	NIL
L.L.D.P.E.	- Kgs.	NIL	NIL	NIL	NIL
Semi Finished Goods-	Kgs.	NIL	NIL	NIL	NIL

**IV. Consumption of Imported and Indigenous Raw Material :-**

PARTICULARS					
IMPORTED		NIL	NIL	NIL	NIL
INDIGINIOUS		100%	NIL	100%	NIL

**V. Consumption of Imported and Indigenous Stores & Spare Parts :-**

PARTICULARS					
IMPORTED		NIL	NIL	NIL	NIL
INDIGINIOUS		100%	NIL	100%	4775

**15. Auditors Remuneration :-**

(a) For Audit	22,060	27,575
(b) For Tax Matters	5,515	8,272
(c) For Others	5,515	8,273

16. No. of Employees employed throughout the F.Y. 2008-09 who are in receipt of remuneration aggregating to Rs. 24,00,000/- p.a. or more or Rs. 2,00,000/- p.m. or more in case of employees employed for the part of the financial year is NIL.

17. CIF Value of Imports. NIL NIL

18. Earning / Expenditure in foriegn currency. NIL NIL

**19. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(Submitted in terms of part IV and schedule VI to the Companies Act, 1956)

**1. REGISTRATION DETAILS**

Registration No. : 23820  
 State Code : 04  
 Date of Balance Sheet : 31.03.2010

**2. CAPITAL RAISED DURING THE YEAR (Rs.in Lacs) Year ended on**

**31.03.2010 31.03.2009**

Public Issue	NIL	NIL
Right Issue	NIL	NIL
Bonus Issue	NIL	NIL
Private Placement	NIL	NIL



**3. POSITION OF MOBILISATION & DEVELOPMENT OF FUNDS**

Total Liabilities	830.05	561.51
Total Assets	830.05	561.51

**(A) Sources of Funds**

Paid up Capital	436.21	391.12
Reserve & Surplus	344.85	164.49
Secured Loans	0.00	0.00
Unsecured Loans	49.46	5.90

**(B) Application of Funds**

Net Fixed Assets	0.00	24.29
Net Current Assets	233.74	(133.68)
Investments	0.00	140.00
Miscellaneous Exp. not w/off	0.00	0.00
Profit & Loss A/c	596.79	530.91

**4. PERFORMANCE OF COMPANY**

Total Income	1970.00	2176.36
Total Expenditure	2037.94	2165.84
Profit/(Loss) Before Tax	(67.94)	10.52
Profit/(Loss) After Tax	(67.94)	9.27
Earning Per Share (Rs)	0.00	0.24
Dividend Rate	0.00	0.00

**5. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF COMPANY**

(as per monetary Terms)

ITEM CODE	PRODUCT
-----	-----
636307	Made up Articles (Cloth)
3138	Plastic Tank, Vessels, etc.


Signature to the Schedule A to M

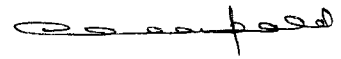
PLACE : AHMEDABAD


DATE : 15-06-2010

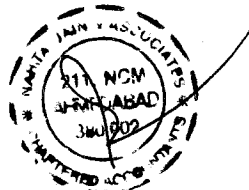
FOR AND ON BEHALF OF  
M/S NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANT

FOR M/S OMKAR OVERSEAS  
LTD.

  
(CA GAURAV NAHTA)  
(PARTNER)  
M.NO.116735  
FRN-106801 W

  
(DIRECTOR)

  
(DIRECTOR)



**OMKAR OVERSEAS LIMITED**

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

<u>PARTICULARS</u>	<u>YEAR ENDED ON MARCH 31, 2010</u>	<u>YEAR ENDED ON MARCH 31, 2009</u>
<b>A. Cash Flow From Operating Activities</b>		
Profit Before Tax	-6794087	1052143
Adjustments For :		
Depreciation	142382	155327
Deferred Revenue Exp. W/off	0	0
Income From Long Term Investment	0	0
Profit On Sale of Assets	0	0
Provision for Doubtful Claims added back	0	0
Prior Period Items	206193	-58389
Interest on Borrowings	0	0
Interest Income	0	0
Loss on sale of Assets	192727	0
Loss on sale of Investments	1000000	0
<b>B. Operat. Profit Before Working Cap.Changes</b>	<b>3747215</b>	<b>1149081</b>
<b>C. Changes in Working Capital</b>		
(Excluding Cash & Bank Balances)		
Trade and other Receivables	42966063	-118711732
Inventories	0	0
Trade and other Payables/Provisions	-79605500	117240151
Change in Working Capital	-36639437	-1471581
<b>D. Cash Generated From Operations</b>	<b>-32892222</b>	<b>-322500</b>
<b>E. Adjustments For</b>		
Direct Taxes Paid	0	-125000
Direct Taxes Received	0	0
<b>F. Net Cash Flow From Operating Activities</b>	<b>-32892222</b>	<b>-447500</b>
<b>G. Cash Flow from Investing Activities</b>		
Purchase of Investments	0	0
Deferred Revenue Expenditure	0	0
Sale of Assets	2093436	0
Sale of Invesments(Net)	4000000	0
Interest Received	0	0
Dividend /Income from Invesments Recd.	0	0
Net Cash Used in Investing Activities	6093436	0
<b>H. Net Cash Flow from Financing Activities</b>		
Proceeds from Calls in arrears/ Issue of Shares including Premium	22545000	0
Proceeds from Borrowings	4356250	590000
Repayments of Borrowings	0	0
Interest Paid	0	0
Dividend Paid	0	0
Corporate Dividend Tax paid	0	0
Net Cash Generated/(Used) from Financing Activities	26901250	590000
<b>I. Net Change in Cash &amp; Cash Equivalent</b> (F+G+H+)	<b>102464</b>	<b>142500</b>



J. Cash and Cash Equivalents as at the Beginning of Financial Year	196099	53599
K. Cash and Cash Equivalents as at the End of the Financial Year	298563	196099

*[Handwritten Signature]*

(Chairman and Managing Director)

*[Handwritten Signature]*

(Director)

(Director)

AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of **OMKAR OVERSEAS LIMITED** derived from the audited financial statements and the books and records maintained by the company for the years ended 31st March, 2010 and 31st March, 2009.

Place : Ahmedabad

M/S NAHTA JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Date : 15-06-2010

*[Handwritten Signature]*  
(CA GAURAV NAHTA)  
(PARTNER)  
M.NO.116735  
FRN- 106801 W

