

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of **The Ahmedabad Advance Mills Limited** will be held on Tuesday, the 30th September, 2008 at 11.00 a.m. at the Registered Office of the Company at F.P.No.105, Shahibaug Road, Outside Delhi Gate, Ahmedabad – 380 004 to transact the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the report of the Board of Directors and Audited Balance Sheet as at 31st March 2008 and Profit and Loss Account for the year ended on that date and Auditors' Report thereon.
2. To appoint a Director in place of Shri V.S. Didwania, who retires by rotation and offers himself for re-appointment.
3. To appoint M/s Deloitte Haskins & Sells, Chartered Accountants, Mumbai as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration, in the vacancy caused by resignation of outgoing Auditors viz. M/s A.F.Ferguson & Co., Chartered Accountants, Mumbai.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri S. Srinivasan who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 at the end of this Annual General Meeting and in respect of whom the Company has received a Notice in writing proposing his candidature for the office of Director and eligible for reappointment, be and is hereby appointed as Director of the Company.”

For and on behalf of the Board

Place: Ahmedabad

Date :4thSeptember,2008

PRADEEP AGARWAL

CHAIRMAN AND MANAGING DIRECTOR

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 the Proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before commencement of the meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed herewith.
3. The Register of Members and Share Transfer Book of the Company will remain closed from 23.09.2008 to 30.09.2008 (Both days inclusive).
4. Any member requiring further information on accounts at the meeting is requested to send the queries in writing so as to reach the Registered Office of the Company at least two days before the meeting.
5. The members are requested to notify change of their address, if any, to the Company at the Registered Office or to the Company's Share Transfer Agents viz. M/s Pinnacle Share Registry Private Limited, Near Asoka Mills, Narora Road, Ahmedabad.

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

Item No.4

Shri S. Srinivasan was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956. He holds Office of Director only upto the date of ensuing Annual General Meeting. As required under section 257 of The Companies Act, 1956 a notice has been received from a member signifying his intention to propose his appointment as Director.

None of the Directors except Shri S. Srinivasan is concerned or interested in passing the said Resolution.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 18th Annual Report and the Audited Accounts for the Financial Year ended 31st March, 2008.

FINANCIAL RESULTS:

The highlights of Financial Results of the Company for the financial year ended 31st March, 2008 are as under:

	2007-2008 Rs.in lacs	2006-2007 (9 months) Rs.in lacs
Gross Profit before Interest and Depreciation	19.60	1702.11
Interest	--	--
Depreciation	1.52	0.83
Profit after Depreciation	18.08	1701.27
Provision for Tax	6.80	300.00
Fringe Benefit Tax	0.90	0.36
Profit after Taxation	10.38	1400.91
Loss brought forward from last year	-230.74	-1631.65
Balance Loss carried forward to Balance Sheet	-220.36	-230.74

DIVIDEND:

Due to the losses incurred, the Directors do not recommend any dividend.

During the year under review, the persons who had given money towards share application money wanted the same to be converted as Interest bearing unsecured loan. Accordingly share application money has been converted into Interest bearing Unsecured loan.

On 11.02.2008, an agreement between the Textile Labour Association, a recognized representative Union of the Mill workers and the Hon.ble High Court passed an Order in this regard. The same is under implementation and the Company has been receiving good response from the workers.

DIRECTORS:

Shri V.S. Didwania is liable for retirement by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your

Directors recommend his re-appointment as Director. Shri S. Srinivasan, who retired as Chief General Manager from IDBI Bank was appointed as Additional Director on 22.10.2007 holds office till the forthcoming Annual General Meeting and he is eligible for re-appointment. As Shri Srinivasan has a rich experience in facets of the Management, your Directors are of the view that the Company will receive benefits of his experience. A Notice in writing proposing his candidature for the office of Director has been received.

Directors recommend his appointment as Director. Except Shri S. Srinivasan, no other Director is interested in his appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of The Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:-

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
2. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at March 31, 2008 and of the Profit of the Company for the year ended on that date.
3. the Directors have taken proper and sufficient care 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 and
4. the Directors have prepared the annual accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE

The Company has been complying with the principles and practices of good corporate governance. The Company has ensured that the Corporate Governance requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges are duly complied with. A separate Statement on Corporate Governance is given elsewhere in this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

Provisions of the Section 217 (e) of The Companies Act, 1956 for disclosure of information on Conservation of Energy and Technology Absorption is presently not applicable to the Company. There is no Foreign Exchange earning during the year under consideration.

AUDITORS

Your Company's Auditors, M/s A.F.Ferguson & Co., Chartered Accountants, Mumbai have expressed not to be re-appointed after the forthcoming Annual General Meeting. Your Directors would like to appoint M/s Deloitte Haskins & Sells, Chartered Accountants, Mumbai as Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, in the vacancy caused by resignation of outgoing Auditors viz. The Company has received a letter from M/s Deloitte Haskins & Sells confirming that their appointment, if made would be within the limits prescribed under Section 224 (1B) of The Companies Act, 1956. The members are requested to approve their appointment and authorize the Board of Directors to fix their remuneration.

PARTICULARS OF EMPLOYEES:

There were no employees drawing salaries in excess of limits prescribed under Section 217 (2A) of The Companies Act, 1956 read with Companies (Particulars of Employees Rules, 1975) as amended and hence no information is furnished thereto.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation of continuous support received by the Company from the Textile Labour Association, and all others concerned.

By Order of the Board of Directors

Place: Ahmedabad

PRADEEP AGARWAL

Date :4thSeptember,2008 CHAIRMAN AND MANAGING DIRECTOR

AUDITORS' REPORT TO THE MEMBERS OF THE AHMEDABAD ADVANCE MILLS LIMITED

1. We have audited the attached Balance Sheet of The Ahmedabad Advance Mills Limited as at March 31, 2008 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date both 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 misstatements. 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 (Auditor's Report) Order, 2003 (the 'Order'), 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 to the extent applicable to the company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a) *the Company has given Inter Corporate Deposits (ICDs) during the year aggregating Rs. 84,145,000 to a company and a partnership firm without prior approval of the Central Government which is not in accordance with Section 295 of the Companies Act, 1956. These parties have repaid the ICDs (including the outstanding balance as at March 31, 2007) aggregating Rs.187,508,245 during the year with interest. The amount of ICD's outstanding from these parties as at March 31, 2008 is Rs.36,250,000/- (excluding accrued interest of Rs. 6,657,317) (as indicated in Note 2; Schedule 18);*
 - b) *other liabilities/provisions and advances to employees are subject to adjustments arising from settlement of workers, the amount in respect of which is presently not ascertainable(as indicated in Note 3; Schedule 18);*
 - c) *we are unable to ascertain the effect that the item mentioned in (b) above may have on the profits for the year and the debit balance of profit and loss account.*

Handwritten signature/initials

A. F. Ferguson & Co.

5. *Subject to the matters referred to in paragraph (4) above:*

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 the books;
- c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 March 31, 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

6. We further report that, on the basis of the written representations received from the directors as on March 31 2008, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2008 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For A. F. FERGUSON & CO.
Chartered Accountants


A.C. Khanna
Partner

Membership No. 17814

MUMBAI: - 4 SEP 2008



A. F. Ferguson & Co.

Annexure to the Auditors' report

Annexure referred to in paragraph 3 of our report of even date to the members of The Ahmedabad Advance Mills Limited on the financial statements for the year ended March 31, 2008

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) There was no disposal of fixed assets during the year. Therefore, the provisions of clause 4(i)(c) of the Order are not applicable to the Company.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories and there were no discrepancies noticed on physical verification.
- (iii) (a) As per information and explanations given to us, the Company has granted unsecured loans to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs.181,008,245 and the period end balance of such loans was Rs. 41,398,769.
- (b) As per the information and explanations given to us, the rate of interest and other terms and conditions at which the loans have been given to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company having regard to the market yields.
- (c) *No stipulations or terms as to the recovery of principal and interest have been made in respect of loans given. In the absence of any stipulations or terms, we are unable to comment on the regularity of repayment of principal amount and interest.*



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- (d) *As no stipulations or terms have been made with regards to recovery of principal and interest amounts of loans, we are unable to comment on the overdue amount, if any, and the steps taken for recovery of overdue amounts.*
- (e) The Company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.137,519,117 and the year end balance is Rs.137,519,117.
- (f) *We are unable to express an opinion whether the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie prejudicial to the interest of the Company having regard to the market yields.*
- (g) No stipulation has been made with regard to repayment of principal and interest amount of the loans. Accordingly, regularity in repayment of the same cannot be commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the contracts or arrangements 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 explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public to which the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. Accordingly, the provisions of clause 4 (vi) of the Order are not applicable to the Company. As informed to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.

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- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) In our opinion and according to the information and explanations given to us, the cost records as prescribed under clause (d) of sub-section (1) of section 209 of the Act have not been maintained by the Company during the period, as there was no manufacturing activity except on job work basis.
- (ix) (a) According to the records of the Company and information and explanations given to us, provident fund, employees state insurance, income tax, sales tax, service tax, cess and other material statutory dues as applicable to it have been generally regularly deposited during the year under audit with the appropriate authorities. As explained to us, the Company did not have any dues on account of investor education and protection fund, customs duty, excise duty and wealth tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance (E.S.I.C), income tax, sales tax, service tax, cess and other material statutory dues as applicable were in arrears, as at March 31, 2008 for a period of more than six months from the date they became payable *except E.S.I.C dues of Rs 444,736 in respect of earlier years.*

(c) According to the information and explanations given to us, there are no dues of Income Tax/ Sales Tax/ Service Tax/ Customs Duty/ Wealth Tax/ Excise Duty or Cess that have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses at the end of the financial period are more than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) Based on the examination of our records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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.

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A. F. Ferguson & Co.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- (xv) According to information and explanations given to us, the Company has not given guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4 (xv) of the Order are not applicable to the Company.
- (xvi) The Company has not taken any term loans during the year under audit. Accordingly, the provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by way of public issues. Accordingly, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For A.F.FERGUSON & CO.
Chartered Accountants

A.C. Khanna

A.C. Khanna

Partner

Membership No. 17814

MUMBAI: - 4 SEP 2008

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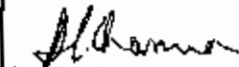
THE AHMEDABAD ADVANCE MILLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2008

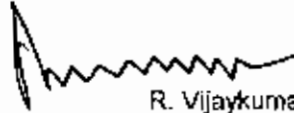

	SCHEDULE NO.	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	31,128,750	31,128,750
Reserves and Surplus	2	28,962,983	28,962,983
		<u>60,091,733</u>	<u>60,091,733</u>
Share Application Money (Refer Note 6, Schedule 18)			150,000,000
LOAN FUNDS			
Secured Loans	3	352,110	529,471
Unsecured Loans	4	141,767,401	149,268,264
		<u>142,119,511</u>	<u>149,797,735</u>
		<u>202,211,244</u>	<u>359,889,468</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	3,044,685	2,988,285
Less: Accumulated depreciation		707,185	555,261
Net block		<u>2,337,500</u>	<u>2,433,024</u>
Add : Capital Advances		300,000	300,000
		<u>2,637,500</u>	<u>2,733,024</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Property Constructed		1,424,943	1,424,943
Inventories	6	-	513,003
Sundry Debtors	7	30,372,935	218,700
Cash and Bank Balances	8	7,018,862	44,913,063
Loans and Advances	9	270,358,406	384,385,169
		<u>309,175,146</u>	<u>431,454,878</u>
LESS:			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	10	75,302,330	41,822,572
Provisions	11	55,680,000	55,000,000
		<u>130,982,330</u>	<u>96,822,572</u>
NET CURRENT ASSETS		178,192,816	334,632,306
PROFIT AND LOSS ACCOUNT	12	21,380,928	22,524,138
		<u>202,211,244</u>	<u>359,889,468</u>
Notes on balance sheet and profit and loss account			
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As per our report attached of even date

For A. F. Ferguson & Co.,
Chartered Accountants


A. C. Khanna
Partner

For THE AHMEDABAD ADVANCE MILLS LIMITED

 
R. Vijaykumar
Company Secretary
and Manager (Finance)

Pradeep Agarwal
Director


S.D. Vyas
Director

Place : Mumbai
Date : 4 SEP 2008

Place : Mumbai
Date : 4 SEP 2008

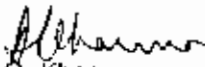
THE AHMEDABAD ADVANCE MILLS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	SCHEDULE NO.	CURRENT YEAR Rs.	PREVIOUS PERIOD Rs.
INCOME :			
Sales	13	30,711,391	311,250
Other Income	14	276,318	166,712,345
Interest Income (net)	15	6,788,188	8,292,856
TOTAL		37,775,897	175,316,451
EXPENDITURE :			
Employees cost	16	542,038	1,554,201
Other Expenses	17	35,168,725	3,551,345
Depreciation	5	151,924	83,451
TOTAL		35,862,687	5,188,997
Profit before taxation		1,913,210	170,127,454
Provision for taxation			
Current Tax		680,000	30,000,000
Fringe Benefit Tax		90,000	36,158
Profit after taxation		1,143,210	140,091,296
Balance brought forward		(23,074,138)	(163,165,434)
Balance carried to balance sheet		(21,930,928)	(23,074,138)
Basic Earnings per share		Rs.0.37	45
Diluted Earnings per share		Rs.0.37	Rs.7.73
(Refer Note 9, Schedule 18)			(Not annualised)
Face value per share		Rs.10.00	Rs.10.00

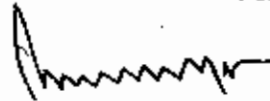

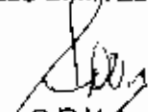
Notes on balance sheet and profit and loss account 18

As per our report attached of even date

For A. F. Ferguson & Co.,
Chartered Accountants


A. C. Khanna
Partner

For THE AHMEDABAD ADVANCE MILLS LIMITED

  
R. Vijaykumar Pradeep Agarwal S.D. Vyas
Company Secretary Director Director
and Manager (Finance)

Place: Mumbai - 4 SEP 2008
Date:

Place: - 4 SEP 2008
Date:

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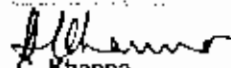
THE AHMEDABAD ADVANCE MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2008

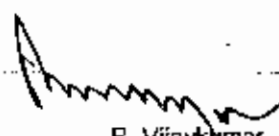
PARTICULARS	Rs.	Current Year	Previous Period
		Rs.	Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit before taxation		1,913,210	170,127,454
Adjustments for :			
Depreciation	151,924		83,451
Interest Expense/ (Income) (net)	(6,788,188)		(8,292,858)
Sundry Balances Written off (net)	-		21,891
Provision for doubtful debts	-		177,041
Profit on sale of fixed assets	-		(4,500,000)
Profit on sale of Land	-		(162,087,283)
		(6,636,264)	(174,597,756)
Operating Profit/(Loss) Before Working Capital Changes		(4,723,054)	(4,470,302)
Adjustments for :			
Decrease / (Increase) in Sundry Debtors	102,052,679		(352,694,651)
Decrease/(Increase) in Inventories	513,003		(320,056)
Increase/(Decrease) in Sundry Creditors	33,479,758		(1,208,689)
		136,045,440	(354,223,396)
Cash from/(used in) operating activities		131,322,386	(358,693,698)
Direct taxes (paid) / refunded (net)		(22,019)	1,624,233
Net Cash generated from/(used) in operating activities		131,300,367	(357,069,465)
(B) CASH FLOW FROM INVESTING ACTIVITIES :			
Interest received	17,189,547		5,875,232
Direct Taxes paid on Interest received	(6,592,776)		(3,372,783)
Purchase of fixed assets	(56,400)		(766,705)
Sale of Land	-		162,500,000
Sale of fixed assets	-		4,500,000
		10,540,371	168,735,744
Net cash generated from investing activities		10,540,371	168,735,744
(C) CASH FLOW FROM FINANCING ACTIVITIES :			
Interest paid	(8,489,314)		(2,281,373)
Proceeds /(Repayment) from/ of Borrowings (net)	(171,245,625)		127,945,724
		(179,734,939)	125,664,351
Net Cash generated from / (used in) financing activities		(179,734,939)	125,664,351
Net (decrease) in Cash & Cash Equivalents (A+B+C)		(37,894,201)	(62,669,370)
Cash & Cash Equivalents as at the commencement of the year		44,913,063	107,582,433
Cash & Cash Equivalents as at the end of the year		7,018,862	44,913,063

- Note: 1) The Cash Flow has been prepared under the (Indirect Method) as set out in Accounting Standard - 3 on cash flow statements notified under the Companies Act, 1956.
2) Cash and Cash equivalents comprise of cash and bank balances per schedule 8 of Balance Sheet.
3) Repayment of Loan includes Conversion of Share Application Money into Unsecured loan and repaid during the year.

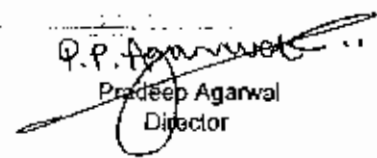
As per our report attached of even date

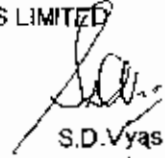
For A. F. Ferguson & Co.
Chartered Accountants


A. C. Khanna
Partner


R. Vijaykumar
Company Secretary
and Manager (Finance)

For THE AHMEDABAD ADVANCE MILLS LIMITED


Pradeep Agarwal
Director


S.D. Vyas
Director

Place: Mumbai
Date: - 4 SEP 2008

Place:
Date: - 4 SEP 2008

THE AHMEDABAD ADVANCE MILLS LIMITED		
Schedules forming part of Balance Sheet as at March 31, 2008		
SCHEDULE	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<u>Schedule 1 - Share Capital</u>		
Authorised:		
25,000,000 Equity Shares of Rs.10/- each	250,000,000	250,000,000
	<u>250,000,000</u>	<u>250,000,000</u>
Issued and Subscribed:		
3,112,875 Equity Shares of Rs.10/- each (of the above 3,45,805 Shares are allotted as fully paid pursuant to a contract without payments being received in cash)	31,128,750	31,128,750
	<u>31,128,750</u>	<u>31,128,750</u>
<u>Schedule 2 - Reserves and Surplus</u>		
Capital Reserve as per last Balance Sheet	28,962,983	28,962,983
General Reserve as per last Balance Sheet	550,000	550,000
Less: Reduced from debit balance in Profit and loss account per contra	<u>(550,000)</u>	<u>(550,000)</u>
	<u>28,962,983</u>	<u>28,962,983</u>
<u>Schedule 3 - Secured Loan</u>		
From a Bank (Secured by way of hypothecation of Motor Car)	352,110	529,471
	<u>352,110</u>	<u>529,471</u>
<u>Schedule 4 - Unsecured Loans</u>		
- Repayable within a year		
From a Bank :		
Overdraft account (Against pledge of fixed deposits made by a private limited Company in which directors of the Company are directors and members)	-	133,242,109
From Others :		
Inter Corporate Deposits	141,767,401	16,026,155
	<u>141,767,401</u>	<u>149,268,264</u>



THE AHMEDABAD ADVANCE MILLS LIMITED
Schedules forming part of Balance Sheet as at March 31, 2008
SCHEDULE 5 - FIXED ASSETS

(Figures-in Rs.)

No	PARTICULARS	GROSS BLOCK (at cost)		DEPRECIATION			NET BLOCK		
		AS AT 31.03.2007	ADDITIONS / DEDUCTIONS	AS AT 31.03.2008	AS AT 31.03.2007	FOR THE YEAR	AS AT 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008
1	Land	390,235	-	390,235	-	-	390,235	390,235	-
2	Buildings	961,747	-	961,747	15,676	-	245,381	261,057	700,690
3	Plant and Machinery	250,843	-	250,843	11,915	-	64,871	76,786	174,057
4	Furniture and fixtures	485,018	-	485,018	30,702	-	121,959	152,661	332,357
5	Motor Cars and Cycles	763,049	-	763,049	72,490	-	29,818	102,308	660,741
6	Computers	137,393	56,400	193,793	21,141	-	93,232	114,373	79,420
	TOTAL	2,988,285	56,400	3,044,685	151,924	-	555,261	707,185	2,337,500
	PREVIOUS PERIOD	12,917,219	766,705	2,988,285	83,451	10,282,922	10,754,732	555,261	2,433,024

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THE AHMEDABAD ADVANCE MILLS LIMITED		
Schedules forming part of Balance Sheet as at March 31, 2008		
SCHEDULE	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<u>Schedule 6 - Inventories</u>		
Raw Materials	-	36,731
Finished goods	-	476,272
	<u>-</u>	<u>513,003</u>
<u>Schedule 7 - Sundry Debtors</u>		
Unsecured :		
Over six months :		
- Considered Good	118,700	45,000
- Considered Doubtful	-	177,041
Other debts (Considered Good)	30,254,235	173,700
	<u>30,372,935</u>	<u>395,741</u>
Less : Provision for Bad and Doubtful Debts	-	177,041
	<u>30,372,935</u>	<u>218,700</u>
<u>Schedule 8 - Cash and Bank Balances</u>		
Cash on hand	384,969	6,870
Bank Balances with scheduled banks :		
a) In Current Accounts	4,023,388	42,295,688
b) In Fixed Deposit Accounts [Includes Rs.10,505/- (Previous Period Rs.10,505/-) under lien with sales tax authorities]	2,610,505	2,610,505
	<u>7,018,862</u>	<u>44,913,063</u>

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THE AHMEDABAD ADVANCE MILLS LIMITED

Schedules forming part of Balance Sheet as at March 31, 2008

SCHEDULE	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
<u>Schedule 9 - Loans and Advances</u>		
Unsecured and Considered good unless otherwise stated:		
Advances recoverable in Cash or in kind or for value to be received (after deducting provision for doubtful advances Rs.1,495,345; Previous Period Rs.1,495,345)	339,739	229,478
Advances to employees	7,552,506	7,552,506
Interest Accrued on Bank Deposits and ICDs	20,823,417	9,168,061
Deposits	41,560	41,560
Inter Corporate Deposits (ICDs)*	209,902,825	363,220,000
Advance for Property Purchase	21,000,000	-
Advance Payment of Taxes	10,698,359	4,173,564
	<u>270,358,406</u>	<u>384,385,169</u>
* includes amount due from:		
(i) Firm in which directors have interest Rs.39,998,769(Previous Period: Rs.139,613,245);		
(ii) Company in which directors have interest Rs.1,400,000(Previous Period:Nil).		
<u>Schedule 10 - Current Liabilities</u>		
Sundry Creditors (See Note 13; Schedule 18)		
Total outstanding dues of Micro, Small and Medium Enterprises:		
Total outstanding dues of Creditors other than Micro, Small and Medium Enterprises:	30,777,610	4,570,892
Sundry deposits and advances	99,999	99,999
Property development booking advance	105,269	1,755,269
Other liabilities (includes in respect of Gratuity Rs.14,601,687; Previous Period Rs. 14,601,687)	40,980,334	32,049,352
Maintenance deposits	3,339,118	3,347,060
	<u>75,302,330</u>	<u>41,822,572</u>
<u>Schedule-11 - Provisions</u>		
Provision for tax	55,680,000	55,000,000
	<u>55,680,000</u>	<u>55,000,000</u>
<u>Schedule 12 - Profit and Loss Account</u>		
Debit balance in the Profit and Loss Account	21,930,928	23,074,138
Less: transferred from General Reserve - per contra	550,000	550,000
	<u>21,380,928</u>	<u>22,524,138</u>

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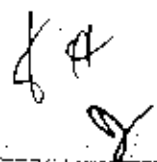
THE AHMEDABAD ADVANCE MILLS LIMITED

**Schedules forming part of the Profit and Loss Account
for the year ended March 31, 2008**

	<u>Current Year Rs.</u>	<u>Previous Period Rs.</u>
<u>Schedule 13 - Sales</u>		
Sale of Yarn	513,709	311,250
Sale of Cloth	30,197,682	-
	<u>30,711,391</u>	<u>311,250</u>
<u>Schedule 14 - Other Income</u>		
Profit on Sale of Land	-	162,087,283
Profit on Sale of Fixed Assels, Stores and scrap	-	4,500,000
Rent Received	-	52,200
Job Charges	91,177	-
Miscellaneous income	8,100	72,862
Provision for doubtful debts written back	177,041	-
	<u>276,318</u>	<u>166,712,345</u>
<u>Schedule 15 - Interest</u>		
Interest Income :		
- from Bank	202,503	
- from Inter Corporate Deposits (Tax Deducted at Source Rs.6,592,776; Previous period Rs. 3,372,783)	28,642,400	13,574,229
Less :		
- Interest paid on Bank Overdraft	4,195,456	2,042,109
-On Delayed payment of Advance Tax	-	3,000,000
-On Others (On Fixed Period Loan Rs.41,159; previous period Rs.2,39,264);	<u>17,861,259</u>	<u>239,264</u>
	22,056,715	5,281,373
Interest Income / (Expense) (net)	<u>6,788,188</u>	<u>8,292,856</u>

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THE AHMEDABAD ADVANCE MILLS LIMITED		
Schedules forming part of the Profit and Loss Account		
for the year ended March 31, 2008		
	Current Year Rs.	Previous Period Rs.
Schedule 16 - Employees Cost		
Salaries, Wages and Bonus	502,320	308,500
Retrenchment Expenses	6,374	1,212,049
Welfare expenses	33,344	33,652
	<u>542,038</u>	<u>1,554,201</u>
Schedule 17 - Other Expenses		
Purchase of Cloth	30,107,832	-
Raw materials consumed	36,731	435,052
Decrease / (Increase) in Inventory	476,272	(296,005)
Conversion Charges	-	172,193
Repairs and maintenance - others	5,439	12,500
Rent	-	231,000
Rates and Taxes	24,005	202,073
Auditors' Remuneration (previous period includes Rs. 295,700 for earlier period)		
- Audit fees	280,900	423,240
- Other services	<u>168,540</u>	<u>395,870</u>
Insurance	449,440	819,110
Land Development Expenses	6,343	640
Electricity Expenses	-	16,500
Sundry expenses	72,849	62,938
Legal and Professional fees	244,177	254,335
Travelling, Conveyance and Hotel	2,564,358	755,939
Advertising expenses	589,641	329,344
Office maintenance expenses	39,062	35,374
Repairs and maintenance of motor vehicles	56,737	89,664
Telephone expenses	166,816	47,865
Postage, Printing and Stationery	107,366	76,724
Bank charges	32,126	34,178
Sundry Balances Written Off (Net)	12,490	72,989
Bad Debts	-	21,891
Provision for doubtful debts	177,041	-
	-	177,041
TOTAL	<u>35,168,725</u>	<u>3,551,345</u>



SCHEDULE 18:

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008

1-A The Company had suspended its operations at Ahmedabad since March 13, 1995 due to financial constraints and labour unrest. The Company was declared as a Sick Unit within the meaning of Section 3(1)(o) of the Sick Industrial (Special Provisions) Act, 1985 (SICA). The Board for Industrial and Financial Reconstruction (BIFR) vide its Order dated August 22, 2006 has discharged the Company from the purview of SICA.

The Company, in the earlier years, has sold/ scrapped all Plant and Machineries, except air conditioners, has demolished all its factory and administration buildings and has disposed off the entire surplus land available for sale. However, in view of the significant profits earned on such sale of plant and machineries and land, the financial ability of the Company to meet its ascertained and contingent liabilities and the undertaking received from the promoters to support the Company for foreseeable future, the accounts have been prepared on a going concern basis.

The management is exploring various alternatives to deploy the funds in profitable lines of business.

1-B **SIGNIFICANT ACCOUNTING POLICIES:**

Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis.

(i) **Use of Estimates:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialize.

(ii) **Fixed Assets and Depreciation:**

Fixed assets including structural changes/major improvements are stated at cost of acquisition including incidental expenses related to acquisition and installation less accumulated depreciation.

Depreciation is provided on the straight-line method at the rates and method specified in Schedule XIV of the Companies Act, 1956.

(iii) **Inventories:**

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence. The cost of inventories is arrived at based on first-in-first-out basis.

THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)**

(iv) Revenue recognition:

- a. Property constructed represents costs of premises remaining with the Company on completion of a property development project, the income of which is recognised on completion of the sale of such premises.
- b. Revenue from sale of textiles is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and are recorded net of sales tax and other levies.
- c. Interest Income is recognised on a time proportion basis.

(v) Employee Benefits:

The Company's contribution paid/payable during the year to the Provident Fund/Gratuity Fund is charged to the Profit and Loss Account. The gratuity liability, as per Payment of Gratuity Act is payable upto 31.3.1995 to all eligible workers. Therefore, in terms of the Order dated 23.01.2004, of the Honorable BIFR, provision for Gratuity to all the eligible workers have been provided for on an arithmetic calculation.

(vi) Retrenchment Expenses:

Retrenchment expenses amounting to Rs. 6,374 (Previous Period Rs.1,212,049) paid / payable to retrenched employees during the year have been charged to the profit and loss account.

(vii) Taxation:

Income tax expense comprises current tax and deferred tax charge or credit. The deferred tax charge or credit is recognised using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the year and available case law, to reassess realisation / liabilities.

Fringe benefit tax (FBT) payable under the provisions of section 115WC of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Fringe Benefits Tax" issued by the ICAI regarded as an additional income tax and considered in determination of profits for the year. Tax on distributed profits payable in accordance with the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on "Accounting for Corporate Dividend Tax" regarded as a tax on distribution of profits and is not considered in determination of profits for the year.

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SCHEDULE 18:

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)

(viii) **Earning Per Share:**

The company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on "Earning per share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(ix) **Cash Flow Statement:**

The Cash Flow Statement is prepared by the "indirect method" set out in Accounting standard 3 on "Cash Flow Statements" notified under the Companies Act, 1956 and presents the cash flows by operating, investing and financing activities of the Company. Cash and Cash equivalents presented in the Cash Flow Statements consist of cash on hand and demand deposits with banks.

(x) **Contingent Liabilities:**

Contingent liabilities as defined in Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

2. The Company has given Inter Corporate Deposits (ICDs) during the year aggregating Rs.84,145,000 (previous period Rs. 236,611,000) to a Company (previous period two companies) and a partnership firm without prior approval of the Central Government as required under section 295 of the Companies Act, 1956. These parties have repaid the ICDs (including outstanding balance as at March 31, 2007) aggregating Rs. 187,508,245 during the year. The amount of ICD's outstanding from these parties at the year end is Rs.36,250,000 (Previous Period Rs. 135,820,000) [excluding accrued interest of Rs.6,657,317 (Previous Period Rs. 3,793,245)]. The Company is in the process of recovering the amount of ICD's and interest thereon and then applying to the Central Government for its approval.
3. 'Other liabilities', which include worker's dues have been ascertained on the basis of available records with the Company and are subject to adjustments. Pending final settlement of dues, the payments to workers included in advance to employees, as per court order amounting to Rs. 7,552,506 (Previous period Rs. 7,552,506) made in earlier years have been considered as advances against their final dues. Accordingly, other liabilities and advance to employees are subject to adjustments, if any, arising on final settlement.

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SCHEDULE 18:

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)

4. The Company had vide its letter dated September 19, 2005 applied to the Income tax department for granting relief and concessions in accordance with the sanctioned Revival Scheme of BIFR vide their Order dated January 23, 2004. Further the BIFR vide its discharge Order dated August 22, 2006, issued directives to the Income tax department to exempt the Company from payment of capital gains tax and permit the Company to set off the capital gains, if any, against accumulated losses of the Company. However, the Income tax department filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction(AAIFR) against the said directives of BIFR which was rejected by AAIFR vide its order dated 10th June 2008. The company has made a provision in earlier years of Rs. 55,000,000 for income tax and interest thereon in accordance with the provisions of the Income - tax Act, 1961. As per information available, the income tax department has not filed any further appeal.

5. **Deferred Tax:**

The Company has carried forward losses available for set-off under the Income-tax Act, 1961. However, as the Company was a Sick Industrial undertaking and has not commenced significant operations, there is no virtual certainty that sufficient future taxable income will be available and accordingly, net deferred tax assets at the year end including related credit for the year have not been recognised in the accounts on the basis of prudence.

6. Share Application money of Rs.150,000,000 received from Anjani Commercial Corporation during the fifteen months ended 30/6/2006 was converted to unsecured loan on 1/4/2007 and repaid during the year.

7. The Company and the Textile Labour Union arrived at a settlement in respect of employees' dues on 11/2/2008 and the same has been modified by the Honourable High Court of Gujarat on 15/02/2008, as a result of which the Company is liable to pay in respect of such settlement, an amount aggregating Rs. 15 crores (approx.) on the condition precedent, that the payment will be made to the concerned employee within sixty days after the resignation of the employee is received and in respect of the employees concerned having hut/chhapra/room/quarter in the mill premises and he is a beneficiary of the settlement/order, he shall have to first vacate the hut/chhapra/room/quarter occupied by him in the mill premises and shall have to first handover possession thereof to the Mill Management and thereafter, within sixty days period, the Mill Management will pay the amount to the concerned employee as per the order of the court.

The Honourable High Court further held that the closure declared by the Mill Management is legal and valid.

As at 31/03/2008 no employee has tendered his resignation and hence no obligation exists as at that date and no amount has been paid in this respect to any employee. The liability for the aforesaid settlement will be recognised as and when the aforesaid conditions precedent to settlement have been met. Subsequent to the balance sheet date, the Company has made payments in this respect of Rs. 37,125,793.

THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)

8 (A). Contingent Liabilities not provided for:

	Current Year	Previous Period
(i) Claims against the Company not acknowledged as debts	-	13,709,807

In respect of the above, future cash outflows in respect of contingent liabilities is determinable only on receipt of judgments pending at various forums / authorities.

(B) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advance paid) Rs.10,876,180 (previous period Rs. 2,126,180)

9. Earnings per share (EPS):

	Current Year	Previous Period
Profit after tax available to equity shareholders (*)	Rs.1,143,210	Rs. 140,091,296
Weighted average number of equity shares for Basic EPS	3,112,875	3,112,875
Weighted average number of equity shares for Diluted EPS (considering Share Application Money)	3,112,875	18,112,875
Basic EPS - (*)	Rs. 0.37	Rs. 45.00(#)
Diluted EPS -(*)	Rs. 0.37	Rs. 7.73(#)
Face value per share	Rs.10.00	Rs.10.00

(*) Subject to adjustments in respect of qualifications contained in the Auditors' report
(#) Not Annualised

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THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)**

10 (A). Transactions with Related parties:

	Year ended 31.03.2008		Nine Months period ended 31.03.2007	
	Associates	Other enterprises under common control	Associate Promoter	Other enterprises under common control
	Rs.	Rs.	Rs.	Rs.
Inter corporate unsecured loan repaid:				
1) Prateek Realty Pvt. Ltd.	-	16,093,000	-	1,754,011
2) Anjani Commercial Corpn	-	150,000,000	-	5,105,000
Share Application Money converted to ICDs -Anjani Commercial Corporation	-	150,000,000	-	-
Inter corporate unsecured Loan received:				
1) Prateek Realty Pvt. Ltd.	-	150,000	-	850,000
2) Anjani Commercial Corp	-	150,000,000	-	100,000
3) Rivian International P. Ltd.	-	28,200,000	-	-
4) Phulchand Export Pvt. Ltd	100,000,000	-	-	-
Inter corporate Deposits (ICDs) placed:				
1) Phulchand Exports Ltd.	-	-	4,250,000	-
2) Anjani Commercial Corpn	-	82,470,000	-	228,545,000
3) Rivian International Pvt. Ltd.	-	-	-	3,816,000
Interest on unsecured loan Paid :				
1) Phulchand Exports Ltd.	9,725,410	-	-	-
2) Anjani Commercial Corp.	-	5,769,337	-	-
3) Rivian Intl. P. Ltd	-	2,324,134	-	-
Interest on ICDs placed:				
1) Phulchand Exports Ltd.	-	-	36,330	-
2) Anjani Commercial Corpn	-	6,657,317	-	4,890,723
3) Rivian Intl. P. Ltd.	-	-	-	22,582
Reimbursement of Expenses:				
1) Prateek Spintex Limited	-	8,738,573	-	-

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THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)**

Outstanding Balances	As at 31.03.2008		As at 31.03.2007	
	Associates	Other enterprises under common control	Associate Promoter	Other enterprises under common control
	Rs.	Rs.	Rs.	Rs.
Inter corporate unsecured loans outstanding as at the end of the period:				
1) Prateek Realty Pvt. Ltd.	-	-	-	15,943,000
2) Anjani Commercial Corpn	-	42,48,284	-	-
3) Rivian International. P.Ltd	-	29,997,485	-	-
4) Phulchand Export Ltd.	107,521,632	-	-	-
Inter corporate deposits placed outstanding as at the end of the period (including accrued interest):				
1)Anjani Commercial Corpn	-	39,998,769	-	139,613,245
2)Prateek Realty Pvt. Ltd	-	1,400,000	-	-
Reimbursement of Expenses Recoverable:				
1) Prateek Spintex Limited	-	7,788,264	-	-

10 (B) List of related party and their nature of relationship:

Sr. No.	Nature of Relationship	Name of the Parties
1.	Associate	Phulchand Exports Limited
2.	Other enterprises under common control	1. Prateek Realty Private Limited 2. Anjani Commercial Corporation 3. Rivian International Private Limited 4. Prateek Spintex Limited
3.	Key Management Personnel	1. Pradeep Agarwal 2. S. D. Vyas 3. V. S. Diwania

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THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)**

11. Information given in accordance with the requirements of Accounting Standard 17 on Segment Reporting notified under the Companies Act, 1956

Information about Primary Business Segments

	Textile Mill	Brokerage & Commission	Property Construction	Unallocated	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue					
External	30,987,709 166,971,395	NIL NIL	NIL 52,200	NIL NIL	30,987,709 167,023,595
Total Revenue	30,987,709 166,971,395	NIL NIL	NIL 52,200	NIL NIL	30,987,709 167,023,595
Result					
Segment result	(4,321,813) 162,878,829	NIL (177,041)	(24,657) 52,200	(528,508) (919,390)	(4,874,978) 161,834,595
Operating profit					(4,874,978) 161,834,598
Interest Income/ (Expense) (net)					6,788,188 8,292,856
Profit before taxation					1,913,210 170,127,454
Provision for taxation					770,000 30,036,158
Profit after taxation					1,143,210 140,091,296
Other information					
Segment Assets	66,275,036 53,513,269	NIL NIL	1,502,503 1,502,503	233,336,748 374,998,566	301,114,287 430,014,338
Segment Liabilities	71,308,510 35,743,861	NIL NIL	3,544,386 5,206,168	449,434 872,543	75,302,330 41,822,572
Capital expenditure	56,400 766,705	NIL NIL	NIL NIL	NIL NIL	56,400 766,705
Depreciation	151,924 83,451	NIL NIL	NIL NIL	NIL NIL	151,924 83,451
Non-Cash expenditure other than Depreciation	NIL 198,932	NIL NIL	NIL NIL	NIL NIL	NIL 198,932

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THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)**

	Figures in Rupees
Total Unallocable assets exclude:	
Advance payment of taxes (net)	10,698,359 <i>4,173,564</i>
Total Unallocable liabilities exclude:	
Loan Funds	142,119,511 <i>149,797,735</i>
Provision for tax	55,680,000 <i>55,000,000</i>

Notes:

- a) The Company has three reportable primary segments i.e. Textile Mill, Brokerage & Commission and Property Construction.
- b) Unallocated represents all unallocable items not included in the segments.
- c) There are no inter-segment transactions during the period.
- d) **Information about Secondary Segments**
Since all the activities of the Company in relation to the abovementioned Business segments are situated only at Ahmedabad, disclosure requirement under this segment are not applicable.
- e) Figures in Italics represent previous period Figures.

12. Additional information pursuant to the provisions of paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956.

S.No	Description	Current Period		Previous Period	
		Kgs.	Rs.	Kgs.	Rs.
	TURNOVER				
I	Carded Cotton Yarn	4	280	<i>NIL</i>	<i>NIL</i>
	Cloth (Traded Goods)	5,735	513,429	<i>3,750</i>	<i>311,250</i>
		254,124 Mtrs.	30,197,682	<i>NIL</i>	<i>NIL</i>
II	PRODUCTION				
	Carded Cotton Yarn	NIL	NIL	<i>NIL</i>	<i>NIL</i>
		NIL	NIL	<i>7,235</i>	<i>NIL</i>
III	CLOSING STOCK OF FINISHED GOODS				
	Carded Cotton Yarn	NIL	NIL	4	267
		NIL	NIL	<i>5,735</i>	<i>476,005</i>
IV	RAW MATERIAL CONSUMPTION - Cotton *	693	36,731	<i>8,169</i>	<i>435,052</i>
V	PURCHASES (Traded Goods)- Cloth	254,124 Mtrs.	30,107,832	<i>NIL</i>	<i>NIL</i>

* includes wastages and losses on conversion NIL (previous period 934 Kgs)

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THE AHMEDABAD ADVANCE MILLS LIMITED

SCHEDULE 18:

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2008
(contd.)

13. The company has not received information from any of its suppliers that they are registered Micro or Small enterprises and therefore the amount due to such suppliers, if any has not been identified by the company.
14. The figures for the current year are in respect of twelve months ended March 31, 2008 and hence not comparable with the previous period figures which are in respect of nine months ended March 31, 2007.
15. Figures for the previous period have been regrouped wherever necessary.


R. Vijaykumar
Company Secretary
and Manager (Finance)


Pradeep Agarwal
Director


S. D. Vyas
Director

Place: Mumbai

Date: 4 SEP 2008

