



ANNUAL REPORT & ACCOUNTS FOR
YEAR ENDING MARCH 2007

REGISTERED OFFICE

"BAFNA HOUSE"
34 OPPANAKARA STREET
COIMBATORE – 641 001

Board of Directors

Pukhraj Bafna	Chairman
Sidhraj Bafna	Managing Director
B Nagabhushnam	Director
Vinod Jain	Director
R Sudheendra	Director
Uma Bafna	Director

Registered Office

Bafna House
34 Oppanakara Street
COIMBATORE - 641001

Factory

Naranapuram Village
Annur Taluk
Coimbatore Dist.
Tamilnadu

Auditors

V.Nagarajan F.C.A.,
Chartered Accountants
COIMBATORE

Registrars & Share Transfer Agents

M/s. Purva Sharegistry (India) Pvt. Ltd.,
9, Shiv Sakthi Industrial Estate
J R Boricha Road, (Opposite Kasturba Hospital
Lower Parel East
MUMBAI - 400 011

BAFNA SPINNING MILLS & EXPORTS LIMITED**COIMBATORE****NOTICE**

Notice is hereby given that the **Sixteenth** Annual General Meeting of the members of the Company will be held at Company's Registered Office on **Saturday, 29th September 2007** 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 2006.
2. To appoint a Director in place of Mr. Uma Bafna who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors for the year 2006 – 2007 and fix their remuneration.

SPECIAL BUSINESS:**Amendment in Memorandum of Association of the Company by adding new clauses:**

The Board of Directors had decided to start the business of Real Estate, Reality businesses and the business of Information Technology and Enabled Services and for the same they had made amendments in Memorandum of Association of the Company by adding New Clauses:

1. To carry on in India or elsewhere the business of builders, contactors, designers, architects, decorators, furniture consultants, constructors, financiers & brokers of all types of buildings and structures including houses, flats, apartment, offices, godowns, warehouses, shops, factories, sheds, hostels, hospitals, holiday resorts, shopping cum residential complexes, and to develop, erect, install, alter, improve, add, establish, renovate, recondition, protect, participate, enlarge, repair, demolish, remove, replace, maintain, manage, buy, sell, or deal in all types of movable or immovable properties including land for development, investment, or for resale and to act as buyer, seller, importer, agent, distributor, stockiest, or otherwise to deal in all types of infrastructure projects, raw materials, goods, fittings, parts, accessories, know-how, consumables, plants & machineries, tools & tackles used for the foregoing purposes and to do all incidental acts and things necessary for the attainment of the above objects.
2. To carry on in India or elsewhere, either alone or jointly with one or more persons, government, local or other bodies, the business to convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account, furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, taste, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild, undertake, contribute, assist, redesign, knitting, embroidering, reorganize, develop and to act as interior decorator, fashion designer,

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architect, dress designer, cell and organ designer and to act as designer of any incoming or developed product in the market.

3. To promote, encourage, establish, develop, maintain, organise, undertake, manage, operate, conduct and to run in India or abroad computer training centers, data processing centers, call centers, kiosks, computer coaching classes, computer consultancy business, software consultancy and other allied activities for all sorts of services relating to computer, its maintenance, repairs, programmers & operations, for industrial, commercial, domestic, public utility, defense, government and other general customers or sections of society and to do all incidental acts and things necessary for the attainment of the foregoing objects.
4. To carry on in India or elsewhere the business of prospecting, exploring and to set, crush, process, excavate, dig, break, acquire, develop, survey, produce, convert, finish, load, unload, handle, transport, buy sell, import, export, supply and to act as an agent, broker, stockiest, distributor, consultant or other wise to deal in all sorts of Brass, Antimony, Lead, Metal & Metal Products, Nickel, Magnesium, Zinc, Tin, Gum Metal, Lead Bronze, Phosphor Bronze, Aluminum Bronze, Phosphor Copper, Copper Iron, Cupper Nickel, Alloys, Ingots, Castings & Bronze Ingot, Gold, Aluminum, graphite, granite, lead, Limestone, Mica, Nickel, Porcelain, Potash, Sand, Brass, Silver, Stoneware, Tin, Titanium, Bronze, Zinc, Uranium, Copper and other allied materials, by-products, mixtures, blends, residues, substances and to do all incidental acts and things necessary for the attainment of the above objects.



By Order of the Board

Pukhraj Bafna

Chairman

Coimbatore: August 29, 2007

Registered Office:

Bafna House

34 Oppanakara Street

Coimbatore – 641 001

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 24th September 2007 to Thursday, the 29th September 2007 (both days inclusive)
4. Re – appointment of Director:
At the ensuing Annual General Meeting, Mrs. Uma Bafna 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.



By Order of the Board

Pukhraj Bafna

Chairman

Coimbatore: August 29, 2007

Registered Office:

Bafna House
34 Oppanakara Street
Coimbatore – 641 001

DIRECTORS' REPORT

To

The Members

BAFNA SPINNING MILLS & EXPORTS LIMITED

The Directors' have pleasure in presenting the **sixteenth** Annual Report of the Company and the Audited Statement of Accounts for the year ended **31st March 2007**.

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. The Listing Fees payable to The Stock Exchange has been paid till March 2007.

1. FINANCIAL HIGHLIGHTS:

Your Company during this financial year has started trading activities in Textiles. The Company has also proposed to amend the Memorandum of Articles which has been placed for the consideration of you the shareholders of the Company. The Company sees an opportunity in the Reality Business and hence this proposal. The Company is in the process of concluding a tie up with a Reality based Company in North India to start its activities in Southern India. Your Directors hope to sign the MOU before the financial year end.

2. DIVIDEND

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

3. DIRECTORS:

Mrs Uma Bafna retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. Your Directors recommend her 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:

Your Directors recommend the re-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 .

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 29, 2007