

**RLF  
LIMITED**



**31st Annual  
Report 2010-11**

## NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE 31<sup>ST</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RLF LIMITED WILL BE HELD ON FRIDAY, THE 30<sup>TH</sup> OF SEPTEMBER, 2011 AT THE REGISTERED OFFICE OF THE COMPANY AT 14 KM, VILLAGE JHUND SARAI VEERAN, GURGAON PATAUDI ROAD, GURGAON, HARYANA AT 12.00 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as on 31<sup>st</sup> March, 2011 and the Profit & Loss account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Khanna who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration. M/s Sharma Goel & Company, Chartered Accountants, the retiring auditors being eligible, offers themselves for re-appointment.

By order of the Board  
For RLF Limited

Sd/-  
(Anil Kumar Khanna)  
Chairman

Date: May 27, 2011  
Place: New Delhi

**NOTES:****1. PROXY**

A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and that proxy need not be a member. The instrument appointing a proxy should however be deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to this Annual Report.

**2. BOOK CLOSURE**

Share Transfer Books and Register of Members of the Company will remain closed from 23<sup>rd</sup> September 2011 to 29<sup>th</sup> September 2011 (Both days inclusive).

**3. NOMINATION FACILITY**

In terms of Section 109A of the Companies Act, 1956, every shareholder is now entitled to nominate a person to whom his shares in the company shall vest in the unfortunate event of his death.

- (a) **Nomination by Joint Holders:** Where the shares are held jointly by two persons, the joint holders may together nominate a person to whom all rights in the shares shall vest in the event of death of both the joint holders. It may be noted that nomination of separate persons by the joint holders is not permitted.
- (b) **Nomination of a Minor:** Where the nominee is a minor, the shareholder may appoint any person to become entitled to the securities in the event of his death during minority.

The shareholders who want to avail of the facility of nomination may send in their nomination in Form 2B prescribed under the Companies Act, 1956. A specimen of the said form is appended at the end of this Annual Report.

**4. MEMBERS ARE REQUESTED TO:**

- i) Notify any change in their Address immediately.
- ii) Quote their Folio Number while corresponding with the Company, in case they hold physical shares.
- iii) Send their queries, if any, to reach the Company's Corporate Office at least 10 days before the date of the meeting so that information can be made available at the meeting.
- iv) Bring their copy of the Annual Report at the meeting.
- v) Members who hold shares in dematerialized form are requested to bring the Client ID & DP ID numbers for easy identification of attendance at the meeting.
- vi) The explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business under item 4 as set out above is annexed hereto.

**By order of the Board  
For RLF Limited**

**Sd/-  
(Anil Kumar Khanna)  
Chairman**

**Date : May 27, 2011  
Place: New Delhi**

## DIRECTORS' REPORT

The Directors have pleasure in presenting the 31<sup>st</sup> Annual Report together with the audited financial statements of the company for the year ended on 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The financial results of the Company for the year ended 31<sup>st</sup> March 2011 are as follows:

Particulars	(Rs. in Lacs)	
	Current Year ended 31.03.11	Previous Year ended 31.03.10
Total Turnover	315.71	865.42
Operating Expenses	153.06	419.11
Profit before Interest, Depreciation & Tax	162.64	446.31
Financial Expenses	74.91	81.46
Profit before Depreciation & Tax	87.73	364.85
Depreciation	68.79	273.19
Provision for Taxation	4.90	14.16
Deferred Tax Assets/Liability	4.64	33.23
Profit after Tax	9.40	44.27
Balance Brought Forward	(168.73)	213.00
Proposed Dividend	Nil	Nil
Balance Carried forward	(159.32)	(168.73)

### OPERATIONS

The impact of the global slowdown that started in mid 2008 has not seen any appreciable reversal and the performance of our embroidery division has not seen any significant change. The global conditions effected the embroidery industry in general and the business of the company was affected as well. The company however, opened another division/ line of activity of stone handicrafts in the previous year. The embroidery business in comparison to previous year had no significant change in the revenue.

### DIVIDEND

The Company has not declared any dividend this year.

### DEPOSITS

Total public deposits as on 31<sup>st</sup> March 2011 were Rs. 151.55 Lacs.

### DEPOSITORY SYSTEM

The shares of your company are being traded in de-mat form with effect from 29<sup>th</sup> January 2001. Shareholders are requested to avail of this facility to their advantage.

### MANAGEMENT DISCUSSION & ANALYSIS

#### INDUSTRY SCENARIO

Notwithstanding signs of recovery from the previous financial crisis, the textile and apparel industry went through a tough year struggling with the surging and fluctuating prices of raw material. Like 2010 the word 'resources' will be the keyword for 2011 in textile and clothing industry. By resources we are talking about the hefty challenges with raw material and manpower. Also, many

countries in the EC are also coming under the slowdown blanket. This has impacted the demand for textiles and clothing in the USA and the Europe. Both Indian and Chinese textile exports have come down in last 9 months. The domestic market is also showing sign of improvement leading to overall increase in the textile manufacturing in the country.

With a view to finding new markets for the textile industry and reducing dependence on the US and the European Union (EU), India has begun promoting itself in Japan. Moreover, the imposition of caps on certain import segments from China by European Union & US has opened up the opportunities in India. India domestic market has grown significantly in the past registering a Compound Annual Growth Rate of 13% despite the demand slump the domestic market is expected to grow by around 9 to 10% in the next 5 years.<sup>1</sup>

#### OUTLOOK

India has seen a significant increase in the domestic demand with its apparel market shifting from traditional segmentation to multi layered ones with varied customer needs. Indian Government is also taking an effort to make the Indian Textile market more competitive. Another important issue is availability, quality and the price of power.

With a view to raise India's share in the global textiles trade to 10 per cent by 2015 (from the current 3 per cent), the Ministry of Textiles proposes 50 new textile parks. Out of the 50, 30 have been already sanctioned by the government (with a cost of US\$ 710 million). Set up under the Scheme for Integrated Textile Parks (SITP), this initiative will not only make the industry cost competitive, but will also enhance manufacturing capacity in the sector.

Embroidery serves as the major value addition factor for manufacturing garments and made ups and the main emphasis of the company is to concentrate on orders from embroidery exporters. But due to the global recession in the market, increased fuel prices, inflationary pressure the company will not be able to maintain the sales targets achieved during the last two –three years.

The company is also looking at alternative avenues and has ventured into undertaking assignments as contractors for civil and other works including alternations and beautification of premises. This could yield substantial gains to the company in the coming years.

#### SUBSIDIARIES

The company has acquired the shares of Chitra Utsav Video Pvt Ltd at an investment of Rs 748.12 Lacs in the previous year. The company Chitra Utsav Video Pvt Ltd is setting up a Rs 1900 Lacs new project in Gurgaon.

#### THREATS, RISK & CONCERNS

Like any other industries the textile embroidery business is exposed to competition from other developing countries to deliver goods at competitive price at low cost. The rupee appreciation will also effect the business of the company and if the rupee appreciated any further the exporters will be adversely effected which indirectly effects the profit margins of the company.

#### RESEARCH & DEVELOPMENT (R&D)

Research & development of our new services ,designs, process and methodologies continue to be of importance to us. This allows us to enhance quality, productivity and customer satisfaction through continuous innovation. In order to successfully carve a niche of our own we need to develop a vital competitive edge in the design development to stay ahead of the competition.

#### HUMAN RESOURCE DEVELOPMENT /INDUSTRIAL RELATION

In our company Human Resource has always been the most important assets of our organization. The company provide a transparent and a level field work environment to its employees that fosters the culture of collaborative working and on the job career progression.

**ENVIRONMENT, OCCUPATIONAL HEALTH & SAFETY**

Your company is committed to conducting its operation with due regard to the environment and providing a safe and healthy workplace for employees. The collective endeavour of your company's employees at all levels is directed towards sustaining and continuously improving standards of environment, occupational health & safety in a bid to attain and exceed international benchmarks.

**RISK MANAGEMENT SYSTEM**

Your Company follows a comprehensive & effective system of Risk Management. The Company has adopted a procedure for risk assessment and its minimization. It ensures that all the Risks are timely identified and mitigated in accordance with the well structured Risk Management Process. The Board of Directors & the Audit Committee periodically review the Risk Management System.

**ACKNOWLEDGEMENT:**

Your Directors are pleased to place on record their sincere gratitude to the Government, Financial Institutions, Bankers and Business Constituents for their continued and valuable co-operation and support to the Company. They also take this opportunity to express their deep appreciation for the devoted and sincere services rendered by the employees at all levels of the operations of the Company during the year.

**DIRECTORS**

Mr. Anil Kumar Khanna, Director of the company, retires at the ensuing Annual General Meeting, pursuant to clause 108 of the Articles of Association of the Company and being eligible offers himself for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In pursuance of Sec. 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) That the directors had taken proper and sufficient care for 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;
- (iv) That the directors have prepared the annual accounts on a going concern basis.

**AUDIT COMMITTEE**

The Audit Committee constituted by the Board of Directors consists of 2 non-executive independent directors, viz. Mr. B.L. Khurana & Mr. Ashwini Kumar. Mr. B.L. Khurana is the Chairman of the committee. The terms of reference of the Audit Committee have been laid down by the Board at its meeting constituting the committee, held on 29.01.2001.

**CONSERVATION OF ENERGY**

The Company does not belong to the category of power intensive industries and hence consumption of power is not significant. However, the management is aware of the importance of conservation of energy and also reviews from time to time the measures taken/ to be taken for reduction of consumption of energy.

**TECHNOLOGY ABSORPTION**

During the year, your Company was running successfully its embroidery unit in Gurgaon comprising 8 computerized, high quality embroidery machines purchased from Saurer, Switzerland.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign exchange earned : 18,17,552  
Total Foreign exchange used : Nil

**PARTICULARS OF EMPLOYEES**

The Company had no employee during the financial year under review whose particulars are required to be given under section 217(2A) of the Companies Act, 1956.

**AUDITORS**

M/s Sharma Goel & Co. Chartered Accountants, Auditors of the company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

**ACKNOWLEDGEMENTS**

Yours Directors wish to place on record their sincere appreciation of the assistance and support extended by customers, banks, vendors, Government and to all those whose continued support has been a source of strength to the company. Your Directors also wish to place on record their sincere appreciation of the devotion and commitment of every employee of the Company.

**ON BEHALF OF THE BOARD**

Place: New Delhi  
Date : May 27, 2011

Sd/-  
(Anil Kumar Khanna)  
Chairman

## CORPORATE GOVERNANCE REPORT

### Company's philosophy

Your Company believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The company has always focused on good corporate governance that is a key driver of sustainable corporate growth and long term value creation for its shareholders.

The Company believes that corporate governance is not just limited to creating checks and balances. It is more about creating organization excellence leading to increasing employee and customer satisfaction and shareholder value. The primary objective to corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation.

### Board of Directors

The Board of Directors consists of four Directors. Mr. Anil Kumar Khanna retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment. His brief particulars are given below:

Name of the Director	:	Mr. Anil Kumar Khanna
Date of Appointment	:	20/05/2005
Date of Birth	:	17/07/1953
Experience in specific functional areas	:	Vast experience in business.
Qualification	:	B.Com., F.C.A. (England and Wales)
Directorship in other public limited Companies	:	Four
Member/ Chairman of the Committee of the Board of the Public limited Companies on which he is a director	:	Three

### Meetings and Attendance

Name of the Director	Category	No. of Board Meetings attended out of 4 Meetings held	Attendance at the AGM held on Sept. 30, 2010	No. of other Directorships held as at March 31 2011	Committee/s position as at March 31, 2011*	
					Member	Chairman
Mr. Anil Kumar Khanna	Promoter	4	Yes	11	-	3
Mr. Ashwini Kumar	Independent/ Non executive	3	No	1	1	--
Mr. B. L. Khurana	Independent/ Non executive	4	No	3	3	--
Mr. Suman Kapur	Independent/ Non executive	3	Yes	1	-	--

\*The Board of Directors met 4 times during the year on 27<sup>th</sup> May, 2010, 29<sup>th</sup> July 2010, 30<sup>th</sup> October 2010 and 29<sup>th</sup> January 2011.



**Audit Committee as on 31.03.2011****BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The role and the powers of the audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges. The committee also acts as a link between the auditors and the Board of Directors. The Committee meets the auditors periodically and reviews the quarterly/ half-yearly and annual financial statements and discusses their findings and suggestions and seeks clarifications thereon.

**COMPOSITION, NAME OF MEMBERS AND CHAIRPERSON**

The Audit Committee comprises of the following Non-Executive and Independent Directors:-

Mr. B. L. Khurana  
Mr. Ashwini Kumar

The Audit Committee met four times during the year and the attendance of the Members at the meetings was as follows:

Name of the members	No. of Audit Committee Meetings attended out of 4 meetings held
Mr. Ashwini Kumar	3
Mr. B. L. Khurana	4

**General Body Meeting**

i) Location and time, where last three AGMs held.

Date & Year	Time	Location
September 30, 2010	12.00 Noon	14km, Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.
September 30, 2009	12.00 Noon	14km, Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.
September 30, 2008	12.00 Noon	14km, Village Jhund Sarai Veeran, Gurgaon Pataudi Road, Dist. Gurgaon, Haryana.

- ii) Whether any special resolutions passed in the previous three AGMs? Yes
- iii) Whether any special resolution passed last year through postal ballot? No
- iv) Whether any special resolution is proposed to be conducted through postal ballot? No

**Disclosures**

i) Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large.

There are no material transactions with any related party, which may have potential conflict with the interests of the Company at large.

ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no cases of non-compliance of any matter relating to capital markets during the last three years.

## General Shareholder information

Annual General Meeting	Date	Friday, 30 <sup>th</sup> September, 2011
	Time	12.00 P.M.
	Venue	14Kms, Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt. Gurgaon, Haryana.
Financial Calendar	Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March
	1 <sup>st</sup> Quarterly Results	Last Week of July
	2 <sup>nd</sup> Quarterly Results	Last Week of October
	3 <sup>rd</sup> Quarterly Results	Last Week of January
	Annual Audited Results	Third Week of May
Date of Book Closure	23 <sup>rd</sup> September 2011 to 29 <sup>th</sup> September 2011 (Both days inclusive)	
Dividend payment date	Not applicable due to non declaration of dividend.	
Listing on Stock Exchanges	Equity shares are listed on the Stock Exchanges at Mumbai & Kolkata	
ISIN No.	INE 629C01014	
Registrar and Transfer Agents	Link Intime India Pvt. Ltd, A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 Tel. 41410592/93/94, Fax No. 41410591	
Share Transfer System	Share Transfer request can be lodged with the Registrar and Transfer Agents at the above mentioned address. Share Transfer requests received in physical form is registered within an average period of 15 days. A Share Transfer Committee comprising of members of the Board generally meets once in a fortnight to consider the transfer of shares. As per Appendix "A"	
Distribution of Shareholding	35,44,678 equity shares, which are 35.48% of the paid up capital as on March 31, 2011 have been dematerialised.	
Dematerialisation of shares & Liquidity	The company has not issued any GDR/ADR/Warrants or any convertible instruments that are pending for conversion	
Outstanding GDR/ADR/Warrants or any Convertible instruments, conversion date and likely impact on equity		
Plant Locations and the Registered office of the Company	14Kms, Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Distt. Gurgaon, Haryana.	
Address for Correspondence	Link Intime India Pvt. Ltd, A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-II, New Delhi-110028 Tel. 41410592/93/94, Fax No. 41410591	

### Appendix-A

#### DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2011

Category	No. of shares held	Percentage of shareholding
A Promoter's, Relatives and Associates	4655500	46.61
B Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-government Institutions)	191900	1.92
C Institutional Investors/ NRIs/OCBs	0	0
D Mutual Funds and UTI	7900	0.08
E Private Corporate Bodies	441056	4.42
F Indian Public	4692527	46.97
<b>GRAND TOTAL</b>	<u>9,988,883</u>	<u>100.00</u>

## **Auditors' Certificate on Compliance with the conditions of Corporate Governance under clause 49 of the Listing Agreement(s)**

**To the members of RLF Limited**

1. We have examined the compliance of the mandatory conditions of the Corporate Governance by RLF Ltd. During the year ended March 31, 2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing agreement.
4. We state that in respect of investor grievances received during the year ended March 31, 2011, no investor grievance (s) are pending for a period exceeding one month against the company as per the record maintained by the Share Transfer and Investors Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Sharma Goel & Co.  
Chartered Accountants  
FRN. 000643N**

**Sd/-  
(Amar Mittal)  
Partner  
M. No. 17755**

**Place : New Delhi  
Date : 27/05/2011**

**AUDITOR'S REPORT**

To the Member of RLF Limited,  
New Delhi.

1. We have audited the attached Balance Sheet of M/s RLF Limited as at 31<sup>st</sup> March 2011 and also the Profit & Loss Account and the Cash Flow Statement of the Company 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 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 the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the 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 in paragraph (3) above, we report that:
  - i. 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;
  - ii. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except requirements of Accounting Standard 15 on Employee Benefits (Refer Accounting Policy No.-7);
  - v. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2011, and taken on record by the Board of Directors, we report the none of directors is disqualified 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 read with Significant Accounting Policies and Notes thereon, subject to requirements of Accounting Standard 15 on Employee Benefits (Refer Accounting Policy No.-7); give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
    - a. In the case of the Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2011;
    - b. In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - c. In the case of Cash flow statement, the Cash flows of the company for the year ended on that date.

**For Sharma Goel & Co.**  
**Chartered Accountants**  
**FRN. 000643N**

Sd/-  
**(Amar Mittal)**  
Partner

**Membership No. 017755**

Place: New Delhi  
Dated: 27<sup>th</sup> May 2011

## ANNEXURE TO AUDITORS REPORT

REFERRED TO IN PARAGRAPH (3) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 31.03.2011.

1. In respect of fixed assets of the Company:-
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancy has been noticed on such verification.
  - c. The company has not disposed off any fixed assets during the year.
2. In respect of inventories of the Company:-
  - a. Inventories were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate, in relation to the size of the company and the nature of its business.
  - c. The company is maintaining proper records of inventory. There were no material discrepancies noticed on physical verification of inventory.
3. During the year, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Further the Company has taken unsecured loan in past from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 and the balance outstanding as on 31 March 2011 is Rs. 10.31 Lac. The rate of interest and other terms and conditions of the loan taken, are prima facie not prejudicial to the interest of the company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
5. The particulars of contracts or arrangements that are needed to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered and these transactions prima-facie have been made at prices which are reasonable having regard to the prevailing market price.
6. In our opinion and according to the information and explanations given to us, the company has complied with the direction issued by the Reserve Bank of India and the provision of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules 1975 with regard to deposit accepted from the public.
7. The internal audit of the Company has been conducted by its own internal staff and in our opinion, the company has an internal audit system, commensurate with the size and nature of its business.
8. The Central Government has not prescribed the maintenance of cost records by the Company under Section 209 (1)(d) of the Companies Act, 1956, therefore the provision of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
9. a) According to the records of the Company, it is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other applicable statutory dues.

- b) According to the information and explanations given to us, there is no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess as at the year end; for a period more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of custom duty, wealth tax and cess, which have been deposited on account of any dispute except Sales Tax demand of Rs 31.49 Lacs against which the company has gone into Appeal.
10. The Company has accumulated losses at the end of the financial year but its not exceed fifty percent of its net worth and it has not incurred cash losses in the current and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to Financial Institution and Banks. Further the Company does not have any outstanding debentures.
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, during the year.
13. The Company is not a chit fund, nidhi or 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. The Company has maintained proper records of transactions and contracts in respect of dealing in shares and other investments and that timely entry have been made therein. All shares and other investments have been held by the Company in its own name.
15. According to the information and explanation given to us, the Company has not given any guarantee during the year, for loans taken by others from Banks or other Financial Institutions.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares to any person during the year.
19. The Company does not have any outstanding debentures. Therefore, the provision of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
20. The Company has not raised any money by public issue during the year.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For Sharma Goel & Co.  
Chartered Accountants  
FRN.000643N**

**Sd/-  
(Amar Mittal)  
Partner**

**Membership No. 017755**

**Place: New Delhi  
Dated: 27<sup>th</sup> May 2011**

**BALANCE SHEET AS AT 31ST MARCH, 2011**

		31.03.2011 (Rs.)	31.03.2010 (Rs.)
<b>SOURCES OF FUNDS</b>	<b>SCHEDULE</b>		
<b>SHARE HOLDERS' FUNDS</b>			
A.Share Capital	1	96,508,225	96,508,225
B.Reserves & Surplus	2	13,216,513	12,276,399
<b>LOAN FUNDS</b>			
A.Secured Loans	3	67,862,883	75,260,039
B.Unsecured Loans	4	37,983,383	38,828,073
Deferred Tax Liability		3,002,132	2,538,152
<b>Total</b>		<u>218,573,136</u>	<u>225,410,888</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	5		
Gross Block		230,904,589	230,869,915
Less Depreciation		<u>142,454,512</u>	<u>135,575,062</u>
Net Block		88,450,077	95,294,853
Investments	6	105,389,430	102,167,280
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	7		
A.Stock of Textile Division		9,279,517	8,542,893
B.Sundry Debtors		7,014,241	10,820,979
C.Cash & Bank Balances		2,339,857	3,518,115
D.Loans & Advances		17,918,054	19,528,378
		<u>36,551,669</u>	<u>42,410,365</u>
<b>Less: Current Liabilities and Provisions</b>	8		
Current Liabilities		<u>11,818,040</u>	<u>14,461,610</u>
Net Current Assets		24,733,629	27,948,755
<b>Total</b>		<u>218,573,136</u>	<u>225,410,888</u>

**NOTES TO THE ACCOUNTS**

14

Schedules referred to above forming part of Balance Sheet

As per our report of even Date Attached  
For **SHARMA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
FRN.000643N

Sd/-  
**Amar Mittal**  
(Partner)  
Membership No.017755

For and on behalf of the Board

Sd/-  
**Anil Kumar Khanna**  
(Chairman)

Sd/-  
**Suman Kapur**  
(Director)

Place : New Delhi  
Dated : May 27, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	SCHEDULE	31.03.2011 [Rs.]	31.03.2010 [Rs.]
<b>INCOME</b>			
Manufacturing Operations/ Income		30,038,412	95,857,925
Other Income	9	303,416	535,259
Increase/(Decrease) in Stock		1,229,984	(9,851,251)
<b>Total</b>		<b>31,571,812</b>	<b>86,541,933</b>
<b>EXPENDITURE</b>			
Personnel	10	10,062,286	10,902,805
Administrative & Other Expenses	12	1,668,186	7,762,179
Manufacturing Expenses	13	3,576,508	23,246,102
Total Cash Charges		<b>15,306,980</b>	<b>41,911,086</b>
Profit before Interest, Depreciation & Tax		<b>16,264,832</b>	<b>44,630,847</b>
Financial Expenses	11	7,491,288	8,146,261
<b>Profit before Non Cash Charges</b>		<b>8,773,544</b>	<b>36,484,586</b>
<b>NON CASH CHARGES</b>			
Depreciation		6,879,450	27,299,203
Loss on Sale of Assets		-	19,191
<b>PROFIT BEFORE TAX</b>		<b>1,894,094</b>	<b>9,166,192</b>
Provision for Income Tax		400,000	1,416,177
Provision for Deferred Tax Liability		463,980	3,323,280
<b>PROFIT AFTER TAX</b>		<b>1,030,114</b>	<b>4,426,735</b>
Less : Short Provision for Income Tax (Previous Year)		90,000	-
<b>PROFIT AFTER TAX AND PRIOR PERIOD ADJUST</b>		<b>940,114</b>	<b>4,426,735</b>
Balance Brought Forward		(16,872,992)	(21,299,727)
<b>NET PROFIT CARRIED TO BALANCE SHEET</b>		<b>(15,932,878)</b>	<b>(16,872,992)</b>
Earnings Per Share [Basic & Diluted, Face Value Rs 10]		<b>(15,932,878)</b> 0.10	<b>(16,872,992)</b> 0.46
<b>NOTES TO ACCOUNTS</b>	14		

Schedules referred to above forming part of Profit &amp; Loss Account

As per our report of even Date Attached  
**For SHARMA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
**FRN.000643N**

For and on behalf of the Board

Sd/-  
**Amar Mittal**  
**(Partner)**  
**Membership No.017755**

Sd/-  
**Anil Kumar Khanna**  
**(Chairman)**

Sd/-  
**Suman Kapur**  
**(Director)**

Place : New Delhi  
Dated : May 27, 2011



<b>SCHEDULE - 1</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SHARE CAPITAL</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs.10/= Each ( Prev.Yr.1,50,00,000)	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued,Subscribed &amp; Paid Up</b>		
99,88,883 Equity Shares of Rs.10/= Each (Prev.Yr. 99,88,883)	99,888,830	99,888,830
Less :Allotment Money in Arrear	3,380,605	3,380,605
<b>Total</b>	<u>96,508,225</u>	<u>96,508,225</u>

<b>SCHEDULE - 2</b>	<b>As At</b>	<b>As At</b>
<b>RESERVE AND SURPLUS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
Revaluation Reserve*	15,224,185	15,224,185
Capital Reserve	227,250	227,250
Investment Allowance Reserve Utilised	907,763	907,763
General Reserve	12,790,193	12,790,193
Profit & Loss Account	<u>(15,932,878)</u>	<u>(16,872,992)</u>
<b>Total</b>	<u>13,216,513</u>	<u>12,276,399</u>

\*(Revaluation Reserve represents the reserves accretion to revaluation of Company's land at prevailing market prices as on March 31,2005)

<b>SCHEDULE - 3</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SECURED LOANS</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>Banks</b>		
Term Loan (including Working Capital Term Loan) (Secured by equitable mortgage of Factory Land & Building and Hypothycation of Imported Plant & Machinery)	30,249,082	37,110,905
Cash Credit (Secured by a first charge on Raw Material,Finished goods, Work in progress of Embroidered Goods)	9,739,870	10,475,276
Central Bank of India Overdraft Loan against Fixed Deposits from Bank	1,143,725 26,730,206	1,154,697 26,519,161
<b>Total</b>	<u>67,862,883</u>	<u>75,260,039</u>

<b>SCHEDULE - 4</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>UNSECURED LOANS</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
Fixed Deposits from Public	15,154,695	13,509,752
Inter Corporate Deposits [Including Interest Accrued]	20,928,688	25,318,321
Unsecured Loans from others	1,900,000	-
<b>Total</b>	<u>37,983,383</u>	<u>38,828,073</u>

**SCHEDULE - 5  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As At	Additions	Sale/ Adjustment	As At	Upto	During The	Upto	As At	As At
	01.04.2010 [Rs.]	[Rs.]	[Rs.]	31.03.2011 [Rs.]	31.03.2010 [Rs.]	Year 2010-11	31.03.2011 [Rs.]	31.03.2011 [Rs.]	31.03.2010 [Rs.]
Land	27,530,845	-	-	27,530,845	-	-	-	27,530,845	27,530,845
Buildings	11,463,739	-	-	11,463,739	4,723,768	382,889	5,106,657	6,357,082	6,739,971
Plant and Machinery	145,216,786	-	-	145,216,786	85,780,424	6,271,553	92,051,977	53,164,809	59,436,362
Computers	5,332,961	-	-	5,332,961	5,078,557	115,285	5,193,842	139,119	254,404
Earth Moving & Other Vehicles	31,384,341	-	-	31,384,341	31,376,128	8,213	31,384,341	-	8,213
A.C.and A.C. Equipments	3,245,189	34,674	-	3,279,863	3,207,733	18,637	3,226,370	53,493	37,456
Office Equipments	2,296,218	-	-	2,296,218	2,094,264	36,472	2,130,736	165,482	201,954
Furniture and Fixtures	1,746,228	-	-	1,746,228	1,585,178	46,401	1,631,579	114,649	161,050
Temporary Fixtures	1,729,010	-	-	1,729,010	1,729,010	-	1,729,010	-	-
Capital Work in Progress	924,598	-	-	924,598	-	-	-	924,598	924,598
<b>Total</b>	<b>230,869,915</b>	<b>34,674</b>	<b>-</b>	<b>230,904,589</b>	<b>135,575,062</b>	<b>6,879,450</b>	<b>142,454,512</b>	<b>88,450,077</b>	<b>95,294,853</b>
Previous Year Figures	225,448,088	7,339,625	1,917,798	230,869,915	108,275,859	27,299,203	135,575,062	95,294,853	-

**SCHEDULE - 6**

INVESTMENTS QUOTED	[Market Rate]	31.03.2011 [Rs.]	31.03.2010 [Rs.]
763665 Equity Shares of Rs.10/= each of United Leasing & Industries Limited [Previous Year 762740 Equity Shares]	[Not Available]	11,485,239	11,475,989
<b>UNQUOTED</b>			
883257 Equity Shares of Rs.10/= each of Telecom Finance [India] Limited [Previous Year 883257 Equity Shares]		9,628,499	9,628,499
225000 Equity Shares of Rs.10/= each of Chene Capital Pvt.Ltd. [Previous Year 225000 Equity Shares]		2,250,000	2,250,000
69750 Equity Shares of Rs.10/= each of Chitra Utsav Video Pvt.Ltd [Previous Year 69750 Equity Shares]		65,065,692	61,852,792
1296000 Preference Shares of Rs.10/= each of Chitra Utsav Video Pvt.Ltd. [Previous Year 1296000 Equity Shares]		12,960,000	12,960,000
155000 Equity Shares of Rs.10/= each of Saurer Embroidery Systems [India] Pvt.Ltd. [Previous Year 155000 Equity Shares]		1,550,000	1,550,000
245000 Equity Shares of Rs.10/= each of ADAB Infrastructure Pvt.Ltd [Previous Year Application money for 245000 Equity Shares]		2,450,000	-
		-	2,450,000
		<b>105,389,430</b>	<b>102,167,280</b>

<b>SCHEDULE - 7</b>		<b>31.03.2011</b>	<b>31.03.2010</b>
		<b>[Rs.]</b>	<b>[Rs.]</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
<b>A. CURRENT ASSETS</b>			
<b>1. Stock In Trade - Short Term Investment</b>			
<b>QUOTED</b>			
a) 9400 Equity Shares of Ram Gopal Politex Ltd.	188,000		188,000
b) 400 Equity Shares of Mittal Securities Finance Ltd.	4,000		4,000
	<u>192,000</u>		<u>192,000</u>
Less-Provision for Diminution in value of Investment	<u>192,000</u>		<u>192,000</u>
<b>2. Stock of Textile Division</b>			
a) Stock of Raw Material	210,276		527,848
b) Stock of Spares Parts	199,700		375,489
c) Stock of Work in Progress	2,815,541		1,387,556
d) Stock of Finished Goods & Embroidery Designs	<u>6,054,000</u>	9,279,517	<u>6,252,000</u>
			8,542,893
<b>3. Sundry Debtors [Unsecured Considered good, unless otherwise stated]</b>			
More Than Six Months	2,880,755		4,234,070
Others	<u>4,133,486</u>	7,014,241	<u>6,586,909</u>
			10,820,979
<b>4. Cash and Bank Balances</b>			
a) Cash on Hand	98,403		201,590
b) Balances with Scheduled Banks			
In Current Accounts	359,189		1,559,469
In Fixed Deposits	<u>1,882,265</u>	2,339,857	<u>1,757,056</u>
			3,518,115

**B. LOANS AND ADVANCES**

**ADVANCES [Unsecured Considered good, unless otherwise stated]**

a) Recoverable in cash or in kind or value to be received]	5,343,191		4,427,914
b) Security Deposits	425,488		273,114
c) Advance Tax and Tax Deducted at Source	5,354,187		4,358,917
d) Other Advances	<u>6,795,188</u>	17,918,054	<u>10,468,433</u>
Total		<u>36,551,669</u>	<u>42,410,365</u>

**SCHEDULE - 8**

**31.03.2011**

**31.03.2010**

**[Rs.]**

**[Rs.]**

**CURRENT LIABILITIES AND PROVISIONS**

**CURRENT LIABILITIES**

a) Sundry Creditors	368,121		1,388,121
b) Interest Accrued but not due	1,378,552		919,035
c) T.D.S. Payable	268,128		553,223
d) Other Liabilities	9,803,239		11,601,231
Total	<u>11,818,040</u>		<u>14,461,610</u>

<b>SCHEDULE - 9</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>OTHER INCOME</b>		
Interest on Fixed Deposits	155,556	243,753
Miscellaneous Income	147,860	291,506
<b>Total</b>	<b><u>303,416</u></b>	<b><u>535,259</u></b>
<b>SCHEDULE - 10</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>PERSONNEL EXPENSES</b>		
Salary, Wages and Allowances	10,031,647	10,853,870
Staff Welfare Expenses	25,560	46,084
Medical Expenses	5,079	2,851
<b>Total</b>	<b><u>10,062,286</u></b>	<b><u>10,902,805</u></b>
<b>SCHEDULE - 11</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>FINANCIAL EXPENSES</b>		
Interest to Bank [Including Bank Charges]	4,356,157	4,614,342
Interest on Deposits	3,135,131	3,531,919
<b>Total</b>	<b><u>7,491,288</u></b>	<b><u>8,146,261</u></b>
<b>SCHEDULE - 12</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Postage, Courier & Telephones	89,349	56,073
Travelling & Conveyance	86,970	1,584,422
Shipment Charges	-	917,461
Wooden, Crating & Packing	-	304,415
Fee, Taxes & Insurance	52,540	428,456
Printing & Stationery	115,846	42,286
Vehicle Running & Maintenance	262,673	50,880
Advertisement	64,853	79,936
Office Rent	7,850	28,750
Listing Fee	16,545	18,045
Annual Custody Fee	16,633	17,718
Directors Meeting Fee	115,000	140,000
Auditors' Remuneration		
Statutory Audit Fee	55,150	55,150
Tax Audit Fee	15,000	15,000
Business Promotion	2,379	931,549
Professional Charges	183,965	662,289
Commission Paid	-	2,200,000
Exchange Fluctuation	6,862	-
Bad Debts Written off	255,514	-
Miscellaneous Expenses	321,057	229,749
<b>Total</b>	<b><u>1,668,186</u></b>	<b><u>7,762,179</u></b>
<b>SCHEDULE - 13</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
Raw Material [Fabric]	1,913,725	7,463,623
Marble Purchase	-	11,069,902
Other Purchase	-	531,369
Power & Fuel	770,927	515,981
Freight & Cartage	180,438	235,449
Other Manufacturing Expenses	711,418	3,429,778
<b>Total</b>	<b><u>3,576,508</u></b>	<b><u>23,246,102</u></b>

**SCHEDULE - 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:****A Significant Accounting Policies:****1. Accounting Concepts:**

The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with the applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act 1956.

**2. Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation/amortization (including other expenses related to acquisition and installation) adjusted by revaluation of certain fixed assets.

**3. Depreciation / Amortization:**

Depreciation/amortization is charged in the accounts on the following basis:  
Depreciation has been provided on Straight-Line basis at the rates specified in Schedule-XIV of the Companies Act 1956. Pro rata depreciation is considered on assets acquired during the year.

**4. Investments:**

Current investments are stated at lower of cost or market value. Long-term investments are stated at cost.

**5. Inventories:**

Inventories are valued at the lower of Cost or Net Realizable Value except stores & spares which is valued at cost.

**6. Revenue Recognition:**

Sales are accounted for on accrual basis.

**7. Retirement Benefit:**

Provident fund is accounted for on accrual basis while Leave Encashment & Gratuity is accounted for on cash basis.

**8. Foreign Currency Transactions:**

Transactions in Foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Year end balances are valued at the rate prevailing on that date.

**9. Provision for Current and Deferred Tax:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

**NOTES ON ACCOUNTS :**

- |  |                    |                    |
|--|--------------------|--------------------|
| 1. Contingent liabilities not provided for in respect of:  | <b>31.3.2011</b>   | <b>31.3.2010</b>   |
|  | <b>(in Rupees)</b> | <b>(in Rupees)</b> |
| a) Bank Guarantee (100% Margin)  | 12,50,000          | 12,50,000          |
| b) The Sales Tax Department had created a demand on the company in respect of cases for 3 years against which the company has preferred appeals to the appropriate appellate authorities aggregating to Rs. 31,48,523/- (Previous Year Rs 31,48,523) |                    |                    |
2. Segment Reporting (Accounting Standard No :-17):  
The company business unit consist of textiles only .

I. Segment Revenue	Current Year Ended 31.3.2011			Previous Year Ended 31.3.2010		
	Embroidery	Stone Handicraft	Total	Embroidery	Stone Handicraft	Total
Manufacturing /Trading Income	3,00,38,412	---	3,00,38,412	2,94,22,772	6,64,35,153	9,58,57,925
Other Income	3,03,416	---	3,03,416	5,35,259	---	5,35,259
Increase/(Decrease) in stock	12,29,984	---	12,29,984	(98,51,251)	---	(98,51,251)
<b>Sub Total</b>	<b>3,15,71,812</b>	<b>---</b>	<b>3,15,71,812</b>	<b>2,01,06,780</b>	<b>6,64,35,153</b>	<b>8,65,41,933</b>
Less: Inter Segment Revenue	---	---	---	---	---	---
<b>Net Segment Revenue</b>	<b>3,15,71,812</b>	<b>---</b>	<b>3,15,71,812</b>	<b>2,01,06,780</b>	<b>6,64,35,153</b>	<b>8,65,41,933</b>
<b>2. Segment Results</b>						
Profit before Tax						
Interest Income & Interest Expense and Dividend from each Segment	1,61,09,276	---	1,61,09,276	(3,01,50,815)	4,72,19,515	1,70,68,700
Less : Interest Expense	74,91,288	---	74,91,288	81,46,261	---	81,46,261
Add : Interest Income	1,55,556	---	1,55,556	2,43,753	---	2,43,753
Less : Other Unallocable Expenditure	---	---	---	---	---	---
Add Unallocable Income	---	---	---	---	---	---
Profit before Tax	18,94,094	---	18,94,094	(3,80,53,323)	4,72,19,515	91,66,192
Provision for Tax	(4,00,000)	---	(4,00,000)	---	(14,16,177)	(14,16,177)
Provision for Deferred Tax/(Liability)	(4,63,980)	---	(4,63,980)	(33,23,280)	---	(33,23,280)
<b>Profit after Tax</b>	<b>9,40,114</b>	<b>---</b>	<b>9,40,114</b>	<b>(3,47,30,043)</b>	<b>4,58,03,338</b>	<b>44,26,735</b>
<b>3. Other Information</b>						
Depreciation	68,79,450	---	68,79,450	2,72,99,203	---	2,72,99,203
Other Non Cash Expenses	---	---	---	19,191	---	19,191
<b>4. Capital Employed</b>						
Segment Assets	23,03,91,176	---	23,03,91,176	23,86,85,385	13,54,000	24,00,39,385
Segment Liabilities	1,18,18,040	---	1,18,18,040	1,09,46,075	35,15,535	1,44,61,610

**3. Accounting for Taxes on Income (Accounting Standard No:-22):**

The Company has during the year recognized Net Deferred Tax Liability amounting to **Rs. 4,63,980** as on 31.3.2011.

Particulars	As on 31.3.2011	As on 31.3.2010
	Deferred Tax Assets/ (Deferred Tax Liability)	Deferred Tax Assets/ (Deferred Tax Liability)
Brought Forward Loss	1,06,84,906	1,26,88,462
Net Block of Assets	(1,36,87,038)	(1,52,26,616)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(30,02,132)</b>	<b>(25,38,128)</b>

4 During the year there is impairment of assets amounting to Rs. Nil (Prev.Yr. Rs. 2,08,84,755) as these assets were no longer in use and no recoverable value left and hence impairment/depreciation has been charged in full on the full value during the year on the lease assets as contemplated under Accounting Standard No:-28 issued by The Institute Of Chartered Accountants of India.

5. In accordance with the requirement of Accounting Standards (AS) -18 on Related Party Disclosure ,the name of the parties where control exists and/or with whom the transaction have taken place during the year are as follows :-

**a) Key Management Personal**

Anil Kumar Khanna – Chairman

**b) Subsidiary Companies**

Chitra Utsav Video Pvt. Ltd

**c) Entities where Key Management Personal exercises significant influence**

i) Saurer Embroidery Systems India Pvt Ltd

ii) Chene Capital Pvt Ltd

iii) Chitra Utsav Pvt. Ltd.

iv) ADAB Infrastructure Pvt. Ltd.

SR.NO.	TRANSACTIONS	FOR THE YEAR ENDING 31.03.11	FOR THE YEAR ENDING 31.03.10
1.	PURCHASE OF INVESTMENTS Saurer Embroidery Systems India Pvt Ltd	Nil	15,50,000
	Chene Capital Pvt Ltd	Nil	22,50,000
	Chitra Utsav Video Pvt Ltd	32,12,900	7,48,12,792
	ADAB Infrastructure Pvt. Ltd.	Nil	24,50,000
2.	SALE OF GOODS Saurer Embroidery Systems India Pvt Ltd	2,57,07,212	2,94,22,772
3.	ADVANCES GIVEN/RECEIVED (NET) Chitra Utsav Video Pvt Ltd	(14,60,624)	77,17,779
4.	DIRECTOR COMMISSION Anil Kumar Khanna	Nil	12,00,000
5.	LOAN FROM DIRECTOR	19,00,000	Nil
6.	INTEREST ON LOAN TO DIRECTORS	1,42,427	Nil
8.	Basic and Diluted Earning Per Share (Accounting Standard No:-20): Basic and diluted Earnings per share of the company is as under: -		
		31.3.2011	31.3.2010
		(In Rupees)	(In Rupees)
	Profit or (Loss) after tax (A)	9,40,114	44,26,735
	Avg. Number of Equity shares	96,50,822.5	96,50,822.5
	Basic and Diluted Earnings per Share		
	Rupee/Share	0.10	0.46

7.	Board Meeting Fee	31.3.2011 (In Rupees) 75,000	31.3.2010 (In Rupees) 90,000
8.	Audit Committee Fee	31.3.2011 (In Rupees) 40,000	31.3.2010 (In Rupees) 50,000
9.	Directors Remunerations:	31.3.2011 (In Rupees)	31.3.2010 (In Rupees)
	Directors Commission	NIL	12,00,000
10.	Payment to Auditors:	31.3.2011 (In Rupees)	31.3.2010 (In Rupees)
	Audit Fees	55,150	55,150
	Tax Audit	15,000	15,000

11. Figures of the previous year have been regrouped & recast wherever necessary.

**Additional Information under Part II of the Companies Act '1956**

a)	Details of Capacity & Production		Actual Production (Qty. in Mtrs.)	
	Class of Goods	Licensed Capacity	Installed Capacity	31.03.2011
	Embroidery	N.A.	10 Embroidery Machines	8,69,213 10,73,094

b) Particulars in respect of Production, Sales, Opening & Closing Stock of Goods Produced

i)	Production of finished Goods		As on 31.03.2011	As on 31.03.2010
	Embroidery		8,69,213 (Mtrs)	10,73,094 (Mtrs)
ii)	Sales		300.38 Lacs (Rs.)	294.23 Lacs (Rs.)
iii)	Opening & Closing Stock of Finished Goods		Year 2010-11	Year 2009-10
		Opening Stock	Closing Stock	Opening Stock
		Qty	Value	Qty
	Embroidery			Value
	Designs	Nil	62,52,000	Nil
			60,54,000	1,30,22,000
				Nil
				62,52,000

c)	Information in Respect of Raw Material Consumed		As on 31.03.2011	As on 31.03.2010
	Description	Qty.	Value	Qty.
			(Rs.)	Value
	Yarn (Kg.)	1296.12	3,17,572	17747
				24,84,493
			3,17,572	24,84,493

d) Information in respect of Consumption of Imported & Indigenous Material and Percentage thereof.

		As on 31.03.2011		As on 31.03.2010		
Description	Qty.	Value	%age	Qty.	Value	%age
Imported	Nil	Nil	Nil	Nil	Nil	Nil
Indigenous						
Yarn (Kg.)	1296.12	3,17,572	100%	17747	24,84,493	100%



e)	CIF Value of Imports :-	31.03.2011	31.03.2010
	Raw Material	Nil	Nil
	Capital Goods	Nil	Nil
g)	Earning in foreign Currency	31.03.2011	31.03.2010
		18,17,552	6,67,23,408
h)	Expenditure in Foreign Currency	31.03.2011	31.03.2010
		Nil	2,88,675

**As per Our Report of Even Date attached  
For Sharma Goel & Co.  
Chartered Accountants  
FRN. 000643N**

**Sd/-  
Amar Mittal  
(Partner)  
Membership No. 017755**

**For and on behalf of the Board**

**Sd/-  
Anil Kumar Khanna  
Chairman**

**Sd/-  
(Suman Kapur )  
Director**

**Place : New Delhi  
Date : May 27<sup>th</sup>, 2011**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE  
AS PER PART VI TO THE COMPANIES ACT 1956**

<b>I Registration Details</b>			
Registration No.	32747	State Code	55
Balance Sheet Date	31.03.2011		
<b>II Capital raised during the year (Amt.in Rs.Thousand)</b>			
Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
<b>III Position of Mobilisation and Deployment of Funds(Amt.in Rs.Thousand)</b>			
Total Liabilities	218,573	Total Assets	218,573
<b>SOURCES OF FUNDS</b>			
Paid up Capital	96,508	Reserves and Surplus	13,217
Secured Loans	67,863	Unsecured Loans	37,983
Deferred Tax Liabilities	3,002		
<b>APPLICATION OF FUNDS</b>			
Net Fixed Assets	88,450	Investments	105,389
Net Current Assets	24,734	Misc. Expenditure	NIL
Accumulated Losses	NIL		
<b>IV Performance of Company(Amt.in Rs.Thousand)</b>			
Turnover	30,342	Total Expenditure	28,448
Profit/(Loss)before Tax	1,894	Profit/(Loss)after Tax	940
Earning per share	0.10	Dividend Rate in %	NIL
<b>V Generic Names of three principal products/services of company(in monetary terms)</b>			
Item Code No. (ITC)	Not Available		
Product Description	Embroidery		
Item Code No. (ITC)	Not Available		
Product Description	Marble Trading		

**As per our report of even Date Attached  
For SHARMA GOEL & CO.  
CHARTERED ACCOUNTANTS  
FRN.000643N**

**Sd/-  
Amar Mittal  
(Partner)  
Membership No.017755**

**For and on behalf of the Board**

**Sd/-  
Anil Kumar Khanna  
(Chairman)**

**Sd/-  
Suman Kapur  
(Director)**

**Place : New Delhi  
Dated : May 27, 2011**

## Cash Flow Statement for the Year Ended 31st March, 2011

	31.03.2011 [Rs.]	31.03.2010 [Rs.]
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax and Extraordinary Items	1,894,094	9,166,192
Adjustment for :		
Interest Paid	7,491,288	8,146,261
Interest Received	(155,556)	(243,753)
Depreciation	6,879,450	27,299,203
Bad Debts Written off	255,514	-
Loss on Sale of Fixed Assets	-	19,191
<b>Cash Generated before changes in working capital</b>	<u>16,364,790</u>	<u>44,387,094</u>
Adjustment for :		
(Increase)/Decrease in Trade & Other Receivables	4,671,548	2,659,796
(Increase)/Decrease in Inventories	(736,624)	13,780,248
Increase/(Decrease) in Trade Payable	(2,643,570)	4,693,812
<b>Cash Flow from extraordinary items</b>	<u>17,656,144</u>	<u>65,520,950</u>
Extraordinary Items	-	-
<b>Net Cash Generated from Operating Activities</b>	<u>17,656,144</u>	<u>65,520,950</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(34,674)	(7,339,625)
Sale of Fixed Assets	-	128,000
(Increase)/Decrease in Investments	(3,222,150)	(81,062,793)
Interest Received on Fixed Deposits	155,556	243,753
<b>Net Cash used in Investing Activities</b>	<u>(3,101,268)</u>	<u>(88,030,665)</u>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Long Term Borrowings-WCTL	(6,861,823)	(7,119,859)
Increase/(Decrease) in Bank Borrowings	(535,333)	25,133,280
Increase/(Decrease) in Other Liabilities	(844,690)	13,504,989
Interest Paid	(7,491,288)	(8,146,261)
<b>Net Cash Generated from Financing Activities</b>	<u>(15,733,134)</u>	<u>23,372,149</u>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u>(1,178,258)</u>	<u>862,434</u>
<b>Cash &amp; Cash Equivalents as on 31st March, 2011</b>	2,339,857	3,518,115
<b>Cash &amp; Cash Equivalents as on 31st March, 2010</b>	3,518,115	2,655,681

**For SHARMA GOEL & CO.  
CHARTERED ACCOUNTANTS  
FRN.000643N**

Sd/-  
**Amar Mittal**  
(Partner)  
Membership No.017755

For and on behalf of the Board

Sd/-  
**Anil Kumar Khanna**  
(Chairman)

Sd/-  
**Suman Kapur**  
(Director)

Place : New Delhi  
Dated : May 27, 2011

**AUDITORS' CERTIFICATE**

We have examined the attached Cash Flow Statement of RLF Ltd. for the year ended 31<sup>st</sup> March, 2011. The Statement has been prepared by the Company in accordance with the requirements of the clause 32 of the Listing Agreement and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 27<sup>th</sup> May, 2011 to the members of the Company.

**FOR SHARMA GOEL & CO.**  
Chartered Accountants  
FRNo. 000643N

Sd/-  
**(AMAR MITTAL)**  
PARTNER  
M. No. 17755

Place: New Delhi  
Dated: May 27, 2011

## AUDITOR'S REPORT

To the Member of RLF Limited.  
New Delhi.

1. We have audited the attached Consolidated Balance Sheet of RLF Limited ("the Company) and its subsidiary **Chitra Utsav Video Pvt Ltd** (collectively referred to as "the Group) as at March 31, 2011, the Consolidated Profit & Loss Account and the Cash Flow Statement of the Company 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 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. We report that the consolidated financial statements have been prepared by the Group in accordance with the requirement of Accounting Standards (AS) 21, Consolidated Financial Statements, in Consolidated Financial Statement as notified pursuant to Companies (Accounting Standards) Rules 2006. In respect of the consolidated financial statements, we did not audit the financial statements of the subsidiary. These financial statement have been audited by other auditor whose report have been furnished to us and our opinion is based solely on the report of other auditors.
4. Based on our audit and on consideration of the report of the other auditor and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
  - i. In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31 2011.
  - ii. In the case of consolidated profit and Loss Account; of the profit for the year ended on that date.
  - iii. In the case of consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

**For Sharma Goel & Co.**  
**Chartered Accountants**  
**FRN. 000643N**

Sd/-  
Amar Mittal  
(Partner)  
M.No.017755

Place: New Delhi  
Dated: 27<sup>th</sup> May 2011

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULE	31.03.2011 (Rs.)	31.03.2010 (Rs.)
<b>SOURCES OF FUNDS</b>		
<b>SHARE HOLDERS' FUNDS</b>		
A.Share Capital	1 96,508,225	96,508,225
B.Reserves & Surplus	2 14,966,181	14,026,067
<b>LOAN FUNDS</b>		
A.Secured Loans	3 156,761,009	75,260,039
B.Unsecured Loans	4 39,143,179	41,538,073
C.Deferred Tax Liability	3,002,132	2,538,152
D.Minority Interest	13,042,003	13,042,003
<b>TOTAL</b>	<b><u>323,422,729</u></b>	<b><u>242,912,559</u></b>
<b>APPLICATION OF FUNDS</b>		
<b>A. INTANGIBLE ASSTES</b>		
Goodwill on consolidation	61,134,744	57,921,844
<b>B. Fixed Assets</b>		
Gross Block	5 360,140,639	273,150,036
Less Depreciation	142,594,183	135,710,422
Net Block	217,546,456	137,439,614
<b>C. Investments</b>	6 27,363,738	27,354,488
<b>D. CURRENT ASSETS, LOANS AND ADVANCES 7</b>		
A. Stock of Textile Division	9,279,517	8,542,893
B. Sundry Debtors	7,014,241	10,820,979
C. Cash & Bank Balances	2,380,441	3,595,807
D. Loans & Advances	11,803,813	11,965,277
	<b><u>30,478,012</u></b>	<b><u>34,924,956</u></b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS 8</b>		
Current Liabilities	13,100,221	14,728,343
<b>NET CURRENT ASSETS</b>	17,377,791	20,196,613
<b>TOTAL</b>	<b><u>323,422,729</u></b>	<b><u>242,912,559</u></b>
Significant Accounting Policies & Notes to Accounts	14	

Schedules referred to above forming part of the Balance sheet

As per our report of even Date Attached  
For **SHARMA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
FR NO.000643N

Sd/-  
**Amar Mittal**  
(Partner)  
Membership No.017755

For and on behalf of the Board

Sd/-  
**Anil Kumar Khanna**  
(Chairman)

Sd/-  
**Suman Kapur**  
(Director)

Place : New Delhi  
Dated : May 27, 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED 31ST MARCH, 2011**

	SCHEDULE	31.03.2011 [Rs.]	31.03.2010 [Rs.]
<b>INCOME</b>			
Manufacturing Operations/ Income		30,038,412	95,951,702
Other Income	9	413,649	693,860
Increase/(Decrease) in Stock		1,229,984	(9,944,328)
Total		<u>31,682,045</u>	<u>86,701,234</u>
<b>EXPENDITURE</b>			
Personnel Expenses	10	10,211,576	10,926,805
Administrative & Other Expenses	12	1,938,743	8,131,400
Manufacturing Expenses	13	3,576,508	23,246,102
Total Cash Charges		<u>15,726,827</u>	<u>42,304,307</u>
<b>Profit before Interest, Depreciation &amp; Tax</b>		<b>15,955,218</b>	<b>44,396,927</b>
Financial Expenses	11	9,962,759	8,146,261
<b>Profit before Non Cash Charges</b>		<b>5,992,459</b>	<b>36,250,666</b>
<b>NON CASH CHARGES</b>			
Depreciation		6,883,761	27,306,014
Loss on Sale of Asset		-	19,191
Tr. to Capital Work in Progress		2,785,396	-
<b>PROFIT BEFORE TAX</b>		<b>1,894,094</b>	<b>8,925,461</b>
Provision for Income Tax		400,000	1,416,177
Provision for Deferred Tax Liability		463,980	3,323,280
<b>PROFIT AFTER TAX BUT BEFORE PRIOR PERIOD ADJ.</b>		<b>1,030,114</b>	<b>4,186,004</b>
Less : Short Provision for Income Tax (Previous Year)		90,000	-
<b>PROFIT AFTER TAX BEFORE MINORITY INTEREST</b>		<b>940,114</b>	<b>4,186,004</b>
Minority Interest		-	(5,068)
Capital Profit		-	(117,832)
<b>PROFIT AFTER TAX AND MINORITY INTEREST</b>		<b>940,114</b>	<b>4,308,904</b>
Balance Brought Forward		(16,990,824)	(21,299,727)
<b>NET PROFIT CARRIED TO BALANCE SHEET</b>		<b>(16,050,710)</b>	<b>(16,990,824)</b>
Earnings per Share [Basic & Diluted, Face Value Rs. 10/-]		0.10	0.43
Significant Accounting Policies & Notes to Accounts	14		

Schedules referred to above forming part of the Profit & Loss Account

As per our report of even Date Attached  
For **SHARMA GOEL & CO.**  
**CHARTERED ACCOUNTANTS**  
FR NO.000643N

For and on behalf of the Board

Sd/-  
**Amar Mittal**  
(Partner)  
Membership No.017755

Sd/-  
**Anil Kumar Khanna**  
(Chairman)

Sd/-  
**Suman Kapur**  
(Director)

Place : New Delhi  
Dated : May 27, 2011

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET OF RLF LIMITED GROUP AS AT 31ST MARCH, 2011**

<b>SCHEDULE - 1</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>EQUITY SHARE CAPITAL</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs.10/= Each (Prev.Yr. 1,50,00,000)	<u>150,000,000</u>	<u>150,000,000</u>
<b>Issued,Subscribed &amp; Paid Up</b>		
99,88,883 Equity Shares of Rs.10/= Each (Prev.Yr. 99,88,883)	99,888,830	99,888,830
Less :Allotment Money in Arrear	3,380,605	3,380,605
<b>Total</b>	<u><b>96,508,225</b></u>	<u><b>96,508,225</b></u>
<b>SCHEDULE - 2</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>RESERVES AND SURPLUS</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
Revaluation Reserve*	15,224,185	15,224,185
Capital Reserve	2,094,750	2,094,750
Investment Allowance Reserve Utilised	907,763	907,763
General Reserve	12,790,193	12,790,193
Profit & Loss Account	(16,050,710)	(16,990,824)
<b>Total</b>	<u><b>14,966,181</b></u>	<u><b>14,026,067</b></u>
<b>*(Revaluation Reserve represents the reserves accretion to pursuant to revaluation of Company's land at prevailing market prices as on March 31, 2005)</b>		
<b>SCHEDULE - 3</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>SECURED LOANS</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
<b>Banks</b>		
Term Loan (including Working Capital Term Loan) (Secured by equitable mortgage of Factory Land & Building and Hypothication of Imported Plant & Machinery)	119,147,208	37,110,905
Cash Credit (Secured by a first charge on Raw Material,Finished goods, Work in progress of Embroidered Goods)	9,739,870	10,475,276
Central Bank of India Overdraft	1,143,725	1,154,697
Loan against Fixed Deposits from Bank	26,730,206	26,519,161
<b>Total</b>	<u><b>156,761,009</b></u>	<u><b>75,260,039</b></u>
<b>SCHEDULE - 4</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
<b>UNSECURED LOANS</b>	<b>[Rs.]</b>	<b>[Rs.]</b>
Fixed Deposits	15,154,695	13,509,752
Inter Corporate Deposits [Including Interest Accrued]	21,963,484	28,028,321
Unsecured Loan from Others	20,25,000	-
<b>Total</b>	<u><b>39,143,179</b></u>	<u><b>41,538,073</b></u>



**SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET  
OF RLF LIMITED GROUP AS AT 31ST MARCH, 2011**

**SCHEDULE - 5  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As At 01.04.2010 [Rs.]	Additions [Rs.]	Sale/ Adjustment [Rs.]	As At 31.03.2011 [Rs.]	Upto 31.03.2010 [Rs.]	During The Year 2010-11	Upto 31.03.2011 [Rs.]	As At 31.03.2011 [Rs.]	As At 31.03.2010 [Rs.]
Land	40,491,484	-	-	40,491,484	-	-	-	40,491,484	40,491,484
Buildings	11,463,739	-	-	11,463,739	4,723,768	382,889	5,106,657	6,357,082	6,739,971
Plant and Machinery	145,216,786	-	-	145,216,786	85,780,424	6,271,553	92,051,977	53,164,809	59,436,362
Computers	5,382,411	37,700	-	5,420,111	5,128,007	1,19,596	5,247,603	172,508	254,404
Earth Moving & Other Vehicles	31,384,341	-	-	31,384,341	31,376,128	8,213	31,384,341	-	8,213
A.C and A.C. Equipments	3,245,189	34,674	-	3,279,863	3,207,733	18,637	3,226,370	53,493	37,456
Office Equipments	2,296,218	-	-	2,296,218	2,094,264	36,472	2,130,736	165,482	201,954
Furniture and Fixtures	1,832,138	-	-	1,832,138	1,671,088	46,401	1,717,489	114,649	161,050
Temporary Fixtures	1,729,010	-	-	1,729,010	1,729,010	-	1,729,010	-	-
Capital Work in Progress	30,108,720	86,918,229	-	117,026,949	-	-	-	117,026,949	30,108,720
<b>Total</b>	<b>273,150,036</b>	<b>86,990,603</b>	<b>-</b>	<b>360,140,639</b>	<b>135,710,422</b>	<b>6,883,761</b>	<b>142,594,183</b>	<b>217,546,456</b>	<b>137,439,614</b>
Previous Year Figures	224,830,448	49,484,386	1,917,798	272,397,036	108,404,408	27,306,014	135,710,422	136,686,614	

**SCHEDULE FORMING PART OF CONSOLIDATED BALANCE SHEET**

**OF RLF LIMITED GROUP AS AT 31ST MARCH, 2011**

**SCHEDULE - 6  
INVESTMENTS**

	[Market Rate]	31.03.2011 [Rs.]	31.03.2010 [Rs.]
763665 Equity Shares of Rs.10/= each of United Leasing & Industries Limited [Previous Year 762740 Equity Shares]	[Not Available]	11,485,239	11,475,989

**UNQUOTED**

883257 Equity Shares of Rs.10/= each of Telecom Finance [India] Limited [Previous Year 833257 Equity Shares]	9,628,499	9,628,499
225000 Equity Shares of Rs.10/= each of Chene Capital Pvt.Ltd. [Previous Year 225000 Equity Shares]	2,250,000	2,250,000
155000 Equity Shares of Rs.10/= each of Saurer Embroidery Systems [India] Pvt.Ltd. [Previous Year 155000 Equity Shares]	1,550,000	1,550,000
245000 Equity Shares of Rs.10/= each of ADAB Infrastructure Pvt.Ltd. [Previous Application Money for 245000 Equity Shares]	2,450,000	-
<b>Total</b>	<b>27,363,738</b>	<b>27,354,488</b>

**SCHEDULE - 7****31.03.2011**  
[Rs.]**31.03.2010**  
[Rs.]**CURRENT ASSETS, LOANS AND ADVANCES****A. CURRENT ASSETS****1. Stock in Trade - Short Term Investment****QUOTED**

a) 9400 Equity Shares of Ram Gopal Politex Ltd.	188,000		188,000	
b) 400 Equity Shares of Mittal Securities Finance Ltd.	4,000		4,000	
	<u>192,000</u>		<u>192,000</u>	
Less-Provision for Diminution in value of Investment	<u>192,000</u>	-	<u>192,000</u>	-

**2. Stock of Textile Division**

a) Stock of Raw Material	210,276		527,848	
b) Stock of Spares Parts	199,700		375,489	
c) Stock of Work in Progress	2,815,541		1,387,556	
d) Stock of Finished Goods & Embroidery Designs	<u>6,054,000</u>	9,279,517	<u>6,252,000</u>	8,542,893

**3. Sundry Debtors [Unsecured considered good unless otherwise stated]**

More Than Six Months	2,880,755		4,234,070	
Others	<u>4,133,486</u>	7,014,241	<u>6,586,909</u>	10,820,979

**4. Cash and Bank Balances**

a) Cash in Hand	117,482		223,443	
b) Balances with Scheduled Banks				
In Current Accounts	380,694		1,615,308	
In Fixed Deposit	<u>1,882,265</u>	2,380,441	<u>1,757,056</u>	3,595,807

**B. LOANS AND ADVANCES [Unsecured considered good unless otherwise stated]****ADVANCES**

a) Recoverable in cash or in kind or for value to be received	5,343,191		4,427,914	
b) Security Deposits	425,488		273,114	
c) Advance Tax and Tax Deducted at Source	5,442,341		4,448,749	
d) Other Advances	<u>592,793</u>	<u>11,803,813</u>	<u>2,815,500</u>	<u>11,965,277</u>
<b>Total</b>		<b><u>30,478,012</u></b>		<b><u>34,924,956</u></b>

**SCHEDULE - 8****31.03.2011**  
[Rs.]**31.03.2010**  
[Rs.]**CURRENT LIABILITIES AND PROVISIONS****CURRENT LIABILITIES**

1. Sundry Creditors	368,121		1,637,215	
2. Interest Accrued but not due	1,378,552		919,035	
3. T.D.S. Payable	268,128		553,223	
4. Other Liabilities	<u>11,085,420</u>		<u>11,618,870</u>	
<b>Total</b>	<b><u>13,100,221</u></b>		<b><u>14,728,343</u></b>	

**SCHEDULE FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT OF  
RLF LIMITED GROUP AS AT 31ST MARCH, 2011**

<b>SCHEDULE - 9</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	[Rs.]	[Rs.]
<b>OTHER INCOME</b>		
Interest on Fixed Deposits	155,556	402,354
Miscellaneous Income	258,093	291,506
<b>Total</b>	<b><u>413,649</u></b>	<b><u>693,860</u></b>
<b>SCHEDULE - 10</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	[Rs.]	[Rs.]
<b>PERSONNEL</b>		
Salary, Wages and Allowances	10,177,647	10,877,870
Staff Welfare Expenses	28,850	46,084
Medical Expenses	5,079	2,851
<b>Total</b>	<b><u>10,211,576</u></b>	<b><u>10,926,805</u></b>
<b>SCHEDULE - 11</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	[Rs.]	[Rs.]
<b>FINANCIAL EXPENSES</b>		
Interest to Bank [Including Bank Charges]	6,827,628	4,614,342
Interest on Deposits	3,135,137	3,531,919
<b>Total</b>	<b><u>9,962,765</u></b>	<b><u>8,146,261</u></b>
<b>SCHEDULE - 12</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	[Rs.]	[Rs.]
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Postage, Courier & Telephones	92,154	56,073
Travelling & Conveyance	123,218	1,584,422
Shipment Charges	-	917,461
Wooden, Crating & Packing	-	304,415
Fee, Taxes & Insurance	234,040	663,956
Printing & Stationery	122,022	42,286
Vehicle Running & Maintenance	268,301	52,373
Advertisement	64,853	79,936
Office Rent	7,850	28,750
Listing Fee	16,545	18,045
Annual Custody Fee	16,633	17,718
Directors Meeting Fee	115,000	140,000
Auditors' Remuneration		
Statutory Audit Fee	72,150	72,150
Tax Audit Fee	15,000	15,000
Business Promotion	2,379	931,549
Professional Charges	187,955	714,443
Commission Paid	-	2,200,000
Exchange Fluctuation	6,862	-
Bad Debts Written off	255,514	-
Miscellaneous Expenses	338,267	292,823
<b>Total</b>	<b><u>1,938,743</u></b>	<b><u>8,131,400</u></b>
<b>SCHEDULE - 13</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
	[Rs.]	[Rs.]
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
Raw Material [Fabric]	1,913,725	7,463,623
Marble Purchase	-	11,069,902
Other Purchase	-	531,369
Power & Fuel	770,927	515,981
Freight & Cartage	180,438	235,449
Other Manufacturing Expenses	711,418	3,429,778
<b>Total</b>	<b><u>3,576,508</u></b>	<b><u>23,246,102</u></b>

**Schedules 14 - Annexed to and forming part of consolidated financial statements** Statement of Significant Accounting policies to the consolidated financial statement for the year ended March 31<sup>st</sup> 2011.

The significant accounting policies adopted by RLF Ltd and its subsidiaries in respect of Consolidated Financial Statements are listed below:-

**1. Basis of Preparation**

These consolidated financial statements have been prepared to comply in all material respects with notified accounting standards by Companies Rules, 2006 and the relevant provisions of the Companies Act 1956 to reflect the financial position and the results of operation of the Group. These consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and reporting requirement of AS 21 "Consolidated Financial Statements" and consolidated for the year ended 31<sup>st</sup> March 2011.

**2. Principles of Consolidation**

The accounts represented consolidated accounts of the Group and its subsidiary Chitra Utsav Video Pvt Ltd having 97.89% shareholding as on 31<sup>st</sup> March 2011. The consolidated financial statements have been prepared on line- by- line basis. Inter company balances have been eliminated in consolidation.

**3. Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation/amortization (including other expenses related to acquisition and installation) adjusted by revaluation of certain fixed assets. Capital work in Progress is stated at Cost.

**4. Depreciation / Amortization:**

Depreciation/amortization is charged in the accounts on the following basis:

Depreciation has been provided on Straight-Line basis at the rates specified in Schedule-XIV of the Companies Act 1956.

**5. Investments:**

Current investments are stated at lower of cost or market value. Long-term investments are stated at cost.

**6. Inventories:**

Inventories are valued at the lower of Cost or Net Realizable Value except stores & spares which is valued at cost.

**7. Revenue Recognition:**

Sales are accounted for on accrual basis.

**8. Retirement Benefit:**

Provident fund is accounted for on accrual basis while Leave Encashment & Gratuity is accounted for on cash basis.

**9. Foreign Currency Transactions:**

Transaction in Foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Year end balances are valued at the rate prevailing on that date.

**10. Provision for Current and Deferred Tax:**

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions as per Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profits for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be adjusted in future.

**NOTES ON ACCOUNTS:**

1. Contingent liabilities not provided for in respect of: 31.3.2011 31.3.2010  
(in Rupees)
- a) Bank Guarantee (100% Margin) 12,50,000 12,50,000
- b) The Sales Tax Department had created a demand on the company in respect of cases for 3 years against which the company has preferred appeals to the appropriate appellate authorities aggregating to Rs.31,48,523/- (Previous Year Rs 31,48,523),

2. Segment Reporting (Accounting Standard No :-17):

The company business unit consist of textiles only .

1. Segment Revenue	Current Year Ended 31.3.2011			Previous Year Ended 31.3.2010		
	Embroidery	Stone Handicraft	Total	Embroidery	Stone Handicraft	Total
Manufacturing	3,00,38,412	---	3,00,38,412	2,94,22,772	6,64,35,153	9,58,57,925
Trading Income						
Other Income	3,03,416	---	3,03,416	5,35,259	---	5,35,259
Increase/(Decrease) in stock	12,29,984	---	12,29,984	(98,51,251)	---	(98,51,251)
<b>Sub Total</b>	<b>3,15,71,812</b>	<b>---</b>	<b>3,15,71,812</b>	<b>2,01,06,780</b>	<b>6,64,35,153</b>	<b>8,65,41,933</b>
Less: Inter Segment Revenue	---	---	---	---	---	---
<b>Net Segment Revenue</b>	<b>3,15,71,812</b>	<b>---</b>	<b>3,15,71,812</b>	<b>2,01,06,780</b>	<b>6,64,35,153</b>	<b>8,65,41,933</b>
<b>2. Segment Results</b>						
Profit before Tax						
Interest Income & Interest Expense and Dividend from each Segment	1,61,09,276	---	1,61,09,276	(3,01,50,815)	4,72,19,515	1,70,68,700
Less : Interest Expense	74,91,288	---	74,91,288	81,46,261	---	81,46,261
Add : Interest Income	1,55,556	---	1,55,556	2,43,753	---	2,43,753
Less : Other Unallocable Expenditure	---	---	---	---	---	---
Add Unallocable Income	---	---	---	---	---	---
Profit before Tax	18,94,094	---	18,94,094	(3,80,53,323)	4,72,19,515	91,66,192
Provision for Tax	(4,00,000)	---	(4,00,000)	---	(14,16,177)	(14,16,177)
Provision for Deferred Tax/(Liability)	(4,63,980)	---	(4,63,980)	(33,23,280)	---	(33,23,280)
<b>Profit after Tax</b>						
<b>3. Other Information</b>	<b>9,40,114</b>	<b>---</b>	<b>9,40,114</b>	<b>(3,47,30,043)</b>	<b>4,58,03,338</b>	<b>44,26,735</b>
Depreciation	68,79,450	---	68,79,450	2,72,99,203	---	2,72,99,203
Other Non Cash Expenses	---	---	---	19,191	---	19,191
<b>4. Capital Employed</b>						
Segment Assets	23,03,91,176	---	23,03,91,176	23,86,85,385	13,54,000	24,00,39,385
Segment Liabilities	1,18,18,040	---	1,18,18,040	1,09,46,075	35,15,535	1,44,61,610

## 3. Accounting for Taxes on Income (Accounting Standard No:-22):

The Company has during the year recognized Net Deferred Tax Liability amounting to **Rs. 4,63,980** as on 31.3.2011.

Particulars	As on 31.3.2011	As on 31.3.2010
	Deferred Tax Assets/ (Deferred Tax Liability)	Deferred Tax Assets/ (Deferred Tax Liability)
Brought Forward Loss	1,06,84,906	1,26,88,462
Net Block of Assets	(1,36,87,038)	(1,52,26,616)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>(30,02,132)</b>	<b>(25,38,128)</b>

4 During the year there is impairment of assets amounting to Rs. Nil (Prev.Yr.Rs.2,08,84,755) as these assets were no longer in use and no recoverable value left and hence impairment/depreciation has been charged in full on the full value during the year on the lease assets as contemplated under Accounting Standard No:-28 issued by The Institute Of Chartered Accountants of India.

2. In accordance with the requirement of Accounting Standards (AS) -18 on Related Party Disclosure, the name of the parties where control exists and/or with whom the transaction have taken place during the year are as follows :-

a) **Key Management Personal**

Anil Kumar Khanna – Chairman

b) **Subsidiary Companies**

Chitra Utsav Video Pvt. Ltd

c) **Entities where Key Management Personal exercises significant influence**

i) Saurer Embroidery Systems India Pvt Ltd

ii) Chene Capital Pvt Ltd

iii) Chitra Utsav Pvt. Ltd.

iv) ADAB Infrastructure Pvt. Ltd.

.SR.No.	TRANSACTIONS	FOR THE YEAR	FOR THE YEAR
		ENDING 31.03.11	ENDING 31.03.10
1.	<b>PURCHASE OF INVESTMENTS</b>		
	Saurer Embroidery Systems India Pvt Ltd	Nil	15,50,000
	Chene Capital Pvt Ltd	Nil	22,50,000
	Chitra Utsav Video Pvt Ltd	32,12,900	7,48,12,792
	ADAB Infrastructure Pvt. Ltd.	Nil	24,50,000
2.	<b>SALE OF GOODS</b>		
	Saurer Embroidery Systems India Pvt Ltd	2,57,07,212	2,94,22,772
3.	<b>ADVANCES GIVEN/RECEIVED (NET)</b>		
	Chitra Utsav Video Pvt Ltd	(14,60,624)	77,17,779
4.	<b>DIRECTOR COMMISSION</b>		

Anil Kumar Khanna	Nil	12,00,000
5. LOAN FROM DIRECTOR	19,00,000	Nil
6. INTEREST ON LOAN TO DIRECTORS	1,42,427	Nil
8. Basic and Diluted Earning Per Share (Accounting Standard No:-20):		
Basic and diluted Earnings per share of the company is as under: -		
	31.3.2011	31.3.2010
	(In Rupees)	(In Rupees)
Profit or (Loss) after tax (A)	9,40,114	44,26,735
Avg. Number of Equity shares	96,50,822.5	96,50,822.5
Basic and Diluted Earnings per Share		
Rupee/Share	0.10	0.46
7. Board Meeting Fee	31.3.2011	31.3.2010
	(In Rupees)	(In Rupees)
	75,000	90,000
8. Audit Committee Fee	31.3.2011	31.3.2010
	(In Rupees)	(In Rupees)
	40,000	50,000
9. Directors Remunerations:	31.3.2011	31.3.2010
	(In Rupees)	(In Rupees)
Directors Commission	NIL	12,00,000
10. Payment to Auditors:	31.3.2011	31.3.2010
	(In Rupees)	(In Rupees)
Audit Fees	55,150	55,150
Tax Audit	15,000	15,000

11. Figures of the previous year have been regrouped & recast wherever necessary.

**Additional Information under Part II of the Companies Act '1956**

a) Details of Capacity & Production		Actual Production
		(Qty. in Mtrs.)
Class of Goods	Licensed Capacity	Installed Capacity
		31.03.2011
Embroidery	N.A.	10 Embroidery Machines
		31.03.2010
		8,69,213
		10,73,094
b) Particulars in respect of Production, Sales, Opening & Closing Stock of Goods Produced		
i) Production of finished Goods		
	As on 31.03.2011	As on 31.03.2010
Embroidery	8,69,213 (Mtrs)	10,73,094 (Mtrs)
ii) Sales	300.38 Lacs (Rs.)	294.23 Lacs (Rs.)
iii) Opening & Closing Stock of Finished Goods		

Year 2010-11

Year 2009-10

	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Embroidery Designs	Nil	62,52,000	Nil	60,54,000	Nil	1,30,22,000	Nil	62,52,000

## c) Information in Respect of Raw Material Consumed

Description	As on 31.03.2011			As on 31.03.2010		
	Qty.	Value (Rs.)		Qty.	Value (Rs.)	
Yarn (Kg.)	1296.12	3,17,572		17747	24,84,493	
		<u>3,17,572</u>			<u>24,84,493</u>	

## d) Information in respect of Consumption of Imported &amp; Indigenous Material and Percentage thereof.

Description	Qty.	As on 31.03.2011		Qty.	As on 31.03.2010	
		Value	%age		Value	%age
Imported	Nil	Nil	Nil	Nil	Nil	Nil
Indigenous						
Yarn (Kg.)	1296.12	3,17,572	100%	17747	24,84,493	100%

## e) CIF Value of Imports :-

	31.03.2011	31.03.2010
Raw Material	Nil	Nil
Capital Goods	Nil	Nil

## g) Earning in foreign Currency

	31.03.2011	31.03.2010
	18,17,552	6,67,23,408

## h) Expenditure in Foreign Currency

	31.03.2011	31.03.2010
	Nil	2,88,675

As per Our Report of Even Date attached  
**For Sharma Goel & Co.**  
**Chartered Accountants**  
**FRN. 000643N**

Sd/-  
**Amar Mittal**  
**(Partner)**  
 Membership No. 017755

**For and on behalf of the Board**

Sd/-  
**Anil Kumar Khanna**  
**Chairman**

Sd/-  
**(Suman Kapur)**  
**Director**

Place : New Delhi  
 Date : May 27<sup>th</sup>, 2011



**CONSOLIDATED CASH FLOW STATEMENT  
OF RLF LIMITED GROUP AS AT 31ST MARCH, 2011**

	31.03.2011 [Rs.]	31.03.2010 [Rs.]
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax and Extraordinary Items	1,894,094	8,925,461
Adjustment for :		
Interest Paid	9,962,759	8,146,261
Interest Received	(155,556)	(402,354)
Depreciation	6,883,761	27,306,014
Bad Debts Written off	255,514	-
Loss on Sale of Fixed Assets	-	19,191
<b>Cash Generated before changes in working capital</b>	<u>18,840,572</u>	<u>43,994,573</u>
Adjustment for :		
(Increase)/Decrease in Trade & Other Receivables	3,222,688	7,130,380
(Increase)/Decrease in Inventories	(736,624)	13,782,878
Increase/(Decrease) in Trade Payable	(1,628,122)	6,376,722
<b>Cash Flow from extraordinary items</b>	<u>19,698,514</u>	<u>71,284,553</u>
Extraordinary Items	-	-
<b>Net Cash Generated from Operating Activities</b>	<u><b>19,698,514</b></u>	<u><b>71,284,553</b></u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(86,990,603)	(49,484,386)
Sale of Fixed Assets	-	1,917,798
Increase in Capital Reserve	-	1,867,500
Goodwill	(3,212,900)	(44,879,841)
(Increase)/Decrease in Investments	(9,250)	(6,250,000)
Interest Received on Fixed Deposits	155,556	402,354
<b>Net Cash used in Investing Activities</b>	<u><b>(90,057,197)</b></u>	<u><b>(96,426,575)</b></u>
<b>C. Cash Flow from Financing Activities</b>		
Increase/(Decrease) in Long Term Borrowings-VWCTL	82,036,303	(7,119,859)
Increase/(Decrease) in Bank Borrowings	(535,333)	16,840,440
Increase/(Decrease) in Other Liabilities	(2,394,894)	24,507,829
Interest Paid	(9,962,759)	(8,146,261)
<b>Net Cash Generated from Financing Activities</b>	<u><b>69,143,317</b></u>	<u><b>26,082,149</b></u>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<u><b>(1,215,366)</b></u>	<u><b>940,127</b></u>
<b>Cash &amp; Cash Equivalents as on 31st March, 2011</b>	2,380,441	3,595,807
<b>Cash &amp; Cash Equivalents as on 31st March, 2010</b>	3,595,807	2,655,680

For SHARMA GOEL & CO.  
CHARTERED ACCOUNTANTS  
FR NO.000643N

Sd/-  
Amar Mittal  
(Partner)  
Membership No.017755

For and on behalf of the Board

Sd/-  
Anil Kumar Khanna  
(Chairman)

Sd/-  
Suman Kapur  
(Director)

Place : New Delhi  
Dated : May 27, 2011

**FORM 2B  
(Rule 4CCC and 5D)  
NOMINATION FORM**

(To be filled in by individual applying singly or jointly)

I/We \_\_\_\_\_ and \_\_\_\_\_ the holders of Shares/Deposit Receipt bearing Folio No./ Receipt No. \_\_\_\_\_ of M/s RLF LIMITED wish to make a nomination and do hereby nominate the following person(s) in whom all rights of transfer and/or amount payable in respect of Shares/Deposits shall vest in the event of my/ our death.

Name and Address of Nominee

Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Date of Birth\*: \_\_\_\_\_  
(\*to be furnished in case the nominee is a minor)  
\*\*The nominee is a minor whose guardian is (Name and address) \_\_\_\_\_

(\*\* to be deleted if not applicable)

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Date \_\_\_\_\_

Delete whichever is not applicable

Signature of two witnesses

Name And Address

Signature with date

- 1.
- 2.

Instructions:

1. The Nomination can be made by individuals only applying/ holding shares on their own behalf singly or jointly upto two persons. Non-individuals including society, trust, body corporate, partnership firm, Karta of Hindu Undivided Family, holder of power of attorney can not nominate. If the shares are held jointly all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares/ Deposits and in that event the holder shall give the name and address of the Guardian.
3. The nominee shall not be a trust, society, body corporate, partnership firm, Karta of Hindu Undivided Family or a holder of power of attorney. A non-resident Indian can be a nominee on re-patriable basis.
4. Nomination stand rescinded upon transfer of share/ renewal of deposits made.
5. Transfer of share in favour of a nominee and repayment of amount of deposit to nominee shall be valid discharge by a Company against the legal heir.

**PROXY FORM  
RLF LIMITED**REGISTERED OFFICE: 14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana  
CORPORATE OFFICE: Plot No. 66, Sector-34, EHTP, Gurgaon, Haryana

DP ID:\*\* ..... CLIENT ID:\*\* .....

Folio No.: \_\_\_\_\_

I/We \_\_\_\_\_ being a member/ members of RLF LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/ her \_\_\_\_\_ in the district of \_\_\_\_\_ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held on the 30<sup>th</sup> September, 2011, at 12.00 P.M. at 14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Affix Revenue  
Stamp of Rupee  
1 (One) hereSignature of Member: .....  
Signature of Proxy .....  
Address: .....

Strike whichever is not applicable.

## Notes:

1. The Proxy need not be a member of the Company.
2. The Proxy to be valid should be duly stamped with a revenue stamp of Rupee 1 (One) and executed by the member and should reach the Company's Corporate Office at least 48 hours before the time fixed for the Meeting.
3. Proxy cannot speak at the meeting or vote on a show of hands.

**ATTENDANCE SLIP  
RLF LIMITED**REGISTERED OFFICE: 14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana  
CORPORATE OFFICE: Plot No. 66, Sector-34, EHTP, Gurgaon, Haryana

NAME &amp; ADDRESS OF THE SHAREHOLDER

Folio No. \_\_\_\_\_  
DP ID:\*\* .....  
CLIENT ID:\*\* .....I hereby record my presence at the 31<sup>st</sup> ANNUAL GENERAL MEETING of the Company on the 30<sup>th</sup> September, 2011 at 12.00 P.M. at 14 Kms., Gurgaon Pataudi Road, Village Jhund Sarai Veeran, Dist. Gurgaon, Haryana.

SIGNATURE OF THE SHAREHOLDER (S)/PROXY

\*Strike whichever is not applicable.

## Notes:

1. No attendance Slip will be issued at the venue of the meeting.
2. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the Entrance of the Meeting Hall.
3. NO GIFTS/ GIFT COUPANS/ COMPANY PRODUCTS WILL BE GIVEN AT THE MEETING.
4. This Attendance is valid only in case shares are held on the date of the meeting.

\*\*Applicable for investors holding shares in electronic form