

EVERGREEN TEXTILES LIMITED

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of EVERGREEN TEXTILES LIMITED will be held at the Registered Office of the Company at Podar Chambers, 4th floor,109, S.A.Brelvi Road, Fort, Mumbai 400 001 on Wednesday, 29th September,2010 at 4.00 p.m. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March,2010 and Balance Sheet as on that date together with Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra M.Bolya, who retires by rotation and is eligible for reappointment.
3. To Appoint Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

For and on behalf of the Board,

FOR EVERGREEN TEXTILES LIMITED

(RAJENDRA M.BOLYA)
DIRECTOR

Mumbai.

Date: 20th August, 2010

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 AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 24/09/2010 to 29/09/2010 (both days inclusive)
3. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the meeting so that the requested information can be made available at the time of the meeting.
4. Members/Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
5. Members are requested to notify immediately any change in their address with PIN CODE, to send their grievances if any for early disposal to the Registrar and Share Transfer Agent of the Company at the address given below:

M/S. SHAREX DYNAMIC (INDIA) PVT.LTD.
Unit No.1, Luthra Ind.Premises, Andheri Kurla Road,
Safed Pool, Andheri (East), MUMBAI – 400 072.
Tel: 022 2851 5606 / 2851 5644

6. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. In all correspondence with the company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their client ID and DP ID numbers.

DIRECTORS' REPORT

TO,
THE MEMBERS,

Your Directors are presenting herewith the Twenty Third Annual Report and Audited Statement of Accounts for the year ended 31st March,2010.

OPERATIONS:

Your Company has not done any business during this year. Your board is working to restart the Company and is in negotiations with a Foreign Company to form a joint venture and restart activities.

DIVIDEND:

Due to Accumulated losses and shut down of the Company's Operations, your board has decided not to recommend any dividend during the year under review.

WINDING UP PROCEEDINGS BEFORE BOMBAY HIGH COURT:

With regard to Winding Up Proceedings, the Hon'ble High Court of Judicature at Mumbai has passed an Order dated 13th March,2009 dismissing Company Petition No.509 of 2006. As per the Order, the Company is required to file an Undertaking in respect of various directions given by the Hon'ble Bombay High Court . The orders of the Hon'ble Bombay High Court has been complied with.

DIRECTORS :

As per the provisions of the Companies Act, 1956 and in terms of the Articles of Association of the Company Mr. Rajendra M.Bolya, Director of the Company retire by rotation and being eligible, offers himself for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) Appropriate policies have been selected and applied consistently and the judgements and estimates wherever made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the loss of the Company for that year.

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s. S. K. Bhageria & Associates, Chartered Accountants, Statutory Auditors of the company are retiring at the ensuing Annual General Meeting. They are eligible for re-appointment and have expressed their willingness to act as auditors, if re-appointed. The Company has received a certificate from them that they are qualified under section 224 (1) of the Companies Act, 1956, for appointment as Auditors of the Company. Members are requested to consider their appointment at a remuneration to be decided by the Board of Directors for the financial year ending March 31, 2011 as set out in the Notice convening the Meeting.

CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement, the Company was required to implement Corporate Governance Code and Follow the Procedure laid down in the said Code. Due to adverse financial position of the Company and non availability of independent Directors coupled with Liquidation matter pending in High Court, the Board of Directors had decided to request Stock Exchange for exempting the Company from requirement of Clause 49 of the Listing Agreement.

The Company has not received any communication from the Stock Exchange in this matter.

LISTING REQUIREMENTS:

The Equity Shares of the Company are at present listed with the Stock Exchanges at Ahmedabad, Delhi, Kolkatta and Mumbai.

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

Information in accordance with the Provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure with particulars in the Report of Board of Directors) Rules 1988 are not furnished as there was no manufacturing activities during the year.

Foreign Exchange Earning and Outgo Rs. NIL.

PARTICULARS OF EMPLOYEES :

During the year under review, there was no employee drawing salary in excess of limits prescribed under Section 217(2)(A) of the Companies Act, 1956 and the Rules prescribed there under.

FIXED DEPOSITS:

Your Company has not invited or accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956 during the year.

ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their sincere appreciation for the co-operation extended by the Financial Institutions and the Company's Bankers.

Your Directors also express gratitude to the Shareholders of the Company for the confidence reposed in the management.

On behalf of the Board,
FOR EVERGREEN TEXTILES LIMITED,

(M.D.Shanbhag)
Director

(Rajendra M.Bolya)
Director

Mumbai,
Dated: 20th August, 2010

BOARD OF DIRECTORS:

MR. MANJUNATH D.SHANBHAG CHAIRMAN
MR. RAJENDRA M.BOLYA
MR. SITARAM VERMA

AUDITORS

M/S. S.K.BHAGERIA & ASSOCIATES, Chartered Accountants.

SOLICITORS:

M/S. KANGA & CO., Advocates, Solicitors & Notary.

BANKERS:

CANARA BANK
BANK OF BARODA

REGISTERED OFFICE;

PODAR CHAMBERS,
109, S.A.BRELVI ROAD,
FORT, MUMBAI 400001.

WORKS:

PLOT NO.B-5 & B-6,
MIDC INDUSTRIAL AREA,
MAHAD, DIST. RAIGAD(MAHARAHSTRA)

REGISTRARS & SHARE TRANSFER AGENTS:

M/S. SHAREX DYNAMIC (INDIA) PRIVATE LTD.,
UNIT 1, LUTHRA IND. PREMISES, SAFED POOL,
ANDHERI KURLA ROAD, ANDHERI (EAST)
MUMBAI 400 072.

ANNUAL GENERAL MEETING:

WEDNESDAY, 29TH SEPTEMBER,2010 AT 4.00 P.M. AT
PODAR CHAMBERS, 4TH FLOOR, 109,S.A.BRELVI ROAD,
FORT, MUMBAI 400001.

AUDITOR'S REPORT

**TO
THE MEMBERS OF EVERGREEN TEXTILES LIMITED.**

- 1) We have audited the attached Balance Sheet of **EVERGREEN TEXTILES LIMITED** as at 31st March, 2010 and also the Profit & Loss Account and 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 also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors 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 annex hereto 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 :
 - (a) **Note No. 6 (a) & (b) : Relating to certain records of the company taken by the Central Excise Authorities and their reconstruction thereupon.**
 - (b) **Note No. 7 : Relating to accounting of Cash Compensatory Support (CCS) of Rs. 3.15 Lacs for the year ended 31/03/1992 with interest @ 6% p.a. as mentioned in the note, to be accounted as and when received.**
- 5) Subject to the above
 - 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 law, have been kept by the Company so far as appears from our examination of such books of the company.
 - c) The Balance Sheet, Profit & Loss Account and the Cash Flow statement dealt with by this report are in agreement with the Books of Account of the company.
 - d) In our opinion, the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred to in Sub Section (3C) of Section 211 of Companies Act, 1956.

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- e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, subject to what is stated in para 4 (b) (without taking into account para 4 (a) as the extent of loss, at present in respect of which is unascertainable / not ascertained), aggregate effect of which has resulted in the loss for the year being higher by Rs. 3.15 Lacs and accumulated losses carried in the balance sheet would be of Rs 1547.81 Lacs as against the reported accumulated losses of Rs. 1550.96 Lacs and subject to what is stated in paragraph 1,2, 3 & 4 above. The Balance sheet, Profit & Loss Account and Cash Flow Statement 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 :-
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010.
- (ii) In the case of the Profit and Loss Account, of the Loss for the year ended on that date.
- (iii) In the case of Cash flow Statement, of the Cash flow for the year ended on that date.

**For S.K.BHAGERIA & ASSOCIATES
Chartered Accountants
(Registration No : 112882W)**

PLACE : MUMBAI

DATE : 20TH AUGUST, 2010.

**(S.K.BHAGERIA)
PARTNER
Membership No 41404**

ANNEXURE REFERRED IN PARAGRAPH 3 OF AUDITOR'S REPORT TO THE MEMBERS OF EVERGREEN TEXTILES LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) All the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on physical verification were not material and properly dealt within the books of accounts.
- c) Since there is no disposal of Fixed Assets during the year, para 4 (i) (c) of the Companies (Auditor's Report) order, 2003 (the order) is not applicable.
- ii) Since there are no Inventories, para 4 (ii) (a), (b) & (c) of the Order is not applicable
- iii) a) According to the information and explanations given to us the company has not granted any secured or unsecured loans to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956, accordingly para 4 (iii) (a) to (c) of the order is not applicable.
- b) The company has taken unsecured loan from one Company, listed in the register maintained under section 301 of the Companies Act, 1956, wherein the balance payable as at the year end is Rs. 11,29,728/- (Maximum balance outstanding during the year is Rs. 11,29,728/-). Though the loan taken is interest free, the same in our opinion is not prima facie, prejudicial to the interest of the company however no Terms and Conditions have been stipulated for repayment of the loan hence we are unable to express our opinion on the same.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, and fixed assets and for the sale of goods & services, if any. During the course of our audit, we have not observed any major weaknesses in the internal control systems of the company..
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under section 301 of the Companies act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, Since the company has not entered into any transactions of contracts or arrangements exceeding Rs five lakh in respect of any party during the financial year that needs to be entered in the register maintained under section 301 of the Companies Act, 1956, Para 4 of (v)(b) of the order is not applicable.
- vi) The company has not accepted any deposits from the Public and consequently, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 are not attracted.
- vii) While the Company has no formal internal audit system during the year under review. the Directors of the company have always kept adequate vigilance over the day to day transactions of the company and over the proper maintainance of the basic records and Books of Accounts of the company.

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viii) We are informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.

ix) a)

According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education & Protection fund, Employees state Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Cess and Other Statutory dues applicable to it. further to this there are no undisputed dues payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom duty, Excise duty, and Cess were in arrears, as at 31st March, 2010 for more than six months from the date they become payable except Excise duty of Rs.5,35,24,282/-

b) The details of disputed dues of Sales Tax, Service Tax, Income Tax, Wealth Tax, custom Duty, Excise duty and Cess, which have not been deposited, are as under :

<u>Name of the Statute</u>	<u>Forum where dispute is pending</u>	<u>As at</u>	<u>As at</u>
		<u>31.03.10</u>	<u>31.03.09</u>
		(Rs in Lacs)	(Rs in Lacs)
1 Central Excise	Appellate Tribunal	428.26	428.26
2 Sales Tax	Sales Tax Tribunal	18.25	18.25

x) The accumulated losses of the Company at the end of the financial year 31.03.2010. are more than fifty percent of its net worth, the company has incurred cash losses during the financial year and also in the immediately preceding financial year.

xi)

According to the information and explanations given to us, there are no dues of Financial institutions / Banks / Debenture Holders at the year end, hence provisions of clause 4 (xi) of the Order is not applicable to the Company.

xii)

Based on our examinations of the records & of the information and explanations given to us, the Company has not granted any loans and /or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.

xiv)

In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.

xv)

In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provisions of clause 4 (xv) of the Order does not apply to the company.

xvi)

According to the information and explanations given to us, the Company has not taken any term loans during the year, hence the provisions of clause 4 (xvi) of the Order is not applicable to the Company.

xvii)

According to the information and explanations given to us and on a overall examination of balance sheet of the company, Since the company has not raised any short term fund or long term fund, para 4 (xvii) of the Order is not applicable to the Company.

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- xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year. Hence para 4 (xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us the company has not issued any debentures during the year, hence para 4 (xix) of the Order is 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 issues during the year, hence para 4 (xx) of the Order is not applicable to the Company.
- xxi) According to information and explanations given to us no fraud on or by the company has been noticed or reported during the year, in the course of our audit.

**For S.K.BHAGERIA & ASSOCIATES
Chartered Accountants
(Registration No : 112882W)**

PLACE : MUMBAI

DATE : 20TH AUGUST, 2010.

**(S.K.BHAGERIA)
PARTNER
Membership No 41404**

EVERGREEN TEXTILES LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31.3.2010 RUPEES	AS AT 31.3.2009 RUPEES
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	1	48000000	48000000
Reserves and Surplus	2	<u>15525257</u>	<u>15525257</u>
		63525257	63525257
<u>LOAN FUNDS</u>			
Unsecured Loans	3	1129728	183502
TOTAL		<u>64654985</u>	<u>63708759</u>
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	4	22167266	22167266
Less : Accumulated Depreciation		<u>14355343</u>	<u>13658931</u>
Net Block		7811923	8508335
<u>INVESTMENTS</u>			
	5	<u>5000</u>	<u>5000</u>
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Cash and Bank Balances	6	38938	10975
Loans and Advances	7	<u>197861</u>	<u>204461</u>
		236799	215436
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>			
	8	98497836	98791720
NET CURRENT ASSETS		<u>(98261037)</u>	<u>(98576284)</u>
<u>MISCELLANEOUS EXPENDITURE</u>			
(To the extent not written off or adjusted)			
Profit and Loss account		155099099	153771708
TOTAL		<u>64654985</u>	<u>63708759</u>
Accounting Policies & Notes to Accounts	11		

The Schedules referred to above including notes on accounts form an integral part of the Balance Sheet

AS PER OUR ATTACHED REPORT OF EVEN DATE

**FOR S. K. BHAGERIA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No : 112882W)**

**(S . K. BHAGERIA)
PARTNER
Membership No 41404**

**(M.D SHANBHAG)
DIRECTOR**

**(RAJENDRA M BOLYA)
DIRECTOR**

**MUMBAI
DATE : 20TH AUGUST, 2010.**

EVERGREEN TEXTILES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.

PARTICULARS	SCHEDULE	2009-2010 RUPEES	2008-2009 RUPEES
<u>INCOME</u>			
Other Income	9	160328	433409
TOTAL INCOME		160328	433409
<u>EXPENDITURE</u>			
Operating & Other Expenses	10	791307	223476
TOTAL EXPENSES		791307	223476
PROFIT / (LOSS) BEFORE INTEREST, DEPRECIATION & TAXATION		(630979)	209933
Depreciation		696412	696412
PROFIT / (LOSS) BEFORE TAXATION		(1327391)	(486479)
Current Tax		---	---
PROFIT / (LOSS) AFTER TAXATION		(1327391)	(486479)
Add : Balance brought forward from Previous Year		(153771708)	(153285229)
BALANCE CARRIED TO BALANCE SHEET		(155099099)	(153771708)
Earning Per Share Basic & Diluted (Rs)		(0.28)	(0.10)
Nominal Value per Share (Rs)		10.00	10.00

Accounting Policies & Notes to Accounts 11

The Schedules referred to above including notes on accounts form an integral part of the Profit & Loss Account.

**AS PER OUR ATTACHED REPORT OF EVEN DATE
FOR S. K. BHAGERIA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No : 112882W)**

(S . K. BHAGERIA)
PARTNER
Membership No 41404

(M.D SHANBHAG)
DIRECTOR

(RAJENDRA M BOLYA)
DIRECTOR

MUMBAI
DATE : 20TH AUGUST, 2010.

EVERGREEN TEXTILES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

	AS AT 3/31/2010 (Rupees)	AS AT 31/03/2009 (Rupees)
<u>SCHEDULE '1'</u>		
<u>SHARE CAPITAL</u>		
AUTHORISED :		
50,00,000 Equity Shares of Rs 10/- each	<u>5000000</u>	<u>5000000</u>
ISSUED, SUBSCRIBED & PAID UP :		
48,00,000 Equity Shares of Rs 10/- each fully paid	48000000 <u>48000000</u>	48000000 <u>48000000</u>
<u>SCHEDULE '2'</u>		
<u>RESERVES AND SURPLUS</u>		
Capital Reserve		
State subsidy as per last account	1000000	1000000
Central subsidy as per last account	1000000 <u>2000000</u>	1000000 <u>2000000</u>
Forfeited Shares Account		
As per last account	5000	5000
Special Reserve Account		
As per last account	8520257	8520257
Investment Allowance Reserve		
As per last account	5000000 <u>15525257</u>	5000000 <u>15525257</u>
<u>SCHEDULE '3'</u>		
<u>UNSECURED LOANS</u>		
From Body Corporate	1129728 <u>1129728</u>	183502 <u>183502</u>

SCHEDULE '4'

FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK (ATCOST)			DEPRECIATION			NET BLOCK	
	Cost/Book Value as at 01.04.2009	Additions	Cost/Book Value as at 31.03.2010	Till 31.03.2009	For the Year	Total as on 31.03.2010	As at 31.03.2010	As at 31.03.2009
Leasehold land	856853	---	856853	205203	9020	214223	642630	651650
Buildings (including Road & Drains)	21310413	---	21310413	13453728	687392	14141120	7169293	7856685
TOTAL RUPEES	<u>22167266</u>	<u>---</u>	<u>22167266</u>	<u>13658931</u>	<u>696412</u>	<u>14355343</u>	<u>7811923</u>	<u>8508335</u>
Previous Year's Figur	22167266	---	22167266	12962519	696412	13658931	8508335	9204747

EVERGREEN TEXTILES LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

	AS AT 3/31/2010 (Rupees)	AS AT 31/03/2009 (Rupees)
<u>SCHEDULE '5'</u>		
<u>INVESTMENTS</u>		
Kisan Vikas Patra (Deposit with Sales Tax Department Daman)	5000	5000
	<u>5000</u>	<u>5000</u>
<u>SCHEDULE '6'</u>		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	16399	4268
Balance with Schedule Banks - in Current accounts	22539	6707
	<u>38938</u>	<u>10975</u>
<u>SCHEDULE '7'</u>		
<u>LOANS AND ADVANCES</u>		
(Unsecured, Considered good unless otherwise stated)		
Balances with Central Excise Dept	157889	157889
Sundry Deposits with Govt Dept & Others	39972	46572
	<u>197861</u>	<u>204461</u>
<u>SCHEDULE '8'</u>		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>CURRENT LIABILITIES :</u>		
Sundry Creditors for Expenses & Services	98497836	98791187
Temporary overdraft from a Bank	---	533
	<u>98497836</u>	<u>98791720</u>
<u>SCHEDULE '9'</u>		
<u>OTHER INCOME</u>		
Interest on Fixed Deposit	743	----
Sundry Dr/ Cr Balances W/Back	159585	433409
	<u>160328</u>	<u>433409</u>
<u>SCHEDULE '10'</u>		
<u>OPERATING & OTHER EXPENSES</u>		
Rates & Taxes	2500	2500
Printing & Stationary	21728	30899
Travelling & Conveyance Expenses	7697	5299
Miscellaneous Expenses	169381	135709
Listing Fees	73314	----
Professional charges	499392	31474
Auditors Remuneration	16545	16545
Bank Charges	750	1050
	<u>791307</u>	<u>223476</u>

EVERGREEN TEXTILES LIMITED

SCHEDULE - 11

Notes forming part of the Annual Accounts for the year ended 31st March 2010.

1 SIGNIFICANT ACCOUNTING POLICIES:

A. **System of Accounting**

The Company generally adopts the accrual basis in the preparation of the Accounts i.e. the Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned or incurred except in case of significant uncertainties.

B **Fixed Assets & Depreciation**

Fixed assets are stated at cost less depreciation.

Depreciation has been provided in the Books, on the following basis.

- a Leasehold land is amortised over the period of lease.
- b Buildings (including Roads & Drains) is provided under straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

C **Investments :**

Investments are stated at cost.

D **Gratuity**

Since in the year end there were no employees in the company therefore there is no liability in respect of the same.

E **Leave Pay**

Since in the year end there were no employees in the company therefore there is no liability in respect of the same.

F **Taxation :**

Income Tax expenses comprises Current tax, Deferred tax charge or credit and Fringe benefit tax . Provision for current tax is made only on the assessable income at the tax rate applicable in the relevant assessment year. The Deferred tax charge or credit is recognised using prevailing enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to reassess realization / liabilities.

- 2 a In pursuance of the order dated 24th September 2002 of Supreme Court, the company has been held liable for payment of Excise duty on its Finished product (Fur Fabrics). In pursuance of the said order the Central Excise Authorities has asked the company to pay amount of Rs 1,45,78,305/- towards Central Excise duty payable on the goods cleared by the company during the period from 20.10.1987 to 31.07.1990. The company has accordingly provided a sum of Rs 1,45,78,305/- towards Central excise duty liability in its accounts during the year ended 31st March 2003. the company has however not provided for interest on the demand of Rs 1,45,78,305/- from the date of the Order of the Hon'ble Supreme Court.

b

In pursuance of the order dated 30th November 2004 of Additional Commissioner, Central Excise, Mahad, the Company has been held liable for demand of BED, AED, and AD (T & T) under section 11 A of Central Excise Act, 1944 on its finished products Fur Fabrics. In pursuance of the said order the

Central Excise authorities had asked the company to pay an amount of Rs 1,60,29,381/- towards Central Excise Duty payable on goods cleared by Company during the period from sept 1996 to nov 2000 the company accordingly provided a sum of Rs 1,60,29,381/- towards Central Excise Duty liability in its account during the year ended 31st March 2005. The company has however not provided for interest on demand of Rs 1,60,29,381/- from the date of order.

c

In pursuance of the order dated 16th March 2005 of Assistant Commissioner, Central Excise, Mahad, the Company has been held liable for demand of short payments arising out of the finalisation of the provisional assessment of its finished products Fur Fabrics. In pursuance of the said order the Central Excise authorities had asked the company to pay an amount of Rs 2,29,16,596/- towards Central Excise Duty payable on goods cleared by Company during the period from 24.03.1987 to 31.05.1994 the company accordingly provided a sum of Rs 2,29,16,596/- towards Central Excise Duty liability in its account during the year ended 31st March 2005.

d

In pursuance of the order dated 19th December, 2006 of The Commissioner, Central Excise (ADJ), Mumbai, the Company has been held liable for demand of duty under section 11 A (2) of Central Excise Act, 1944 for Rs 2,22,34,778/- and also penalty imposed of Rs 2,00,91,308/- u/s 11 AC and Rs 5,00,000/- under rule 209 of CER,1944 regarding its deemed export transactions under 100% EOU with GCU Ltd. During the period August 1996 to July 1998. Although the company has disputed the same and filed appeal against the same before the Appellate Tribunal u/s 35B of the Central Excise Act, the company has provided for total amount of Duty and Penalty amounting to Rs 4,28,26,086/- towards Central Excise Duty liability in its accounts during the year ended 31st March 2007. The adjustments if any will be made in the books of accounts in the year as & when the appeal is decided.

- 3 In pursuance of the assessment proceedings before the Sales Tax officer, the company has received demand notices from Sales tax Office under the Bombay Sales Tax Act & Central Sales Tax Act in respect of the following financial years.

<u>Financial Year</u>	<u>Amount (Rs)</u>	
	<u>BST</u>	<u>CST</u>
1994-95	175500	49700
1995-96	1343000	10160
1997-98	9920	---
1998-99	30000	---
1999-2000	206700	---
Total	<u>1765120</u>	<u>59860</u>

Although the company has disputed the same and filed appeal against the same before The Sales Tax Tribunal, Mumbai the company has provided for the total demand amount of Rs 18,24,980/- towards Sales Tax liability in its accounts during the year ended 31st March 2007. The adjustment if any will be made in the books of accounts in the year as and when the appeal is decided.

4

In the opinion of the Board of Directors the company except that there would be no liability of custom duty & other charges payable Rs 558.00 Lacs (Approx) on raw materials imported under Duty Exemption Scheme for non - fulfilment of Export obligation due to major fire in the factory premises of the company on 28th May 1993, hence no provision for the same has been made in the books of account.

5

In the opinion of the Board of Directors, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business atleast equal to the amount stated in the balance sheet unless otherwise stated.

6

a Some of the books and records of the company pertaining to previous financial years taken by the central excise authorities on 01/02/1997 are still lying with concerned Authorities. The accounts for the previous financial years therefore were reconstructed and reconciled from available information and records. Adjustments as may be deemed necessary will be made in the accounts after the release of the Books and records by the concerned authorities.

b Some of the books and records of the company pertaining to previous financial years taken by the central excise authorities on 23.07.98 are still lying with concerned Authorities. The accounts for the previous financial years therefore were reconstructed and reconciled from available information and records. Adjustments as may be deemed necessary will be made in the accounts after the release of the Books and records by the concerned authorities. The company is therefore not in a position to ascertain the quantum of liability if any arising and therefore the same will be provided as and when demand is raised.

7

The Company's claim for Cash Compensatory Support (CCS) against its Deemed Exports was rejected by the concerned authorities of the Joint Chief Controller of Imports and Exports against which though a writ petition filed by the Company was admitted by the Bombay High Court, The Honourable Court in its judgement dated 12.03.2010 has given an order for a claim of Rs 3,14,621/- as against the CCS claim of Rs 7,74,786/- for the year ended 31.03.1992 with an interest of 6% thereon from the date of petition. But the above is still not been received by the Company and the same will be accounted for in the year of receipt.

8 Related Party Disclosures :

a. List of Related Parties (As certified by the management).

1) **Related Parties**

1. Premier Consultant & Traders Limited

b. The following transactions were carried out during the year with the related parties in the ordinary course of business.

Sr. No.	<u>Nature of Transactions</u>	<u>Amount due on 31.03.10 (RS)</u>	<u>Amount due on 31.03.09 (RS)</u>
1	Loans, Advances and Deposits Received	1129728	183502

9

Earnings per share is calculated as per Accounting Standard 20 issued by ICAI. The calculation of basic and diluted earnings per share is calculated by dividing the profit / (Loss) after tax, attributable to the equity share holders by the weighted average number of equity shares outstanding during the year as below.

	<u>AS AT 31.3.2009</u>	<u>AS AT 31.3.2008</u>
Profit / (loss) after Taxation	Rs.(1324775)	Rs.(486479)
No of Shares	4800000	4800000
Basic and Diluted Earning Per Share.(Rs)	(-) 0.28	(-) 0.10

10 There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at Balance Sheet date. Further, the Company has neither paid nor payable any interest to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

- 11 In view of the Losses during the year, the company doesnot have taxable Income, hence the Provision for current Income Tax has not been made.
- 12 The figures have been rounded off to the nearest rupee.
- 13 Previous year's figures have been regrouped and rearranged wherever considered necessary.
- 14 Additional information pursuant to the paragraphs 3, 4(c) and 4(d) of Part I of Schedule VI of The Companies Act, 1956 are either NIL or not applicable to the company.

For S.K.BHAGERIA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No : 112882W)

MUMBAI

(S.K.BHAGERIA)

(M.D.SHANBHAG)

(RAJENDRA M BOLYA)

PARTNER

DIRECTOR

DIRECTOR

DATE : 20TH AUGUST, 2010.

Membership No 41404

EVERGREEN TEXTILES LIMITED

SCHEDULE 12

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details :

Registration No.

3 7 6 5 2

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 1 0

II Capital Raised during the year (Amount in Rs.Thousand)

Public Issue

-- -- -- -- --

Right Issue

-- -- -- -- --

Bonus Issue

-- -- -- -- --

Private Placement

-- -- -- -- --

III Position of Mobilisation and Deployment of Fund (Amount in Rs. Thousand)

Total Liabilities

6 4 6 5 5

Total Assets

6 4 6 5 5

Sources of Funds :

Paid up Capital

4 8 0 0 0

Reserves & Surplus

1 5 5 2 5

Secured Loans

-- -- -- -- --

Unsecured Loan

-- 1 1 3 0

Application of Funds :

Net Fixed Assets

-- 7 8 1 2

Investments

-- -- -- -- 5

Net Current Assets

(-) 9 8 2 6 1

Misc Expenditure

-- -- -- -- --

Accumulated Losses

1 5 5 0 9 9

IV Performance of Company (Amount in Thousand) :

Turnover

-- -- -- 1 6 0

Total Expenditure

-- -- -- -- 1 4 8 8

+ - Profit/Loss before Tax

(-) 1 3 2 8

+ - Profit/Loss after Tax

(-) 1 3 2 8

Earning per Shares Rs.

(-) 0.28

Dividend Rate %

NIL

V Generic Names of Three Principal Products/ Services of Company (as per monetary terms) :

Item Code No (ITC Code)

5 4 0 2

Product Description

POLYESTER YARNS

Item Code No (ITC Code)

5 5 0 7

Product Description

FUR FABRICS

Signature to Schedule 1 to 12 which form an integral part of the Annual Accounts

For S.K.BHAGERIA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firms Registration No : 112882W)

MUMBAI

Date : 20TH AUGUST, 2010.

(S.K.BHAGERIA)

PARTNER

Membership No 41404

(M. D. SHANBHAG)

Director

(RAJENDRA M.. BOLYA)

Director