

BAFNA

**SPINNING MILLS &
EXPORTS LIMITED**

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**ANNUAL REPORT & ACCOUNTS FOR
YEAR ENDING MARCH 2004**

REGISTERED OFFICE

**“GOWTHAM ARCADE” THIRD FLOOR
208 Thiruvankatsamy Road
R S Puram
COIMBATORE – 641 002**

Board of Directors

Pukhraj Bafna	Chairman
Sidhraj Bafna	Managing Director
B Nagabhushnam	Director
Dr.P V Seshadhri	Director
Kiranraj Bafna	Director
Vinod Jain	Director
R Sudheendra	Director
Uma Bafna	Director

Registered Office

"Gowtham Arcade" Third Floor
208 Thiruvenskatsamy Road RS Puram
COIMBATORE – 641 002

Factory

Naranapuram Village
Annur Taluk
Coimbatore Dist.
Tamilnadu

Auditors

P Xavier Raj & Co
Chartered Accountants

Registrars & Share Transfer Agents

M/s. Purva Sharegistry (India) Pvt. Ltd.,
33, Printing House, 28-D Police Court Lane
Behind Old Handloom House, Fort
MUMBAI – 400 001

BAFNA SPINNING MILLS & EXPORTS LIMITED

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COIMBATORE

NOTICE

Notice is hereby given that the **Thirteenth Annual General Meeting** of the members of the Company will be held at Company's Registered Office on **Thursday, 30th September 2004** at **11.00 AM** to transact The following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Directors' Report, the Audited Balance Sheet, and the Profit & Loss Accounts of the Company for the year ended March 2004.
2. To appoint a Director in place of Mr. Vinod Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2004 – 2005 and fix their remuneration.

SPECIAL BUSINESS:

1. To consider and, if thought fit to pass with or without modification, if any, the following resolution as **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of sub-section (1) of section 163 of the Companies Act, 1956, the consent of the Company is hereby accorded to the Registers and Index of Members and copies of Annual Returns prepared under section 159 & 160 of the said Act, together with the copies of certificates and documents required to be annexed thereto being kept, with effect from 1st October 2004 at the office of the Company's Registrars and Share Transfer Agents, M/s. Purva Sharegistry (India) Private Limited, 33, Printing House, 28-D Police Courts Lane, Fort, Mumbai – 400 001 instead of being kept at the Registered Office of the Company"

By Order of the Board

Pukhraj Bafna
Chairman
Coimbatore: **August 9, 2004**

Registered Office:
"Gowtham Arcade" Third Floor
208 Thiruvenskatsamy Road
RS Puram
Coimbatore – 641 002

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 such a proxy need not be a member of the Company. The instrument appointing proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Explanatory statement pursuant to section 173 (2) of the Companies Act 1956, in respect to item 4 of the Notice set out above is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, the 22nd September 2004 to Thursday, the 30th September 2004 (both days inclusive)
4. Re – appointment of Director:
At the ensuing Annual General Meeting, Mr. Vinod Jain, and retires by rotation and being eligible, offers himself for re-appointment. The information or details pertaining to Director to be provided in terms of clause 49 of the Listing Agreement with stock exchanges are furnished in the statement on Corporate Governance published in the Annual Report.
5. The Listing Fees payable to The Stock Exchange, Mumbai, has been paid till March 2005, and the Company has complied with all requirements of clause 49 of Listing Agreement with The Stock Exchange, Mumbai, and the Company is awaiting the revocation of suspension of the listing of the shares.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF COMPANIES ACT, 1956**Item No.4**

As per Section 163 of Companies Act, 1956, Register of Members, Index of Members, and copies of all Annual Returns under Section 159 and 160 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed under Section 160 and 161 of the Companies Act, 1956, are to be kept at the Registered Office of the Company.

As per SEBI circular the Company has appointed M/s. Purva Sharegistry (India) Pvt. Ltd., Mumbai as its Registrar and Share Transfer Agents for both Physical and Electronic Shares w.e.f. 1st April 2003 and therefore, Register of Members required to be maintained at the Registered Office of the Company are to be transferred to the Registrar's Office as they will only be handling the Data from time to time.

In order to keep the aforesaid registers at the Registrar's Office, a Special Resolution is proposed to be passed.

None of the Directors of the Company are concerned or interested in the said resolution.

By Order of the Board

Pukhraj Bafna

Chairman

Coimbatore: August 9, 2004

Registered Office:

"Gowtham Arcade" Third Floor
208 Thiruvankatsamy Road, RS Puram
Coimbatore – 641 002

DIRECTORS' REPORT

**To
The Members
BAFNA SPINNING MILLS & EXPORTS LIMITED**

The Directors' have pleasure in presenting the **thirteenth** Annual Report of the Company and the Audited Statement of Accounts for the year ended **31st March 2004**.

Your Directors have great pleasure in informing all Members that your Company's Name has been deleted from the List of Vanishing Companies.

Your Directors also wish to inform you that the formalities for revocation of suspension of trading of shares at The Stock Exchange, Mumbai have been complied with and is expecting the revocation of suspension at the earliest.

1. FINANCIAL HIGHLIGHTS:

The Company has not commenced the commercial production yet due to the unavailability of the Foreign Currency Loan sought for by the Company. However during the past three months the Company has been able to negotiate with TWO Foreign Lenders the proposal for loan and is in the final stages of finalizing one of them. Since the Company has no manufacturing activity, the Profit & Loss Account is not prepared and hence there is nothing to be highlighted.

2. DIVIDEND

As the commercial production is yet to be started, your Directors regret that no dividend is declared.

3. DIRECTORS:

Mr. Vinod Jain retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Directors recommend his re-appointment.

4. AUDITORS REPORT:

The observations made in the Auditors' Report are self-explanatory and therefore do not call for further comments under Section 217 of the Companies Act, 1956.

5. AUDITORS:

M/s. P. Xavier Raj & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the Annual General Meeting. The Company has received a letter from them expressing their inability to continue as Auditors. They have also expressed their NO OBJECTION in the appointment of any other Auditors in their place.

Your Directors while thanking the Auditors for their services rendered to the Company recommend the acceptance of the resignation.

Your Directors also recommend the appointment of M/s. V. Nagarajan, B.Com., F.C.A., Chartered Accountant, 208, T V Samy Road, R S Puram, Gowtham Arcade, 3rd Floor, Coimbatore – 641002 at an yearly remuneration of Rs.5000/00 (Rs. Five thousand only).

6. PERSONNEL:

There were no employees during the year drawing remuneration which falls within the preview of the provisions of Section 217 (2A) of the Companies Act, 1956. Therefore the statement for the same is not attached.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, & INNOVATION AND FOREIGN EXCHANGE EARNINGS & OUTGOINGS:

The details pertaining to Conservation of Energy, Technology Absorption, & Innovation and Foreign Exchange are not furnished as the Company is yet to commence Commercial Production.

8. FIXED DEPOSITS:

The Company has not invited / accepted / renewed / any fixed deposits as per the provisions of Section 58A of the Companies Act, 1956 from the Public during the financial year.

9. CORPORATE GOVERNANCE:

As per the Clause 49 of the Standard Listing Agreement, the provisions relating to the Corporate Governance has become applicable to the Company from the year 2003-2004. The Company has constituted various committees during the current year. The Company has obtained a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance. The same is annexed to this Report.

10. DIRECTORS RESPONSIBILITY STATEMENT

In Compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000 in the Companies Act, 1956 your Directors confirm that:

- a) The Company has followed the applicable standards in the preparation of the Annual Accounts and there had been no material departure.
- b) Directors had selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the aforesaid period.
- c) The Directors have taken proper and sufficient care for 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.
- d) The Directors have prepared the Annual Accounts on a going concern basis.

11. ACKNOWLEDGEMENT:

The Board of Directors express their deep gratitude for the co-operation and support extended to your Company by its shareholders, and various officials of SEBI the Stock Exchange, Mumbai, the Department of Company Affairs, Registrar of Companies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

For and on behalf of the Board
BAFNA SPINNING MILLS & EXPORTS LIMITED

PUKHRAJ BAFNA
Chairman
Coimbatore: August 09, 2004