



ANNUAL REPORT
2011 – 2012

VERTEX SPINNING LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr.Suresh Sharma	- Managing Director
Mr. Sachin Sharma	- Executive Director
Mr.S.N.Munjee	- Executive Director
Mr. S.K.Mishra	- Independent Director
Mr.S.B. Mohapatra	- Independent Director
Mr. Giriraj Prasad Sharma	- Independent Director

AUDITORS

Ashish Vyas & Co.
Chartered Accountant
12, Civil Lines, Opp. BJP Office,
Chamundra Complex,
Dewas- 455 001
Tel. No. 0722-252833

REGISTERED OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai- 400021
Tel: 022- 22823367/68
Fax: 022-22832445
Email: sales@vertexspinning.com

NEW PROJECT LOCATION

Plot No. T-1 & T-2, MIDC,
Nardhana Industrial Area,
Nardhana, Dist. Dhule(MH)

REGISTRAR AND SHARE TRANSFER AGENT

M/s.Purva Sharegistry (India) Pvt.Ltd
9, Shiv Shakti Industrial Estate.
Ground Floor, J. R. Boricha Marg,
Off. N. M. Joshi Marg, Near Lodha Excelus,
Lower Parel (East), Mumbai - 400011.
Tel: 022-23016761 / 23018261
Fax: 022-23012517

ANNUAL GENERAL MEETING

Date : Friday, 28th September 2012.
Time: 11.00 A.M
Place: 1011, Embassy Centre,
207, Nariman Point,
Mumbai- 400 021.

CORPORATE OFFICE

1011, Embassy Centre,
207, Nariman Point,
Mumbai- 400021
Tel: 022- 22823367/68
Fax: 022-22832445

FACTORY LOCATION

809, E to A, Industrial Area,
Sector No. 3, Pithampur,
Dist. Dhar (MP)



VERTEX SPINNING LIMITED

VERTEX SPINNING LIMITED

(Regd. Office:- 1011, Embassy Centre, 207, Nariman Point, Mumbai-400021)

NOTICE

Notice is hereby given that the Annual General Meeting of M/s VERTEX SPINNING LIMITED will be held on Friday the 28th day of September 2012 at 11.00 a.m. at the Registered Office of the Company at 1011, Embassy Centre, 207, Nariman Point, Mumbai-400 021 to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2012 and the Profit & Loss Account of the Company for the year ended on that date along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of **Shri Surendra Mungee** and **Shri Girija Prasad Sharma** who retires by rotation and being eligible offers themselves for reappointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors
For VERTEX SPINNING LIMITED

Sd/-

Place: Mumbai
Dated: 31/08/2012.

Suresh Sharma
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING.
3. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY CHANGE IN ADDRESS, IF ANY, TO THE COMPANY.
4. THE REGISTER OF MEMBERS OF THE COMPANY AND THE SHARE TRANSFER BOOKS SHALL REMAIN CLOSED FROM 24TH SEPTEMBER 2012 TO 27TH SEPTEMBER 2012.
5. ALL DOCUMENTS REFERRED TO IN THE ACCOMPANYING NOTICE AND EXPLANATORY STATEMENTS ARE OPEN FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY ON ALL WORKING DAYS UPTO THE DATE TO ANNUAL GENERAL MEETING.

**DIRECTOR'S REPORT**

To

The Members,

We have pleasure in presenting to you the Annual Report along with the audited accounts for the year ended on 31st March 2012.

FINANCIAL RESULTS

(Amount in Rs.)

Particulars	31.03.2012	31.03.2011
Sales	38,70,42,129	73,60,41,865
Other Income		-----
Increase / decrease in stock	1,71,613	1,84,77,296
Total expenditure	417,998,310	747,162,008
Profit before tax	(30,956,181)	(11,120,143)
Provision for Taxation		-----
Provision of FBT		-----
Provision for Deferred tax liabilities		
	10,53,992	10,809,386
Profit after tax	(29,902,189)	(310,757)

DIVIDEND

Keeping in mind the expansion plans of the Company and also to conserve the resources of the Company and to utilize the resources for the Company's Mega Textile Park at Nardhana, Dist. Dhule, the Board of Directors does not recommend a dividend for the financial year 2011-12

REVIEW OF OPERATIONS AND FUTURE PROSPECTUS

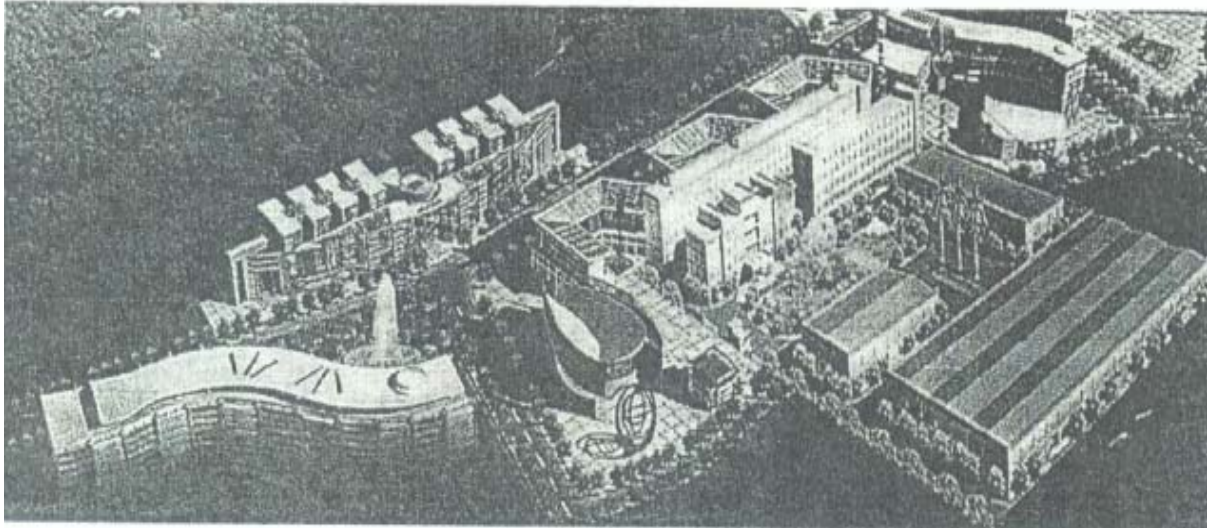
In the backdrop of the financial crisis witnessed in the previous financial years and the subsequent fallout, FY 2011-12 was an extremely challenging year for your Company. The operations of the Company also hit by the market sentiments and overall profitability of the company is also shown downtrend during the year.

During the year under review the sales turnover of the Company changes to Rs. 38,70,42,129/- as compared to previous years of Rs. 73,60,41,865/-. Also the net profit/Loss after tax also moved down from the last year. The net loss after tax of Rs. (29,902,189) as compared to previous year of Rs. (310,757).

Your Company continues with its task to build businesses with long-term goals based on its intrinsic strengths in terms of its powerful brands, quality manufacturing prowess, distribution strengths and customer relationships. To accelerate further value creation, your Company continues to evaluate new areas of growth. The initiatives aimed at rationalizing and streamlining operations, to bring about efficiencies and reducing costs, remain top priority.



ASIA'S BIGGEST TEXTILE PARK AT NARDHANA, DIST. DHULE (MH.)



A BIRD EYE VIEW OF ASIA'S BIGGEST - VERTEX TEXTILE PARK & MEGA INTEGRATED TOWNSHIP, NARDHANA, DIST. DHULE (MH.)

Initially MIDC was requested to allot 400 acres of land to Vertex on 1 September 2006 for a textile park in Nardhana. Thereafter MIDC offered the same to Vertex on November 3, 2006. Consequently on December 28, 2006 an MOU was signed by the MIDC CEO, Mr. Jalota and the Vertex CEO, Mr. Suresh Sharma. Advance possession of land took place on January 2, 2007.

The status of **MEGA PROJECT** came about to be conferred on Vertex Spinning Limited by the Government of Maharashtra on 29 September 2007. This was signed by the principal Secretary, Mr. Jayrath in the presence of Mr. Ashok Chavan then Minister of Industries and present Chief Minister of Maharashtra, and Mr. Satish Chavan, Textile Minister of the Government of Maharashtra. Registration of the lease deed for 99 years took place on August 8, 2008. Subsequently the **VERTEX INTERGRATED TEXTILES PARK** plan layout was approved on 12 February 2009.

MIDC on 3rd July 2009 reached water on site from the Tapi Basin, MIDC installed a 5 Megawatt Power Station in the month of August 2009, which will be handed over to the MSEB for supply of power in November 2009.

Maharashtra accounts for 25% or 65 million kilograms of the India's total cotton production. This important region produces 17% of cotton yarn on 16.6 spindles of country's total installed capacity. The State has the largest number of 100% Export Oriented units, that's more than 560 or 22% of the country's EOU. The state also accounts for 30% of the Country's exports which amounts to more than Rs. 897 billion.

These statistics are witness to how the **VERTEX INTEGRATED TEXTILE PARK** and the prospective associated are to benefit from not just another textile park, but an **INTEGRATED TEXTILES PARK** in Nardhana a place in a region formerly known as Khandesh before Marathas.



VERTEX SPINNING LIMITED

10 Kilometres of internal roads, a 5 Megawatt MSEB sub-station out of the planned 100, water facilities, street lamps etc. are already in place. This township offers readymade galas starting from 5000 squares ft. to larger made to order sheds, industrial buildings and factories depending on individual needs.

Also on offer are attractive investment opportunities in the Commercial Facility Centre (CFC) for a Club House and Gym, Hospitals and Nursing Homes, Banks and ATMs, Hotels and Food Courts, and Schools and Colleges.

Generously spread out between latitude 20 38' to 21 61' N and longitude 73 50' to 75 11'. Nardhana spans across 8061 Square Kilometres. The Satpuda Hills bound the region in the north. The height varying between 300 to 600 meters above sea level makes for cooler dispositions.



The Tapi Basin supplies water to the region, which has a population of 7, 19,785 lacs. The Dhule talukas sub-divisions has approx 168 villages. Nearby, Sakri accounts for more than 225 villages. Shirpur accommodates 138 villages, while Shinkheda another sub division has around 143 villages.

The National Highway NH6 from Surat to Nagpur, the NH3 from Mumbai to Agra, and the NH-211 from Dhule to Sholapur make Nardhan, primarily a cotton growing area, central to the nation's textile industry.

The **NARDHANA VERTEX INTEGRATED TEXTILES PARK** stands to be the first MIDC level Private Sector Industrial Park. The Park also happens to be the first Private Sector Industrial Park to have 1 FSI (Floor Space Index) for the plot area. With 99years lease hold on properly, permissions have been also been granted for hypothecation of land and building to financial institutions.

The park also has an extra street radial feeder power supply. There are registered plant and machinery suppliers on site. The project aims to build valuable Foreign Exchange.

Finished products can be display at the facilities made available here. Arrangements of Contractors, Architects, Electrical Suppliers, and Contractors have been made. The park fails under the octroi free zone. There are stamp duty exemptions unit.



MIDC has approved the town planning layout. Effluent Treatment Plant (ETPs), Sewage Treatment Plants (STPs), and Distributed Effluent Treatment Plant (DETP) Systems are part of the park.

An 18 meters or 60 feet wide CC Road with footpath and street light hopes to keep the town bustling with activity. A 12 meters or 40 feet wide CC Internal Road hopes to keep the place well connected. The park has a well-planned duct drench System for utilities. 15% green space has been allocated to keep the project, environment friendly.

Local Bus and State Transportation facilities are on the charts. The project promises ease on the basis, height and margin relaxation. The township ensures low maintenance cost with a healthy atmosphere. Basic infrastructure here includes, Compound Fencing for Security, Drainage System, Sewage Collection and Dumping System, Solid Waste Collection and Dumping System, Power Sub-Station and Distribution Systems, Water Storage and Distribution System, Street Lighting, Water Harvesting, Storm Water Management, Landscape Gardens, a 5 Star Hotel, an Engineering College and a Medical College with a 300 bed Hospital, a Police Station, a Bus Terminal, Rickshaw Stands, Car Parks, a Truck Terminal along with Weighing Scales, Petrol, Diesel, and Gas Pump Stations, Fire Lighting arrangements, and everything that's necessary for smooth functioning.

As per plan, 64.58 percent of the allotted land comes under Sub plot with measures up to 924071.21 square meters. 5.51 percent or 77098.78 square meters has been allocated for CFC or commercial plots. The open spaces areas measure up to 140500.08 square meters which amounts to 10.03 percent of the land. 19.8 percent or 78329.83 square meters makes up the total road area.

Woolen Hosiery, Cotton Knitted Fabric, Furs, Dying and Processing, Woven Textiles, Shawls, Technical Textile, Spinning, Polyesters, Worsteds, Acrylic, Texturising, Carpets Handlooms, Auto Looms, Sizing Units, Cone Machinery, Washing, Banarasi Sari, Silks, Packaging, Readymade Garments, Bulletproof.

Clothing, Flex Clothing, Multilayer Films, Tarpaulin, Tent House Cloth, Poly Cotton Canvas, Road Fabric and Cloth, Fire Brigade Clothing, Mineral Textiles, Aramid Clothing, Spandex Textiles, Lurex, Embossing Rolls, Squeezing and Dying Plants, Spindle mfg, Adhesive Plants, Stick Formulations, Weighing Scales, Screen Printer mfg, Grits Grinding Plants, Water Treatment Plant mfg, Manufacturing Computer mfg, Plastic Plant mfg, Bobbin Plant mfg, Insulation Plant mfg, Paper Tubes mfg, Industrial Lighting, Tools Pneumatic mfg, Humidification Plant and Monitor mfg, Electrical Units, Compressors mfg, Frequency Inverter mfg, Ginning and Processing mfg, Non Woven Textile, Printing, Chemicals, Auto Corners and Blowers, Winding Plant mfg, Table Calendar Machines, Testing Instrument mfg, Industrial Shoes mfg, Electrical Cable mfg, Calendaring mfg, Hardware and Fasteners Units, Wrapping mfg, Weaver Beams and CI Graded Hubs (foundry), Blankets mfg, Dyes and Chemicals Plants, V-Belt mfg, Nuts, Springs, and Compressors mfg, Washing Plant mfg, Carding, Drawing Units, Ginning Industries, and more are expected to associate with this unique venture.

Here's how associates are going to benefit. All types of micro and small units are allowed under the Industrial Promotion Subsidy 40% fixed capital investment for 8 years. Under the same subsidy, all types of medium and large units are allowed 25% fixed capital investment for 5 years.



Micro and small hosiery knitwear and ready garment units are allowed a 20 lacs limit for a period of 5 years. Electricity Duty Exemptions are to be granted for a period of 15 years. In the Octroi Free Zone refund of Octroi duties are on the charts. All units are to be allowed stamp duty exemption upto March 31, 2012.

All units are also liable to a maximum of 5% interest subsidy on the plant and machineries for Technology up gradation. All units are to have subsidy on quality certification valued to the tune 50% expenses upto 1 lac. Similarly all units are to have subsidy on patent registration to the tune 50% expenses upto 5 years.

Take a look at the finance involved with the project. The total capital outlay of the project estimates at Rupees 3990 Cr. (approx 883 Million US Dollars) including investments in Land, Factory Building, Plant and Machinery and common infrastructure and facilities.

NEW PLANT

Your Company is undertaking continuous endeavors for expansion of its domestic and overseas customers by implementing new facilities. For establishing manufacturing facilities. Your Company has started work for its Nardhana Plant. The Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power and water has reached to the site and the company will start building construction activity their. The company will expected to start production activity their in the current Financial year 2012-13.

DIRECTORS

Shri Surendra Mungee and **Shri Girija Prasad Sharma** are being liable for retire by rotation and offer them self to appoint further as Director of the Company.

The brief particulars of all Directors, for which approval of members for their appointment or re-appointment are sought, have been provided below pursuant to Clause 49 of the Listing Agreement relating to Corporate Governance.

REAPPOINTMENT / APPOINTMENT OF DIRECTORS:-

AT THE ENSUING ANNUAL GENERAL MEETING, **SHRI SURENDRA MUNGEE AND SHRI GIRIRAJ PRASAD SHARMA**, DIRECTORS OF THE COMPANY ARE LIABLE FOR RETIRE BY ROTATION AND ELIGIBLE OFFER THEMSELVES FOR REAPPOINTMENT.

PURSUANT TO CLAUSE 49 (VI) (A) OF THE LISTING AGREEMENT RELATING TO THE CODE OF CORPORATE GOVERNANCE, THE PARTICULARS OF AFORESAID DIRECTORS ARE GIVEN BELOW:-

SHRI SURENDRA MUNGEE AND SHRI GIRIRAJ PRASAD SHARMA, HAVE VAST KNOWLEDGE OF ACCOUNTS, AUDITING, TAXATION, RESTRUCTURING, MANAGEMENT INFORMATION SYSTEM ETC. THEY ARE ASSOCIATED WITH THE GROUP COMPANIES IN VARIOUS CAPACITIES AND HAVE ACQUIRED KNOWLEDGE AND EXPERIENCE IN THE MANAGEMENT OF THE COMPANY.



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec 217(2AA) of Companies Act, 1956, the Directors state that:

That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any.

That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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 that period.

That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

That the Directors have prepared the annual accounts on a going concern basis.

DEPOSITS

The company has not accepted any deposit from the public attracting the provisions of Sec 58A of the Companies Act 1956.

AUDITORS

M/s. Ashish Vyas & Co., Chartered Accountants, Dewas, the retiring auditor who have express their willingness for re-appointment.

Therefore **M/s Ashish Vyas & Co., Chartered Accountants, Dewas**, is proposed by a member of the Company, to appoint as Auditor of the Company. They have furnished a certificate to the effect that their appointment if made, would be within the prescribed limits under Sec 224(1B) of the Companies Act 1956.

AUDITORS' REPORT

Report of the auditors and their observations and notes to the accounts of the company for the year under review are attached herewith which are self-explanatory and do not require further explanation.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION & FOREIGN EXCHANGE EARNING AND OUTGO

This information required to be given under section 217 (1) (c) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Director) Rules 1988 is annexed herewith.

PARTICULARS OF EMPLOYEES

The information required under Sec 217(2A) of the Companies Act 1956 is not given as there was no employee in receipt of remuneration during the year, exceeding the limits prescribed by the Companies (Particulars of Employees) Rules, 1975 as revised.



LISTING

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's shares are being traded. The Company has paid Listing Fees for the year 2012-13.

MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and Analysis Report is provided in separate section and forming part of this report.

CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a voluntary code of self discipline. In line with this policy, the Board of Directors strongly believes that it is very important that the company follows healthy Corporate Governance practices and reports to shareholders the progress made on the various measures undertaken. Therefore, your Directors have been reporting the initiatives on Corporate Governance measures adopted by your company.

ACKNOWLEDGEMENT

The company has developed a very cordial, warm and close relationship with the Investors, various Government and Semi-Government Departments, Banks and Financial Institutions, Customers, Suppliers and other service providers. The Board of Directors wish to gratefully acknowledge the co-operation, assistance and guidance received from all of them. The company could make the progress it has in these years due to the dedication and creativity of its staff at all levels. The Board of Directors wishes to place on record its warm appreciation for these efforts.

For and on behalf of Board of Director

Sd/-

**Suresh Sharma
Chairman**

Place: Mumbai.

Date: 31/08/2012.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERALL REVIEW OF ECONOMY

The global economy is showing signs of a turnaround with Asian economies experiencing a relatively stronger rebound. However, significant risks remain: (1) in many economies, the recovery is largely driven by government spending whilst consumer sentiments remain fragile; (2) high levels of global liquidity have led to steep increases in commodity prices; (3) emerging markets are likely to face increased inflationary pressures and (4) developed economies are facing large budget deficits.

There are concerns that the global recovery phase may be fragile, as economies of developed countries, particularly USA and Europe, continue to be beset with the problems of high unemployment, low consumer spending and depressed housing markets. Besides, the recent crisis in Portugal, Ireland, Spain and Greece indicate that there would be many pitfalls along the road to recovery and that normalcy is still some time away.

India's growth-inflation dynamics are in contrast to the overall global scenario. The Indian Economy is recovering steadily from the growth slowdown, but inflationary pressures, triggered by the supply side factors, have developed into a wider inflationary cycle.

Although the growth momentum of the Indian economy was substantially impacted with the onset of the global economic slowdown, the severity of the impact was considerably less when compared to most developed economies. The fiscal and monetary policies implemented by the Government of India helped the economy to weather the downturn phase.

TEXTILE INDUSTRY OVERVIEW

The Indian Textile Industry is one of the Leading Textile Industries in the World. The textiles and apparels sector is a major contributor to the Indian Economy in terms of Gross Domestic Product (GDP), industrial production and the country's total export earnings. India earns about 27 per cent of its total foreign exchange through textile exports. Besides, the Indian Textile Industry contributes 16 per cent of the total industrial production of the Country. This sector provides employment to over 37 million people and it is expected that the textile industry will generate new jobs during the ensuing years.

The industry went through a challenging FY 2012, with the global meltdown ravaging economies. The collapse in consumer sentiments, weak exports, noteworthy drop in discretionary spending in textiles / apparels and down trading by the consumers put immense pressure on both the top-line and the bottom-line of textile companies.

OUTLOOK, OPPORTUNITIES AND THREATS

In the backdrop of the financial crisis witnessed in the previous financial year and the subsequent fallout, FY 2011 was an extremely challenging year for your Company. However, the resilience and inherent strengths of your Company's brands, quality manufacturing and deep network relationships enabled your Company to weather the downturn and achieve better performance in FY 2011.

During the year under review the sales turnover of the Company shows a step downward trend of Rs. 38,70,42,129/- as compared to previous years of Rs. 73,60,41,865/-. However the net profit / (Loss) after tax of Rs. (29,902,189) as compared to previous year of Rs. (310,758).



The Company has coming with Asia's biggest **VERTEX INTERGRATED TEXTILES PARK** project at Nardhan, Dist. Dhule (MH). The project comprises Industrial, Residential and other required facility such as School, College, Five Star Hotel, Hospital, Shopping Complex etc., is located at total 400 acres land at Nardhan Industrial Area, Dist. Dhule (MH). The development activities of the area is of about to completion and 10 Kilometres of internal roads, a 5 Megawatt MSEB sub-station out of the planned 100, water facilities, street lamps etc. are their place. The sale of plots for Textile Park is started. The project which commence in 2006 expects to be completed by mid 2012 as per plans.

The Company is undertaking continuous endeavors for expansion of its domestic and overseas customers by implementing new facilities. For establishing manufacturing facilities. Your Company has started work for its Nardhana Plant. The Company has already purchased land situated at MIDC, Nardhana Industrial Area, Dist. Dhule and taking off possession from MIDC Authorities. The power and water has reached to the site and the company will start building construction activity their. The company will expected to start production activity their in the current Financial year 2011-12.

On the other hand, value buying by consumers, sharp increase in raw material prices, continued weakness in developed geographies, prospect of higher domestic inflation and interest rates are some of the challenges facing the textile industry at large.

CORPORATE SOCIAL RESPONSIBILITY

An essential component of our corporate social responsibility is to care for the community. We Endeavour to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Many of the community projects and programs are driven by active participation from our employees. Our commitment to address important social needs extends throughout our philanthropic outreach programs.

Health and Education have been identified as the primary objective of the community development process. The foundation works relentlessly to ensure improvement of general health and spread no-formal education among all members in the community. A number of focused initiatives have been implemented to bring about general health awareness and improve the level of education.

SOCIAL WELWARE

The Company is not only committed to promote the welfare of the employees but also the society at large. Community activities are regularly undertaken at the company's plant location. Various Sports Tournament and Cultural Program have been sponsored. Health Awareness Camps and AIDs Awareness Rallies have been also sponsored. Contribution has been made for the Flag Day Fund, and Note Books have been distributed in schools in the surrounding areas.

ENVIORMENT EFFORTS.

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The Internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal controls systems and suggests improvements for strengthening them. The Company has a robust Management Information System which is an integral part of the control mechanism.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

The Industrial relations remained good across all locations. Human resource continued to be recognized as the most valued asset. The Company is adequately manned with professionals in the field of Engineering, Finance and Administration etc. In order to meet the challenge of Growth and New Product Line, the company has organized In-House Training of its staff and workmen to improve soft skills, technical knowledge, work culture and efficient manufacturing practices.

The Company has formed work committee in order to increase workers participation in the management. This initiative has paid dividends and the company has experienced improvement in efficiencies, overall workmen satisfaction and stability.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the company conducts business and other incidental factors.

For and on behalf of Board of Director

Sd/-

**Suresh Sharma
Chairman**

**Place: Mumbai.
Date: 31/08/2012.**



REPORT ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for listed companies vide Clause 49 of the Listing Agreement with Stock Exchanges.

Corporate Governance is a corporate discipline extended to transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholders' value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

Company's Philosophy on Corporate Governance

Your Company believes and constantly try to achieve good governance through timely disclosures, transparency, accountability and the responsibility in all our dealings with our employees, shareholders, clients and community at large.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards through compliance of Code of Conduct.

I. BOARD OF DIRECTORS:

a) Composition of the Board

In compliances with Corporate Governance norms, the Board comprises of 6 Directors with Two Executive Director, a Managing Director and 3 Non-executive Independent Directors. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 of the Listing Agreement), across all the Companies in which he is a Director.

b) Number of Board meetings, attendance of Director at Board Meeting and at the Annual General Meeting, outside Directorship and Board Committee Membership:

During the financial year 2011-12 the Board of Directors of the Company met 5 times 30/05/2011, 13/08/2011, 20/08/2011, 14/11/2011, and 14/02/2012. The interval between any two successive meetings did not exceed four calendar months.

Name of Director	Category	Attendance		No. of Directorships held in other Companies	
		Board	Last AGM	Public	Private
Shri Suresh Sharma	Managing Director	5	Present	05	15
Shri Sachin Sharma	Executive Director	4	Present	03	00
Shri S.N. Mungee	Executive Director	3	Present	00	01
Shri Giriraj Prasad Sharma	Non Executive Independent Director	3	Present	04	00
Shri S. B. Mohapatra	Non Executive Independent Director	2	Present	03	00
Shri S.K. Mishra	Non Executive Independent Director	2	Present	00	00



* **Shri Suresh Sharma, Executive Director** and **Shri Sachin Sharma, Managing Director** are father and son consecutively and are related to each other within the meaning of Section 6 of the Companies Act, 1956.

c) Code of Conduct

The Board of Directors have adopted a code of conduct for the Board members and senior management of the company. The said code has been circulated to the Directors and members of the Senior Management. The code has also been posted on the Company's website. The declaration by **Shri Suresh Sharma, Chairman** of the company, regarding compliance by the Board members and Senior Management personnel with the said code of conduct is attached to this report.

II. COMMITTEE OF THE BOARD

A. AUDIT COMMITTEE

I. Composition :

The Audit Committee comprises 3 Directors out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Giriraj Prasad Sharma	Chairman
Shri Suresh Sharma	Member
Shri S.K. Mishra	Member

II. Reference:

The powers role and terms of reference of the audit committee covers the area as mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred by the Board of Directors. These include oversight of company's financial reporting process and disclosures of financial information, reviewing the adequacy of the Internal Audit team, reviewing with management the quarterly / annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration.

Apart from the above, the Committee also reviews Management discussion and analysis, statement of related party transactions and the management letters and the response thereto by the management.

III. Meetings and attendance:

During the year 2011-12 the Audit Committee met 5 times on 30/05/2011, 13/08/2011, 20/08/2011, 14/11/2011 and 14/02/2012. The attendance of members at the meetings was as follows:

B. REMUNERATION COMMITTEE:

I. Composition :

The Remuneration Committee comprises 3 Directors out of which 2 (Two) are Non-executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:



Shri Giriraj Prasad Sharma	Chairman
Shri Suresh Sharma	Member
Shri S.K. Mishra	Member

II. Reference:

- To review, access and recommend the appointment of Managing/Whole Time Directors
- To periodically review the remuneration package of Managing/Whole Time Directors and next level and recommended suitable revision to the Board.

III. Meetings and attendance:

No meeting was required to be held by this committee.

DETAILS OF REMUNERATION TO DIRECTORS:

We are pleased to inform that the Chairman and Board of Director is not withdrawn any amount against their remuneration due to requirement of funds in the Company.

C. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**I. Composition :**

The Committee comprises 3 Directors out of which 2 (Two) are Non-Executive Independent Directors and 1 (One) Executive Director. The members of the Committee including its Chairman are as follows:

Shri Giriraj Prasad Sharma	Chairman
Shri Suresh Sharma	Member
Shri S.K. Mishra	Member

II. Reference:

The Committee looks into redressing of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to Transfer of Shares, Non-receipt of Annual Report, Non-receipt of Dividend, Dematerialization of Shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated the power of approving Transfer/Transmission of Shares to the Committee.

During the year 2011-12 the committee meets time to time to resolve to grievances pertaining to Transfer of Shares, Non-receipt of Annual Report, Non-receipt of Dividend, Dematerialization of shares, complaint letters received from Stock Exchanges, SEBI etc.

The total number of investor complaints pending at the end of the year under review was NIL. All the complaints were resolved to the satisfaction of the shareholders.

Number of share Transfers/ Transmission/Issue of Duplicate Share Certificate pending as on 31st March 2012 was NIL.

III. DETAILS OF GENERAL BODY MEETING:

- I. The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2008-09	1011, Embassy Centre, 207, Nariman Point, Mumbai -400 021	30/09/2009	9.30 A.M.
2009-10	1011, Embassy Centre, 207, Nariman Point, Mumbai -400 021	30/06/2010	3.00 P.M.
2010-11	1011, Embassy Centre, 207, Nariman Point, Mumbai- 400 021	29/09/2011	11.30 A.M.



VERTEX SPINNING LIMITED

- II. No special resolution was passed through postal ballot during the year ended on 31.3.2012 and no such resolution is proposed to be passed by postal ballot at the ensuing annual general meeting as well.

IV. **DISCLOSURES:**

The Company had not entered into any transaction of a material nature which will have a conflict with its interest during the year.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the company

The Company has complied with the requirements of the regulatory authorities on capital markets and no penalties / strictures have been imposed against it in the last three years.

The company has complied with the mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges.

V. **MEANS OF COMMUNICATION:**

The quarterly and yearly Financial Results of the Company are published in the prominent daily Newspapers having circulation in the region where the registered office of the company is situated. The quarterly / yearly Financial Results are also regularly sent to the Mumbai Stock Exchange where the Company's shares is listed as soon as the same are approved and taken on record by the Board of Directors of the Company.

The Management Discussion and Analysis report has been attached to the Directors Report and forms part of the Annual Report.

VI. **GENERAL SHAREHOLDERS INFORMATION:**

a) Registered Office:

1011, Embassy Centre,
207, Nariman Point,
Mumbai- 400 021

b) AGM, Date, Time & Venue:

The ensuing AGM will be held on the 28th September 2012 at 11.00 A.M. at 1011, Embassy Centre, 207, Nariman Point, Mumbai – 400 021.

c) Financial Calendar:

The Company follows April - March as its Financial Year. The Financial Results for every quarter, beginning from April, are declared in the month following the quarter.

d) Date of Book Closure:

Commencement - 24th September 2012
Ending - 27th September 2012
(Both days inclusive)

e) Dividend Payment date:

Dividend if any, declared in the forthcoming Annual General Meeting will be paid within 30 days of the date of declaration.

**f) Listing on the Stock Exchanges:**

1. The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001.
2. M.P. Stock Exchange
Palika Plaza, M.T.H. Compound,
Indore-452001.

g) Stock code:

Bombay Stock Exchange	Code	531544
M.P. Stock Exchange	Code	

Demat ISIN Number in **NSDL & CDSL: INE863F01020****h) Market Price Data:**

The monthly High & Low Share prices of the company traded at the Stock Exchange, Mumbai from 1st April 2011 to 31st March, 2012 are given below:

Mumbai Stock Exchange		
Months	Months High Price Rs.	Months Low Price Rs.
April 2011	1.62	1.25
May 2011	1.44	1.20
June 2011	1.43	1.12
July 2011	1.65	0.98
August 2011	1.15	0.77
September 2011	1.07	0.77
October 2011	0.93	0.71
November 2011	0.93	0.61
December 2011	0.96	0.48
January 2012	0.94	0.60
February 2012	0.88	0.58
March 2012	0.63	0.48

i) Registrar and Share Transfer Agents

M/s, Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Off. N. M. Joshi Marg, Near Lodha Excelus,
Lower Parel (East), Mumbai- 400011.
Tel: 022- 23016761 / 23018261
Fax: 022- 23012517.

j) Share Transfer System

The Transfer/Transmission of Shares in physical form is normally processed and completed within a period of 21 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

**k) Dematerialization of Shares**

As per the notification issued by the SEBI, the shares of the company are traded compulsorily in dematerialized form by all investors with effect from 29/01/2001. The company's shares have been dematerialized to the extent of 79.16% as on 31.03.2012.

l) Distribution of Shareholding (as at the year end)

Category	No. Of Equity Shares	
	No. Of Shares	Shareholding %
Promoters	124232675	62.41
Bank, Mutual Funds & FIs	-----	-----
Domestic Corporate Bodies	28551276	14.34
Indian Public	44918971	22.57
NRIs/OCBs/FIIs	1353078	0.68
Any other (Clearing Members)	-----	-----
	199056000	100

m) Address for Correspondence**REGISTERED OFFICE**

1011, Embassy Centre,
207, Nariman Point,
Mumbai – 400021
Tel: 022-22823367/68
Fax: 022-2283 2445
Email: sales@vertexpinning.com

NEW PROJECT LOCATION

Plot No. – T-1 & T-2, MIDC,
Nardhana Industrial Area,
Nardhana, Dist. Dhule (MH)

FACTORY LOCATION

809, E to A, Industrial Area,
Sector No. 3, Pithampur,
Dist. Dhar (MP)

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Purva Sharegistry (India) Pvt. Ltd.
9, Shiv Shakti Industrial Estate,
Ground Floor, J. R. Boricha Marg,
Off. N.M. Joshi Marg, Near Lodha Excelus,
Lower Parel (East), Mumbai- 400011
Tel: 022- 23016761 / 23018261
Fax: 022- 23012517



Certificate

All the Board members and Senior Management Personnel have, for the year ended 31st March 2012, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Listing Agreement with Stock Exchanges.

Sd/-

**Suresh Sharma
Chairman**

**Place: Mumbai
Date: 31/08/2012.**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
M/s. Vertex Spinning Limited,

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges in India for the Financial Year Ended on March 31, 2012.

The Compliance of condition of Corporate Governance is the responsibility of the Management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For ASHISH VYAS AND COMPANY
Chartered Accountants

Sd/-

ASHISH VYAS
Proprietor
M.No. 078527

Place: Dewas
Date: 01/09/2012.

AUDITORS' REPORT

TO THE MEMBERS

M/S. VERTEX SPINNING LIMITED

- 1 We have audited the attached Balance Sheet of **VERTEX SPINNING LIMITED** as at **31st March , 2012** and the annexed Profit & Loss Accounts of the Company 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.
- 2 We have conducted our audit in accordance with auditing standards generally accepted in India . On the basis of those standards require , we have planed and performed the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 the Companies (Auditor ' s report) order, 2003 issued by the Central Government in terms of section 227 (4A) of the Companies Act ,1956, we enclosed in the attached annexure a statement on the matters specified in paragraphs 4 of the said order.
- 4 Furthur to our comments in the annexure referred to in paragraph 3 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 account as required by the law have been kept by th company , so far as appears from our examination of the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account of the company .
 - (d) On the basis of written representations received from the Directors as on 31st March,2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March,2012 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act , 1956.

- (e) In our opinion and best of our information and according to the explanations given to us , the said accounts read together with the note thereon give the information required by the companies Act , 1956 in the manner so required and give true and fair view :
- (i) in so far it relates to the Balance Sheet , of the state of affairs of the Company as at 31st March, 2012 and
- (ii) in so far it relates to the Profit & Loss Account , of the Profit of the Company for the year ended on that date .
- (iii) in case of cash flow statement, of the cash flows for the year ended on that date.

Place: Dewas
Date : 01/09/2012

For Ashish Vyas & Co.
Chartered Accountants

Ashish Vyas
M.No.078527

NOTES ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012 OF VERTEX SPINNING LIMITED.

- (i) In respect of fixed assets
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the company and nature of its business.
 - c. According to information and explanations given to us, the company has not disposed off substantial part of its fixed assets during the year and the going concern status of the company is not affected.

- (ii) In respect of inventory :-
 - a. According to the information and explanations given to us, the inventory and capital work in progress has been physically verified by the management during and at the close of the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory and followed by the management as evidenced by the written procedures and instructions are reasonable and adequate in relation to the size of the company and nature of its business.
 - c. The company is maintaining proper records of inventory. As explained to us, no discrepancies were noticed on physical verification between physical stocks and book records.

- (iii) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
 - a. According to the information and explanations given to us, the company has not granted any new unsecured loans during the current financial year ending March 31, 2012.
 - b. According to the information and explanations given to us, the company has not taken unsecured loans during the current year ending March 31, 2012.
 - c. The company is not paying/receiving any interest from these unsecured loans 301 parties.

- (iv) In our opinion and according to the information and explanations given to us, the company further needs to strengthen its internal control system for the purchase of inventory and fixed assets and for the sale of goods and services commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

- (v) According to the information and explanations given to us, we are of the opinion that all contracts or arrangements which need to be entered into the register maintained under section 301 of the Companies Act, 1956 has been entered. None of the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time

- (vi) According to the information and explanations given to us, the company has not accepted deposits from public during the year covered under the provision of section 58A or 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (vii) *The company does not have an internal audit system commensurate with its size and nature of its business.*
- (viii) The Central Government has not prescribed maintenance of cost records for the products of the company under section 209(1) (d) of the Companies Act, 1956.
- (ix) In respect of statutory dues relating to Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues:-
 - a. *Due to Non-Availability of Required information, we are unable to comment on this point.*
 - b. According to the information and explanation given to us there are no statutory dues which have not been deposited on account of any disputes.
 - c. *In our opinion there are instances where the company has not deducted/paid statutory dues in respect of expenses incurred/payment made.*
- (x) The Company does not have accumulated losses more than fifty percent of its net worth at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and no cash loss in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any bank or financial institution as at the balance sheet date. However we would draw attention to Point No. 1 to the Notes to Accounts (NOTE E).
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of clause 4(xiii) of the above said order are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company has not dealt or traded in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the above said order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks. Therefore, the provisions of clause 4(xv) of the above said order are not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not taken term loans during the year, the provisions of clause 4(xvi) of the above said order are not applicable to the company.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet, the company has not raised short-term funds during the year; therefore the provisions of clause 4(xvii) of the above said order are not applicable to the company.
- (xviii) According to information and explanations given to us during the current financial year the company has not made any preferential allotment section 301 parties.
- (xix) According to the information and explanations given to us, the company has not issued debentures during the year. Accordingly, the provisions of clause 4(xix) of the order are not applicable to the company.

- (xx) According to the information and explanations given to us, the company has not raised any money by way of public issue during the year. Accordingly the provisions of clause 4 (xx) of the above said order are not applicable to the company.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management..

For Ashish Vyas &Co
Chartered Accountants

Sd/-

Ashish Vyas
Proprietor
M. No – 078527

Place: Dewas
Date: 01/09/2012.

M/S. VERTEX SPINNING LIMITED

BALANCE SHEET AS AT 31ST MARCH 2012.

(Amount in Rs.)

Particulars	Note	AS AT 31/03/2012	AS AT 31/03/2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	C	199,056,000.00	199,056,000.00
(b) Reserves and Surplus	D	2,458,446,146.00	2,517,679,342.00
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
(3) Non-Current Liabilities			
(a) Long-term borrowings	E	255,000,000.00	264,332,300.00
(b) Deferred tax liabilities (Net)	F	38,167,658.00	39,221,650.00
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	G	420,218,661.00	744,032,764.00
(c) Other current liabilities	H	234,891.00	106,233,774.00
(d) Short-term provisions	I	388,083.00	10,572,057.00
Total		3,371,511,439.00	3,881,127,887.00
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	J	2,881,881,296.00	2,944,804,778.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress (Dhula Project)		15,381,278.00	15,381,278.00
(iv) Intangible assets under development		-	-
(b) Non-current investments	K	2,375,360.00	2,375,360.00
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	L	2,292,262.00	3,308,185.00
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	M	102,373,057.00	102,544,670.00
(c) Trade receivables	N	365,391,844.00	800,352,994.00
(d) Cash and cash equivalents	O	1,816,342.00	1,547,657.00
(e) Short-term loans and advances	P	-	10,183,974.00
(f) Other current assets	Q	-	628,991.00
Total		3,371,511,439.00	3,881,127,887.00

See accompanying notes to the financial statements

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS
(Firm Reg No. 09032C)

For & on behalf of the Board of Director
M/S. VERTEX SPINNING LIMITED

Sd/-

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

Sd/-

SURESH SHARMA
DIRECTOR

Sd/-

SACHIN SHARMA
DIRECTOR

Place : DEWAS
Date : 01/09/2012

M/S. VERTEX SPINNING LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012.

(Amount in Rs.)

Particulars	Note	FOR YEAR ENDED 31/03/2012	FOR YEAR ENDED 31/03/2011
I. Revenue from operations	R	387,042,129.00	736,041,865.00
II. Other Income			
III. Total Revenue (I +II)		387,042,129.00	736,041,865.00
IV. Expenses:			
Cost of materials consumed	S	-	-
Purchase of Stock-in-Trade		383,264,028.00	731,000,423.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	T	171,613.00	(18,477,296.00)
Employee benefit expense	U	-	54,736.00
Financial costs	V	-	1,382.00
Depreciation and amortization expense	J	33,592,474.00	34,294,094.00
Other expenses	W	970,195.00	288,669.00
Total Expenses		417,998,310.00	747,162,008.00
V. Profit before exceptional and extraordinary items and tax (III - IV)		(30,956,181.00)	(11,120,143.00)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(30,956,181.00)	(11,120,143.00)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(30,956,181.00)	(11,120,143.00)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax [DTL / (DTA)]	F	(1,053,992.00)	(10,809,386.00)
XI. Profit(Loss) from the perid from continuing operations (after tax) (IX-X)		(29,902,189.00)	(310,757.00)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(29,902,189.00)	(310,757.00)
XVI. Earning per equity share:			
(1) Basic		(0.15)	(0.002)
(2) Diluted			-

See accompanying notes to the financial statements

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS
(Firm Reg No. 09032C)

Sd/-

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

Place : DEWAS
Date : 01/09/2012

For & on behalf of the Board of Director
M/S. VERTEX SPINNING LIMITED

Sd/-

Sd/-

SURESH SHARMA SACHIN SHARMA
DIRECTOR DIRECTOR

M/S. VERTEX SPINNING LIMITED

Cash Flow Statement for the year ended 31st March, 2012

PARTICULARS	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
A. Cash Flow from Operating Activities		
Net Profit before Tax	(30,956,181)	(11,120,143)
Adjustment for :		
Depreciation	33,592,474	34,294,094
	<u>33,592,474</u>	<u>34,294,094</u>
Operating Profit before Working Capital Changes	2,636,293	23,173,951
Adjustment for Working Capital Changes		
(Increase)/Decrease in Stock in Trade	171,614	(18,477,296)
(Increase)/Decrease in Debtors	434,961,151	(726,451,131)
(Increase)/Decrease in Short Term Loans & Advances	10,183,974	172,457
(Increase)/Decrease in Other Current Assets	628,991	
Increase/(Decrease) in Current Liabilities		712,208,712
Increase/(Decrease) in Trade Payables	(323,814,103)	
Increase/(Decrease) in Other Current Liabilities	(105,998,883)	
Increase/(Decrease) in Short Term Provision	(10,183,974)	
Cash Generated from Operation	8,585,063	(9,373,307)
Taxes Paid	-	-
Cash Flow before Exceptional item	8,585,063	(9,373,307)
	-	-
Net Cash from Operating Activities	8,585,063	(9,373,307)
B. Cash Flow from Investing Activities		
Decrease in Long Term Loans and Advances	1,015,923	-
Net Cash used in Investing Activities	1,015,923	-
C. Cash Flow from Financing Activities		
Decrease in Unsecured Loan	(9,332,300)	9,332,300
Net Cash used in Financing Activities	(9,332,300)	9,332,300
Net Increase/(Decrease) in Cash and Cash equivalents(A+B+C)	268,686	(41,007)
Opening Cash and Cash Equivalents	1,547,657	1,588,664
Closing Cash and Cash Equivalents	1,816,342	1,547,657

AUDITORS CERTIFICATE

To Board of Directors

We have examined the attached Cash Flow Statement of **VERTEX SPINNING LIMITED**. From the audited financial statement for the year ended 31st March,2012 and 31st March,2011 and found the same to be drawn in accordance therewith and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

**For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS**

**For & on behalf of the Board of Director
VERTEX SPINNING LIMITED**

Sd/-
**ASHISH VYAS
PROPRIETOR
M.No. 078527
Place : DEWAS
Date : 01/09/2012**

Sd/-
**SURESH SHARMA
DIRECTOR**

Sd/-
**SACHIN SHARMA
DIRECTOR**

M/S. VERTEX SPINNING LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012.

(Amount in Rs.)

Particulars	AS AT 31/03/2012	AS AT 31/03/2011
NOTE [C] SHARE CAPITAL		
(a).	225,000,000.00	225,000,000.00
Authorised : (22,50,00,000 Equity shares of Rs. 1/- each)		
Issued & Subscribed : (19,90,56,000 Equity shares of Rs. 1/- each)	199,056,000.00	199,056,000.00
TOTAL	199,056,000.00	199,056,000.00
(b). Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period		
No. of Shares at the beginning of the year	199056000	199056000
Add : Issue of Shares during the year	-	-
Less : Deductions during the year	-	-
No. of Shares at the end of the year	199056000	199056000
TOTAL	199056000	199056000
(c). Details of Shareholding		
No. of Shares held by each Shareholder holding more than 5% shares		
Mithilesh Sharma	17823779 Shares	
MintPearl Finance & Invest P. Ltd.	17400000 Shares	
Mintoyester Finance & Investments P.Ltd.	17200800 Shares	
Panam Finvest Pvt. Ltd.	10020000 Shares	
NOTE [D] RESERVES & SURPLUS		
(a). Revaluation Reserve		
Opening Balance	2,506,250,099.00	2,536,214,277.00
Less : Depreciation on Revalued Assets	(29,964,178.00)	(29,964,178.00)
Closing Balance	2,476,285,921.00	2,506,250,099.00
TOTAL (a)	2,476,285,921.00	2,506,250,099.00
(b). Profit & Loss Account		
Opening balance	3,319,243.00	3,630,000.00
Profit Transferred from Profit & Loss A/c	(29,902,189.00)	(310,757.00)
TOTAL (b)	(26,582,946.00)	3,319,243.00
(c). General Reserve	8,110,000.00	8,110,000.00
TOTAL (a+b+c)	2,457,812,975.00	2,517,679,342.00
NOTE [E] LONG TERM BORROWINGS		
(a). Secured Loans (Refer point 1)	255,000,000.00	255,000,000.00
TOTAL (a)	255,000,000.00	255,000,000.00
(a). Unsecured Loans (Refer point 2)		
From Group Companies	-	9,332,300.00
TOTAL (b)	-	9,332,300.00
TOTAL (a+b)	255,000,000.00	264,332,300.00

1. Secured Loan-

The company has Rs. 255000000 standing to the credit of Syndicate Bank, Indore as Outstanding Term Loan secured against the hypothecation of stock and book debt and second charge over the Plant and Machinery of the Company. The matter of settlement is subjudicial.

2. Unsecured Loans -

Due to Financial Crises in the company, instead of cash, Goods has been sold to the parties having credit balance in form of Unsecured Loan for satisfaction of their claim.

M/S VERTEX SPINNING LIMITED

NOTE [F] DEFFERED TAX

	PARTICULARS	AMOUNT
(A)	Depreciation as per Companies Act	34,294,095.00
(B)	Depreciation as per Income - Tax Act	37,003,450.00
	Difference (B-A)	(2,709,355.00)
	Rate of Income Tax	30.90%
	Deferred Tax Asset for the F.Y.2011-12	(837,191.00)
	Less: Deferred Tax Liability Recognized till 31.03.2011	39,221,650.00
	Deferred Tax Liability as on 31.03.2012	<u>38,384,459.00</u>

M/S. VERTEX SPINNING LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2012.

(Amount in Rs.)

Particulars	AS AT 31/03/2012	AS AT 31/03/2011
NOTE [G] TRADE PAYABLES		
Sundry Creditors for Goods	-	212,300,076.00
Sundry Creditors for Expenses (Refer Point 1)	-	683,830.00
Sundry Creditors for Capital Goods	5,000,000.00	5,000,000.00
Sundry Creditors for Trading	415,218,661.00	518,954,558.00
Sundry Creditors for Others (Refer Point 1)	-	7,094,300.00
TOTAL	420,218,661.00	744,032,764.00
1. Due to financial crises of the company, instead of cash, Goods had been sold to the parties having Credit balance for satisfaction of their claim.		
NOTE [H] OTHER CURRENT LIABILITIES		
Audit fees Payable (Refer point 1)	100,000.00	50,000.00
Advance from Customers (Refer Point 2)	-	106,048,883.00
Duties & Taxes	134,891.00	134,891.00
TOTAL	234,891.00	106,233,774.00
1. Audit Fees of last year has not paid.		
2. Due to financial crises of the company, instead of cash, Goods had been sold to the parties having Credit balance for satisfaction of their claim.		
NOTE [I] SHORT TERM PROVISIONS		
Provision for FBT (Refer point 1)	79,880.00	117,057.00
Provision for Income Tax (Refer point 2 & 3)	308,203.00	10,455,000.00
TOTAL	388,083.00	10,572,057.00
1. FBT Includes ` 4,5000 for F.Y. 2008-09, ` 24,880 for F.Y. 2009-10.		
2. Provision for Income Tax includes ` 308,203 for F.Y. 2010-11.		
3. Provision for Income Tax has been showed Net of Income Taxes Paid, in Current Year.		

M/S. VERTEX SPINNING LIMITED

NOTE [J] DETAILS OF FIXED ASSETS & DEPRECIATION CLAIMED THEREON UNDER COMPANIES ACT, ON S.L.M. BASIS

S. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				DEDUCTION DURING THE YEAR	NET BLOCK	
		AS ON 1/4/2011	Additions	Deductio	AS ON 31/3/2012	RATE (%)	AS ON 1/4/2011	FOR THE YEAR	ON ASSETS REVALUTION		AS ON 31/3/2012	AS ON 31/3/2012
1	LEASEHOLD LAND	2,400,000,000.00	-	-	2,400,000,000.00	-	-	-	-	-	2,400,000,000.00	2,400,000,000.00
2	COMPUTER & SOFTWARE	3,932,100.00	-	-	3,932,100.00	40%	3,932,100.00	-	-	3,932,100.00	-	-
3	ELECTRICAL FITTINGS	931,000.00	-	-	931,000.00	4.75%	213,505.00	44,223.00	-	257,728.00	673,272.00	717,496.00
4	EQUIPMENTS	368,357.00	-	-	368,357.00	4.75%	127,407.00	17,497.00	-	144,904.00	223,453.00	240,950.00
5	FACTORY BUILDING	93,953,134.00	-	-	93,953,134.00	3.34%	26,431,692.00	2,350,365.00	2,122,462.00	30,904,519.00	63,048,615.00	67,521,442.00
6	FURNITURE & FIXTURES	633,661.00	-	-	633,661.00	6.33%	319,986.00	40,111.00	-	360,097.00	273,564.00	313,675.00
7	LAND & SITE DEVELOPMENT	5,552,706.00	-	-	5,552,706.00	-	-	-	-	-	5,552,706.00	5,552,706.00
8	NEW SHED WIP UNIT - II	1,830,700.00	-	-	1,830,700.00	-	-	-	-	-	1,830,700.00	1,830,700.00
9	PLANT & MACHINE	361,154,660.00	-	-	361,154,660.00	10.34%	255,092,899.00	9,501,676.00	27,841,716.00	292,436,291.00	68,718,369.00	106,061,761.00
10	PLANT & MACHINE	444,777,119.00	-	-	444,777,119.00	4.75%	95,717,360.00	21,126,913.00	-	116,844,273.00	327,932,846.00	349,059,759.00
11	POLLUTION CONTROL EQUIP.	13,285,600.00	-	-	13,285,600.00	4.75%	2,778,880.00	631,066.00	-	3,409,946.00	9,875,654.00	10,506,720.00
12	VEHICLE	6,128,882.00	-	-	6,128,882.00	9.50%	3,129,313.00	582,244.00	-	3,711,557.00	2,417,325.00	2,999,569.00
Total (Rs.)		3,332,547,919.00	-	-	3,332,547,919.00		387,743,142.00	34,294,095.00		452,001,415.00	2,880,546,504.00	2,944,804,778.00

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS
(Firm Reg No. 09032C)

Sd/-

ASHISH VYAS
(PROPRIETOR)
M.No. 078527

Place : DEWAS
Date : 01/09/2012

For & on behalf of the Board of Director
M/S. VERTEX SPINNING LIMITED

Sd/-

SURESH SHARMA
DIRECTOR

Sd/-

SACHIN SHARMA
DIRECTOR

M/S. VERTEX SPINNING LIMITED
DETAILS OF FIXED ASSETS AS PER IT ACT

P.Y. 2011-12
A.Y. 2012-13

(Amount in Rs.)

S.No.	DESCRIPTION OF ASSETS	WDV AS ON 01.04.2011	Addition		Deduction	Rate (%)	Depreticiation for the Year	WDV AS ON 01.04.2012
			More than 180 Days	Less than 180 Days				
1	COMPUTER & SOFTWARE	30,764.00	-	-	-	60%	18,458.00	12,306.00
2	ELECTRICAL FITTINGS	556,176.00	-	-	-	15%	83,426.00	472,750.00
3	EQUIPMENTS	116,294.00	-	-	-	15%	17,444.00	98,850.00
4	PLANT & MACHINE	232,474,795.00	-	-	-	15%	34,871,219.00	197,603,576.00
5	VEHICLE	256,735.00	-	-	-	15%	38,510.00	218,225.00
6	FURNITURE & FIXTURE	300,697.00	-	-	-	10%	30,070.00	270,627.00
7	FACTORY BUILDING	18,034,512.00	-	-	-	10%	1,803,451.00	16,231,061.00
8	NEW SHED WIP UNIT - II	1,408,724.00	-	-	-	10%	140,872.00	1,267,852.00
Total		253,178,697.00	-	-	-		37,003,450.00	216,175,247.00

For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS

For & on behalf of the Board of
M/S. VERTEX SPINNING LIMITED

(PROPRIETOR)
M.No. 078527

Place : DEWAS
Date : 01/09/2012

M/S. VERTEX SPINNING LIMITED**SCHEDULE ANNEXED TO AND PART OF BALANCE SHEET AS AT 31ST MARCH 2012.****(Amount in Rs.)**

Particulars	AS AT 31/03/2012	AS AT 31/03/2011
NOTE [K] NON CURRENT INVESTMENT		
Investment in Shares	2,370,000.00	2,370,000.00
Gold Coins	5,360.00	5,360.00
TOTAL	2,375,360.00	2,375,360.00
NOTE [L] LONG-TERM LOANS & ADVANCES		
DEPOSITS	2,292,262.00	2,292,262.00
TOTAL (a)	2,292,262.00	2,292,262.00
OTHER LOANS & ADVANCES		
Advance to be Recoverable in Cash or Kind	-	1,015,923.00
TOTAL (b)		1,015,923.00
TOTAL (a+b)		3,308,185.00
NOTE [M] INVENTORIES		
Stock - in - Trade	102,373,057.00	102,544,670.00
TOTAL	102,373,057.00	102,544,670.00
NOTE [N] TRADE RECEIVABLE (Unsecured and considered good)		
Outstanding for more than six months (Refer Point 1)	365,391,844.00	73,901,862.00
Others	-	726,451,132.00
TOTAL	365,391,844.00	800,352,994.00
1. The above amount includes Amount outstanding to the debit of M/s. Nardhana Infrastructure Ltd., M/s. S.S.Forgings and Engineering's Ltd., which are related parties. For further detail, please refer Note B(18) for related party transaction.		
NOTE [O] CASH & CASH EQUIVALENTS		
Cash on hand	1,717,808.00	1,449,123.00
Balance with Banks	98,534.00	98,534.00
TOTAL	1,816,342.00	1,547,657.00
NOTE [P] SHORT TERM LOANS AND ADVANCE		
FBT Paid	-	37,177.00
Income Tax Paid	-	10,146,797.00
TOTAL	-	10,183,974.00
NOTE [Q] OTHER CURRENT ASSETS		
Prepaid Insurance	-	628,991.00
TOTAL	-	628,991.00

M/S. VERTEX SPINNING LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT AS AT 31ST MARCH 2012.

(Amount in Rs.)

Particulars	FOR THE YEAR ENDED 31/03/2012	FOR THE YEAR ENDED 31/03/2011
NOTE [R] REVENUE FROM OPERATIONS		
Sale of Goods	387,042,129.00	736,041,865.00
TOTAL	387,042,129.00	736,041,865.00
NOTE [S] PURCHASE OF STOCK IN TRADE		
Purchase of Goods	383,264,028.00	731,000,423.00
TOTAL	383,264,028.00	731,000,423.00
NOTE [T] CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Opening Stock	102,544,670.00	84,067,374.00
Closing Stock	102,373,057.00	102,544,670.00
Changes during the year	171,613.00	(18,477,296.00)
NOTE [U] EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	-	54,736.00
TOTAL	-	54,736.00
NOTE [V] FINANCIAL COST		
Bank Interest & Charges	-	1,382.00
TOTAL	-	1,382.00
NOTE [W] OTHER EXPENSES		
(a). Administrative and General Expenses		
Annual Listing Fees	33,090.00	-
Conveyance Expenses	24,987.00	10,699.00
Custodial Fees	35,634.00	-
Digital Signature Expenses	-	7,300.00
Electricity Expenses	-	48,217.00
Insurance Expenses	628,991.00	64,961.00
Internet Charges	13,456.00	3,359.00
Legal & Professional Fees	71,772.00	8,500.00
Motor Car Expenses	-	1,700.00
Office Expenses	15,793.00	32,965.00
Postage & Courier Charges	660.00	1,021.00
Printing & Stationary	-	912.00
Share Transfer Expenses	-	29,785.00
Society Maintenance Charges	17,906.00	9,492.00
Telephone Expenses	15,034.00	18,765.00
Travelling Expenses	-	993.00
(b). Selling and Distribution Expenses	62,872.00	-
(b). Payment to Auditor		
Audit Fees	50,000.00	50,000.00
TOTAL	970,195.00	288,669.00
(d). Expenses Exceeding 1% of Revenue from Operations or Rs,1,00,000 ,whichever is higher : NIL		

M/s. Vertex Spinning Limited

[NOTE-A] CORPORATE PROFILE

VERTEX SPINNING LIMITED (the “Company”) is engaged in Trading Business. The company was incorporated on 12th September 1994. The company’s Equity Shares are listed on the Bombay stock Exchange Limited (BSE).

The Company has coming with Asia’s Biggest **VERTEX INTERGRATED TEXTILES PARK** project at Nardhana. Dist. Dhule. (Maharashtra). The project comprises Industrial, Resedential and other required facility such as School, College, Five star Hotels, Hospital, Shopping Complex etc., is located at total 400 acres land at Nardhana Industrial Area, Dist. Dhule. (MH)

[NOTE-B] Accounting Policies and Notes to Accounts

1. BASIS FOR PREPARATION OF ACCOUNTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

2. SYSTEM OF ACCOUNTING

The company generally, follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Financial Statements are based on historical cost. Those cost are not adjusted to reflect the impact of the changing value in the purchasing power of money

3. USE OF ESTIMATES:-

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize.

4. REVENUE RECOGNITION

- a) Domestic sales are recognized on transfer of significant risks and rewards to the customer which takes place on dispatch of goods from the stockyard / storage area.
- b) Sales are disclosed net of Sales Tax, Discount and Returns as applicable.

5. TANGIBLE FIXED ASSETS

Fixed assets, except Land and Site Development, Leasehold Land, and Capital Work In Progress, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

6. BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

7. DEPRECIATION

- a) Fixed assets, except land and site development, leasehold land, Capital Work in Progress and Computer and Software, are depreciated on straight line method on a pro-rata basis from the month in which each assets is put to use. Depreciation has been provided at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) Plant and machinery, the written down value of which at the beginning of the year is Rs. 5,000 or less, and other assets, the written down value of which at the beginning of the year is Rs. 1,000 or less, are depreciated at the rate of 100%. Assets purchased during the year costing Rs 5000 or less are depreciated at the rate of 100%.

8. INVENTORIES

- a) Inventories are valued at the lower of cost, determined on the weighted average basis, and net realizable value
- b) Obsolete and Non-Moving Inventory of Raw Material, Stores and Spares is provided for on identification by the Management.

9. INVESTMENTS

Current investments are valued at the lower of cost and fair value. Long-term investments are valued at cost except in the case of a permanent diminution in their value, in which case the necessary provision is made.

10. EMPLOYEES BENEFITS

As per information and Explanation given to us, No Provision made for the Employees Benefits Plan.

11. TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

12. Segmental Reporting

The reporting requirements of Segmental Reporting (AS-17) are not applicable on the company.

13. Contingent Liabilities

- Claims against the Company disputed and not acknowledged as debts – NIL
- The contingent liability which might arise from pending assessments under various statutes. In view of the management the effect of same is not ascertainable.

14. Auditors Remuneration

Particulars	FY 2011-2012	FY 2010-2011
For Statutory Audit	20000	20000
For Tax Audit	15000	15000

15. Foreign Exchange Transactions

It is explained to us that No Foreign Exchange Transaction has been carried out during the year.

16. Relating to Current Assets, Current Liabilities, Loans and Advances

In the opinion of the management the balances of current assets, current liabilities, loans and advances have a realizable value in the ordinary course of business at least equal to the value at which they are stated in the balance sheet. The balance standing the said accounts are subject to confirmation and reconciliations.

17. Earning Per Share –

Particulars	2011-12	2010-11
STATEMENT OF EARNINGS PER SHARE		
Net Profit after tax attributable to shareholders (INR)	(29902189.00)	(310757.00)
Weighted Average Number of Equity Shares Outstanding during the year	199056000	199056000
Nominal value per share (In Rupees)	1.00	1.00
Basic/Diluted Earnings Per Share (In Rupees)	(0.15)	(0.002)

18. Related Party Transactions –

The Disclosure as per AS – 18 'Related Party Transactions'

- a) Key Managerial Person/ Directors/ Persons having significant influence in the company
 - **Suresh Sharma**
- b) Relatives of a) above.
 - **Sachin Sharma**
- c) Entities over which Company or Key Managerial Personnel or their relatives, exercise significant influence.
 - **Brakes Auto India Limited**
 - **S S Forgings & Engineering Limited**
 - **Nardhana Infrastructure Limited**

Transactions with Related Parties during the year ended on 31.03.2012:

(In Rs.)			
Transaction	(a)	(b)	(c)
Loans Taken	0	0	0
Purchase of Goods	0	0	10417377
Sale of Goods	250000	0	413508064
Closing balances as on 31.03.2012 with Related parties: (In Rs.)			
Transaction	(a)	(b)	(c)
Loans Taken	0	0	0
Sale of Goods (Debtors)	0	0	365391844
Purchases of Goods (Creditors)	0	0	95596365

In view of the management of the company the transactions entered, payments received and given are in ordinary course of business and are done at arm length price.

19. Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the company, there are no suppliers who are registered under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2012. Hence, the information as required under the Micro, Small and Medium Enterprises Development Act, 2006 is not disclosed.

20. Previous year figures have been regrouped or rearranged wherever necessary so as to make them comparable with current year classifications.

**For and on behalf of
For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS**

**For and on behalf of the Board of Directors
VERTEX SPINNING LIMITED**

**Sd/-
ASHISH VYAS
PROPRIETOR
M. NO. 078527**

**Sd/-
SURESH SHARMA
DIRECTOR**

**Sd/-
SACHIN SHARMA
DIRECTOR**

**PLACE: DEWAS
DATE: 01/09/2012.**

M/S. VERTEX SPINNING LIMITED

ABSTRACT TO ACCOUNTS

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV SCHEDULE VI TO THE COMPANIES ACT, 1956

I) REGISTRATION DETAILS

RegistrationNo.	:	10-03995
State Code	:	10
Balance Sheet Date	:	31st March 2012

II) CAPITAL RAISED DURING THE YEAR

PUBLIC ISSUE	:	NIL
RIGHT ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	NIL

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMT IN Rs.)

TOTAL LIABILITIES		3,371,511,439.00
TOTAL ASSETS		3,371,511,439.00

SOURCES OF FUNDS

Paid up Capital	:	199,056,000.00
Reserves & Surplus	:	2,458,446,146.00
Deferred Tax Liability	:	38,167,658.00
Other Current Liabilities	:	234,891.00

APPLICATION OF FUNDS

Tangible Fixed Assets	:	2,881,881,296.00
Trade Receivables	:	365,391,844.00
Cash and Cash Equivalents	:	1,816,342.00
Other Current Assets	:	-

IV) PERFORMANCE OF COMPANY

Total Income	:	387,042,129.00
Total Expenditure	:	417,998,310.00
Profit before Tax	:	(30,956,181.00)
Profit after Tax	:	(29,902,189.00)
Earning per Share	:	(0.15)
Dividend Per Share	:	NIL

V) GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY:

Item Code (ITC CODE)	:	-
Product Description	:	-

**For ASHISH VYAS & CO.
CHARTERED ACCOUNTANTS
(Firm Reg No. 09032C)**

**For & on behalf of the Board of
M/S. VERTEX SPINNING LIMITED**

(DIRECTOR)

**ASHISH VYAS
(PROPRIETOR)
M.No. 078527**

**Place : DEWAS
Date : 01/09/2012**

AUDITORS ' REPORT
(FOR THE YEAR ENDED 31ST MARCH , 2012)

M/S. VERTEX SPINNING LIMITED

AUDITOR :

Ashish Vyas & Co.
Chartered Accountants



Certificate

All the Board members and Senior Management Personnel have, for the year ended 31st March 2012, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Listing Agreement with Stock Exchanges.

Sd/-

**Suresh Sharma
Chairman**

**Place: Mumbai
Date: 31/08/2012.**



VERTEX SPINNING LIMITED

VERTEX SPINNING LIMITED

Regd. off: 1011, Embassy Centre, 207, Nariman Point, Mumbai-400021

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the **Annual General Meeting** of the company held at 1011, Embassy Centre, 207, Nariman Point, Mumbai-400021 on Friday 28th September 2012 at 11.00 A.M.

Signature of the Member / Proxy _____ Folio No. /Client ID _____

.....

VERTEX SPINNING LIMITED

Regd. off: 1011, Embassy Centre, 207, Nariman Point, Mumbai-400021

PROXY FORM

Folio No/Client ID _____

I/We _____ of _____ being Member / shareholder of **VERTEX SPINNING LIMITED** hereby appoint _____ of _____ or failing him _____ of _____

As my proxy in my / our absence to attend and vote for me / us on my / our behalf at the **Annual General Meeting** of the company to be held on Friday 28th September 2012 and at any adjournment thereof.

As Witness my/our hand/hands this _____ day of _____ 2012.

Signature _____

Rs. 1 Revenue Stamp

Notes: The proxy must be deposited at the registered office of the company 48 hours before the time fixed for holding the meeting. The Proxy need not be a member of the company



VERTEX SPINNING LIMITED