

**BAFNA SPINNING MILLS
&
EXPORTS LIMITED**

Registered Office

**Vishweshvaram, West Venkatsamy Road,
R S Puram, Coimbatore.**

21st

ANNUAL REPORT

2011-2012

BAFNA SPINNING MILLS & EXPORTS LIMITED

Regd. Office : Visweswaram,
132 West Venkatsamy Road,
R S Puram,
Coimbatore -641002.

Board of Directors : Pukhraj Bafna - Chairman
Sidhraj Bafna - Managing Director
Vinod Jain- Director
Uma Bafna- Director

Auditors : K R Shah & Associates
Chartered Accountant,
Ahmadabad.

**Stock Exchanges wherein the shares
Of the Company are listed** : 1. The Coimbatore Stock Exchange Ltd.,
Stock Exchange Buildings,
Trichy Road, Singanallur,
Coimbatore – 45.
2. The Stock Exchange , Mumbai
25th Floor, P.J.Towers,
Dalal Street, Fort,
Mumbai – 400001.
3. The Madras Stock Exchange Ltd.
Exchange Building,
Post Box No. 183,
11, Second Line Beach,
Chennai – 600001.

BAFNA SPINNING MILLS & EXPORTS LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of Bafna Spinning Mills & Exports Limited will be held at Regd. Office at Visweswaram, 132, West Vekatsamy Road, R S Puram, Coimbatore on 28th September, 2012 at 11.00A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2012 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mrs. Uma Bafna, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors and to fix their remuneration.

Place: Coimbatore
Date: 01/09/2012

By order of the Board of Directors,
Bafna Spinning Mills & Exports Limited



Sd/-
CHAIRMAN

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HER SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 21st Sept. 2012 to 28th Sept. 2012 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

BAFNA SPINNING MILLS & EXPORTS LIMITED

DIRECTORS' REPORT

To,
The Members,
BAFNA SPINNING MILLS & EXPORTS LIMITED

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2012.

1. Financial Results

(Rs. in Lacs)

Particulars	2011-12	2010-11
Sales	45.25	---
Other income	---	6.4
Depreciation	0.33	1.18
Other Expenditure	43.86	3.6
Profit/ Loss before Tax	1.05	2.8
Profit/Loss after Tax	0.70	1.06

During the current year your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. Directors

Mrs. Uma Bafna, Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

3. Personnel

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

4. Sub-division of Equity Shares:

In order to improve liquidity of the Company's Shares in the Stock Market and to make it affordable to the small investors, the Board of Directors of the Company at their meeting held on 08/03/2011 considered it desirable to sub-divide the nominal value of the equity portion of the Authorized capital of the Company. This requires alteration of Clause V of Memorandum of Association. Hence, permission of shareholders for such was taken in the duly convened Extra Ordinary General Meeting of the Company held on 1st April, 2011. After that, equity Shares of the Company including the paid up Equity Shares are sub divided such that each existing Equity Shares in the Authorized Share Capital having face value of Rs. 5/- (Rupees Five) each sub-divided into 5 (five) equity shares of the face value of Rs.1/- (Rupees One) each.

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Your Company has filed necessary e-forms on MCA portal regarding sub division of Equity shares.

5. Auditors

M/s K R Shah & Associates, Chartered Accountants, Ahmadabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

6. Deposits

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

7. Energy, Technology And Foreign Exchange

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

8. Directors' Responsibility Statement

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2012.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

9. Auditor's Qualification

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have imitated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

10. Report on Corporate Governance

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

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11.Acknowledgements

Your Directors wish to place on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE: COIMBATORE

FOR AND ON BEHALF OF THE BOARD

DATE : 01/09/2012



Sd/-
CHAIRMAN

ANNUAL REPORT 2011-12

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the report of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

1. BOARD OF DIRECTORS

Name of Director	Category	Board Meetings held on					AGM	EGM
		21/04 /2011	31/07 /2011	29/08 /2011	14/11 /2011	31/01 /2012	30/09 /2011	01/04 /2011
Sidhraj Bafna	Managing Directors	P	P	P	P	P	P	P
Pukhraj Bafna	Non-executive Director	P	P	P	P	P	P	P
Vinod Jain	Non executive Director	P	P	P	P	P	P	P
Uma Bafna	Director	P	P	P	P	P	P	P

P- Present A- Absent

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Companies)
Sidhraj Bafna	-
Pukhraj Bafna	-
Vinod Jain	1
Uma Bafna	-

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In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held five times.

A declaration signed by Sidhraj bafna, Managing Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE

Presently the company has four Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings:

- | | |
|-------------------|------------|
| (1) Uma Bafna | - Chairman |
| (2) Pukhraj Bafna | - Member |
| (3) Vinod Jain | - Member |

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met three times where all the members attended meetings.

3. REMUNERATION COMMITTEE

No remuneration was paid to directors during the year and they have waived their part of remuneration. No sitting fees are payable to any Director. So, Remuneration committee has not been constituted.

4. SHAREHOLDERS' COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- | | |
|-------------------|------------|
| (1) Pukhraj Bafna | - Chairman |
| (2) Sidhraj Bafna | - Member |
| (3) Vinod Jain | - Member |
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During the year, the company and their Registrar and Share Transfer Agents M/s Cameo Corporate Services Limited has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s Cameo Corporate Services Limited was appointed as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING:

Date	Type	Time	Location
30/09/2009	AGM	11.00 AM	Viaweswaram 132, West Venkatsamy Road, Coimbatore-641002
30/09/2010	AGM	10.00 AM	
30/09/2011	AGM	04.00 P.M.	

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

6. DISCLOSURES:

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of lying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Sidhraj Bafna, Managing Director of the company as certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

7. MEANS OF COMMUNICATION:

The means of communication between the Shareholders and company are transparent and investor friendly. Steps are being taken to display the corporate results on the EDIFAR & Corporate website, which is being developed.