

Board of Directors

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

Registered Office

"Visweswaram"
132 West Venkatsamy Road
RS Puram
COIMBATORE - 641 002

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 Shakthi 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 **Nineteenth** Annual General Meeting of the members of the Company will be held at Company's Registered Office on **Thursday, 30th September 2010** 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 2010.
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 2010 - 2011 and fix their remuneration.

By Order of the Board

Pukhraj Bafna
Chairman
Coimbatore : **August 30, 2010**

Registered Office:
"Visweswaram"
132 West Venkatsamy 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. The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday the 24th September 2010 to Thursday, the 30th September 2010 (both days inclusive)
3. 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.

By Order of the Board

Pukhraj Bafna

Chairman

Coimbatore : **August 30, 2010**

Registered Office:

"Visweswaram"

132 West Venkatsamy Road

RS Puram

Coimbatore - 641 002

AUDITOR'S REPORT

To the Members of Bafna Spinning Mills & Exports Limited

1. I have audited the attached Balance sheet of "BAFNA SPINNING MILLS & EXPORTS LIMITED" as on 31st March 2010 and the profit & loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of Sec. 227 (4A) of the companies Act, 1956, I enclose in the annexure, a statement on matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
 - a. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - b. In my opinion, proper books of accounts as required by law have been kept by the company as far as appears from my examination of such books.
 - c. The Balance sheet, profit & loss account dealt with by this report are in agreement with the books of accounts.
 - d. In my opinion, the Balance sheet, Profit & Loss account dealt with by this report comply with the Accounting Standards referred to in sub-sec. (3C) of sec.211 of the Companies act, 1956.
 - e. On the basis of the written representation received from the directors as on 31st March 2010 and taken on record by the board of directors, I report that none of the directors are disqualified as on 31.03.2010 from being appointed as a director in terms of clause (g) of sub-sec. (1) of sec. 274 of the Companies Act, 1956.
 - f. In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:
 - i. In the case of Balance sheet, of the state of affairs of the Company as at 31.03.2010.
 - ii. In the case of Profit & Loss account of the profit 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.

PLACE : COIMBATORE

DATE : 30.09.2010

Sd/-
Chartered Accountant

Annexure to Auditor's Report:

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

- i) a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) 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.
- c) In my opinion and according to the information and explanations given to me, a substantial part of fixed assets has not been disposed of by the company during the year.
- ii) The Company does not hold any stock of finished goods, stores, spare parts, work-in-progress or raw materials. Hence the question of physical verification, reconciliation, maintenance of records, discrepancies or valuation does not arise.
- iii) a) The Company has taken loans from Mr. SR Bafna, the Managing Director of the Company. The Maximum amount involved during the year was Rs. 782162/- and the outstanding balance at the end of the year is Rs. 782162/-. The Company has not granted any loans to the parties covered in the register required to be maintained under section 301 of the Companies Act, 1956.
- b) No Interest is charged for the above loan taken.
- c) There is no stipulated repayment schedule for the above loan.
- iv) In my opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of fixed assets and other stock in trade. Further on the basis of the examination of books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) In my opinion there are no contracts or arrangements referred to in section 301 of the Act that need to be entered in the register required to be maintained under that section.
- vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable. According to the information and explanations given to me, no order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any court or any other Tribunal on the Company.
- vii) The Company has no separate Internal audit system during the year under audit.
- viii) Since the Company has not commenced its production activity during the year under audit, the question of maintenance of cost records does not arise.
- ix) As the Company has not commenced its production activity, it has not implemented the Provident Fund & ESI schemes. Hence the question of undisputed statutory dues with respect to the Provident Fund & ESI Schemes does not arise. The company has not deposited any amount on account of any dispute under any statute. But the company has undisputed Income Tax Dues payable as given below