



BAFNA

**SPINNING MILLS &
EXPORTS LIMITED**

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**ANNUAL REPORT & ACCOUNTS FOR
YEAR ENDING MARCH 2008**



Registered Office :

"BAFNA HOUSE"

34 OPPANKARA STREET, COIMBATORE – 641 001

Phone : (0422) 2306 551 / 552 Fax; (0422) 2306 553

Email: info@bafnagroup.co.in



Bafna Spinning Mills & Exports Limited

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

BAFNA SPINNING MILLS & EXPORTS LIMITED
COIMBATORE

NOTICE

Notice is hereby given that the **Seventeenth** Annual General Meeting of the members of the Company will be held at Company's Registered Office on **Saturday, 9th August 2008** 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 2008.
2. To appoint a Director in place of Mr. Vinod Bafna who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors for the year 2008 – 2009 and fix their remuneration.

By Order of the Board

Pukhraj Bafna
Chairman
Coimbatore: **July 14, 2008**

Registered Office:
Bafna House
34 Oppanakara Street
Coimbatore – 641 001

Bafna Spinning Mills & Exports Limited

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. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 2nd August 2008 to Saturday the 9th August 2008 (both days inclusive)
3. Re – appointment of Director:
At the ensuing Annual General Meeting, Mr. Vinod Bafna who 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: July 14, 2008

Registered Office:
Bafna House

Bafna Spinning Mills & Exports Limited

AUDITOR'S REPORT**TO THE MEMBERS OF
BAFNA SPINNING MILLS & EXPORTS LIMITED**

1. We have audited the attached Balance Sheet of M/s. Bafna Spinning Mills & Exports Limited as on 31st March 2008 and also the attached "Profit & Loss Account" which we have signed under reference to this Report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit for the year ended on that date annexed thereto and reports that:-
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 (a) examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statements (b) Assessing the accounting principles used in the preparation of financial statements (c) assessing significant estimates made by the management in the preparation of the financial statements and (d) evaluating overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of Section 227 (a 4) of the Companies Act, 1956. We give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the foregoing paragraph we report that:
 - (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 it appears from our examination of the books.
 - © The Balance Sheet and "Profit & Loss Account" dealt with by this report are in agreement with the books of account.
 - (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 the Companies Act, 1956.
 - (e) Based on representations made by all the Directors of the Company and the information and the explanations as made available to us by the Company none of the Directors of the Company has prima facie any disqualification as referred to in clauses (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, the said accounts read with the notes thereon, give the information required by the Companies Act 1956 in the manner so required and gives a true and fair view:-
 - i) In the case of Balance Sheet, the state of affairs of the Company as on 31st March 2008.
 - ii) In the case of "Profit & Loss Account" the Profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Bafna Spinning Mills & Exports Limited**Annexure to Auditor's Report**

In terms of the information and explanations given to me and the books and records examined by me in normal course of audit and to the best of my knowledge and belief, I state as under :

- (i) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed Assets. The Fixed Assets of the Company have been physically verified by the Management during the year. We have been informed by the Company that no material discrepancies were noted on such physical verifications. Substantial part of fixed assets have not been disposed off during the year, which will effect its status as on going concern..
- (ii) The Company doesnot hold any stock of finished goods, stores, spare parts, or raw material. Hence the question of physical verification, reconciliation, discrepancies, or valuation doesn't arise.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured from Companies, Firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of Fixed Assets. In our opinion, there is no continuing failure to correct major weaknesses in the internal control.
- (v) No transactions exceeding the value of Five Lakh rupees in the year.
- (vi) The Company has not accepted deposits from the public during the year under audit.
- (vii) Since the Company has not commenced production activity during the year under audit the question of maintenance of cost records does not arise.
- (viii) As the Company has not engaged in production activity, it has not implemented Provident Fund & ESI Schemes. Hence the question of undisputed statutory dues does not arise.
- (ix) The Company has no separate audit system during the year under audit.
- (x) As the Company has not earned income in trading activity, the question of accumulated losses does not arise..
- (xi) As the Company has not obtained any loan from financial institutions the question of default in repayment of dues does not arise.
- (xii) No loans and advances granted on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund, nidhi, or mutual benefit fund/society.
- (xiv) The Company is not dealing in shares, debentures, securities and other investments.
- (xv) The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not obtained any term loan from banks or financial institutions.
- (xvii) The Company has not raised any funds on short term basis.
- (xviii) The Company has not made any issue of shares during the year under audit. Hence the question of preferential allotment of shares to parties and companies covered in the Register mentioned u/s 301 does not arise.
- (xix) No debentures are issued by the Company.
- (xx) No money has been raised by the Company through public issue during the year under audit. Hence the question of verification of the end use of money of public issue does not arise.
- (xxi) During the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the year under report.

For V. Nagarajan
Chartered Accountants

PROPRIETOR

COIMBATORE
July 14, 2008