

KIRAN SYNTEX LIMITED

ANNUAL REPORT - 2009 - 2010

M M S & ASSOCIATES
CHARTERED ACCOUNTANTS
1003, RATHI PALACE
RING ROAD
SURAT - 395 002

KIRAN SYNTEX LTD.

NOTICE

NOTICE hereby given that the Annual General Meeting of the members of the company will be held at its Registered Office at 1/324, Popat Street, Nanpura, Surat-395001 on 29th September, 2010 to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the Directors & Auditors Report and statement of affairs as on 31st March 2010.
2. To appoint Auditors for the current year and fix their remuneration.

REGISTERED OFFICE:

**1/324 Popat Street
Nanpura
Surat**

By order of the Board

DIRECTOR.

PLACE : SURAT

DATE : September 1, 2010

NOTE : A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

DIRECTOR'S REPORT

Your Directors have Pleasure in Presenting the Annual Report together with audited statement of accounts for the year ended 31st March, 2010

WORKING RESULTS

(Amount in Rs)

Particulars	31.03.2010	31.03.2009
Total Income	117189014	443770588
Depreciation	3159959	2893924
Profit(Loss) before Tax	2444424	2273331
Provision for Tax-FBT	166591	28689
Profit (loss) after Tax	2277833	2244642
Prior Period Adjustments	-	-
Balance brought forward	-65330608	-67575250
Balance carried to Balance Sheet	-63052775	-65330608

OPERATIONS AND FUTURE PLANS

The company has been making profits since last three years however in view of heavy accumulated losses the directors propose to concentrate on present business in which the management has core competence to ensure that the losses are wiped off and the financial position is strengthened. The company posted profits of Rs.2277733.00 during the year as compared to profit of Rs.2244624.00 during previous year. The directors are confident of positive performance in current year.

DIVIDEND:

Since the Company has accumulated losses of past which has not been wiped off the directors do not recommend any dividend for the year ended 31.03.2010.

DIRECTORS

Shri Mahesh M Godiwala and Shri Jigar M Godiwala Directors retire at the ensuing Annual General Meeting, and being eligible offer themselves for reappointment. The Board of directors recommend reappointment of directors retiring by rotation. There is no other change in constitution of Board of Directors during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors State:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departure;
- ii) that the Directors had selected such 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 the loss of the Company for the period;
- iii) That the Directors had taken proper and sufficient care for the 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.

iv) That the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

Your company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.

CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE:

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Annexure "A" and "B" respectively. A Certificate from the Auditor of the Company certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

LISTING AGREEMENTS REQUIREMENTS:

The securities of your company are listed at Mumbai, Vadodra, Ahmedabad and Bangalore Stock Exchanges. Trading in company's securities remain suspended at Mumbai Stock Exchanges for various reasons including non-submission of documents and all possible steps are being taken by the management to get shares traded at the floor of the Exchange.

BUY-BACK OF SHARES

There was no buy-back of shares during the year under review.

PARTICULARS OF THE EMPLOYEES:

None of the employees employed during the year was in receipt of remuneration in excess of the Prescribed limit specified in section 217 (2A) of the Companies Act, 1956 Hence, furnishing of particulars under the Companies (Particulars of Employees) 1975 does not arise.

AUDITORS

M/s M M S & Associates, Surat Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

During the year under review, there were no activities, which required heavy consumption of energy. However adequate measures have been taken to make sure that there is no wastage of energy. Since the requisite information with regard to the conservation of energy, technology absorption (Disclosures of Particulars in the report of Board of Directors) Rules is irrelevant/not applicable to the company during the year under review, the same are not reported.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign Exchange earning and out go during the year is nil

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the company's business.

Your directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

Place: Surat
Date: 01.09.2010

By order of Board of Directors of Kiran Syntex Limited

Deleted:

Sd/-

Chairman and Managing Director

CORPORATE GOVERNANCE

COMPANY'S PHILSOPHY ON CODE OF GOVERNANCE:

Kiran Syntex Limited aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by Kiran Syntex Limited with the provisions of Clause 49 are as under:

1. BOARD OF DIRECTORS:

As on 31.03.2010, The Company's Board consisted of two Promoter, Non Independent Directors and two non-executive , independent directors, who have rich experience in their fields.

The Board of the Company met 5 times during the last financial year on the following dates: -- 30.04.2009, 28.05.2009, 31.07.2009, 31.10.2009 and 31.03.2010

Code of conduct:

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board as on 31.03.2010 and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Mahesh M Godiwala Chairman and Managing Director	Promoter Executive	Nil	5	Yes
Jigar M Godiwala Whole Time Director	Promoter Executive	Nil	5	Yes
Dhirajbhai G Patel Director	Independent Non Executive	Nil	5	Yes
Jitendra D Dina Director	Independent Non Executive	Nil	5	Yes

- Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies act, 1956

- The Director(s) are neither Chairman nor members of any other committee(s) other than Audit committee, grievance committee, remuneration committee of Kiran Syntex Limited as mentioned in this report.
- No Leave of absence was required to be given to directors since all directors have attended all meetings.

Notice of Board meeting is circulated/ sent to the members of the Board in advance. The Board discusses/ deliberates and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

2. AUDIT COMMITTEE:

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive / independent director.

During the relevant financial year, five Audit Committee Meetings were held on 30.04.2009, 28.05.2009, 31.07.2009, 31.10.2009, 31.03.2010 .

The constitution of the Committee as on 31.03.2010 and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Dhirajbhai G Patel Chairman	Independent Non Executive	5	5
Jitendra D Dina Member	Independent Non Executive	5	5
Jigar M Godiwala Member	Promoter Executive	5	5

3. SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

Share Holder's Grievance Committee

Share Holders Grievance Committee consists of two independent Directors who have met on 30.04.2009, 28.05.2009, 31.07.2009, 31.10.2009, 31.03.2010. As on 31.03.2010, Company was redressed all the complaints/ grievances within one month of the receipt of such grievances. But action is taken to make sure all the grievances are redressed.

The data for the year is as follows:

No of Complaints received from share holders/ Exchange during the year 4
unresolved complaints (including pertaining to the previous year(s): Nil
Majority of these complaints pertain to Non receipt of Annual Report which have been addressed
by company

The constitution of the Committee as on today is as under:

Name of Member	Category	No. of Meetings	Attendance
Dhirajbhai G Patel Chairman	Independent Non Executive	12	12
Jitendra D Dina Member	Independent Non Executive	12	12

At present, Maheshbhai Godiwala, Chairman and Managing Director is the Compliance officer of the Company.

Share Transfer Committee

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee has met five times on 30.04.2009, 28.05.2009, 31.07.2009, 31.10.2009, 31.03.2010

4. REMUNERATION COMMITTEE

The remuneration of executive directors is fixed by the committee within the overall limit recommended for approval by Board of directors and the share holders at their meetings. The non executive directors are not paid any remuneration or sitting fees.

During the year Shri Maheshbhai M.Godiwala and Jigar M Godiwala have been paid remuneration of Rs.1,80,000.00 and Rs.1,20,000.00 each as Chairman and Managing Director and Whole Time Director respectively.

5. OTHER DETAILS/INFORMATIONS

The details of Annual General Meeting held in last 3 years are as under:

Year Ended	Venue	Date	Time
31.03.07	Registered office of Company	29.09.07	11.00 A.M
31.03.08	Registered office of Company	30.09.08	11.00 A.M
31.03.09	Registered office of Company	30.09.08	11.00 A.M

The Company has neither used Postal Ballot nor passed any special resolutions during these years, and there was no Extra Ordinary General Meetings of the members of the Company during the relevant period.

- **Means of communication:**

The Company has been filings quarterly / half yearly / annual results of the company with the Stock Exchanges The company does not have a web site. It also has not displayed in official news release and no presentations were made to institutional investors or to the analysts. We do not send half yearly financial reports to the share holders. The management Discussion and Analysis is a part of the Annual Report

- **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures and thus complies with the insider trading norms.

- **General Shareholder's information**

a) AGM, date, time, and venue

Venue	Date	Time
Registered Office of Company	29.09.2010	11.00 a.m.

b) Financial year ending 31.03.2010.

c) Book closure date 15.11.2010 to 20.11.2010 (both the days inclusive)

d) Listing on stock exchanges.

The shares are listed in Bomay, Ahmedabad, Vadodra and Banglore Stock Exchanges

All the dues regarding the Listing Fee have been paid to Bombay Stock Exchange

e) Distribution schedule as on 31.03.2010

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto – 500	1096	71.45	349300	8.22
501 – 1000	217	14.15	183500	4.32
1001 – 2000	92	6.00	145100	3.41
2001 – 3000	26	1.69	66400	1.56
3001 – 4000	17	1.11	63700	1.50
4001 – 5000	25	1.63	121500	2.86
5001 - 10000	5	0.32	36900	0.87
10001 and above	56	3.65	3283500	77.26
Total	1534	100%	4249900	100%

f) **Share price movements:**

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the Company as required in the Listing Agreement.

g) **Share Holding Pattern As On 31.03.2010**

Category	No. of shares	% of equity
Promoter Group	1599250	37.63
Resident Body Corporate	401200	9.44
Banks/FI/FII/MF/Trust	47400	1.11
NRI/OCB	137300	3.23
Public	2064750	48.59
Total	4249900	100.00 %

Share holdings of Independent Directors (name)	No. of Shares
Dhirajbhai G Patel	Nil
Jitendra D Dina	Nil

g) Additional information: The company has been aggressively following up with stock exchange for resumption of trading in shares of company.

a) Director retiring by rotation / reappointment: Shri Mahesh M Godiwala and Shri Jigar M Godiwala (The particulars have been given in notice of Annual General Meeting)

b) The ISIN for the dematerialized share of the company is Not applicable since the no ISIN has been allotted . The company is in process of entering in agreement with depositories.

c) Share transfer system: The share transfers are looked in by share transfer committee which meets every month. The share certificates received for transfer are returned within 30 days

d) The Company has not proposed / declared any dividend during the year.

e) Financial Year : 01.04.2010 to 31.03.2011

For the current financial year, following is the calendar (tentative and subject to change)

Financial reporting for 2010-2011:

- 1st Quarter On or before 31.07.2010
- 2nd Quarter On or before 31.10.2010
- 3rd Quarter On or before 31.01.2011
- Financial year closing: 31.03.2010 on or before 04.09.2010
- 4th Quarter On or before 31.04.2011

f) Plant Location : Not Applicable

g) Address for correspondence

- Regd Office: 1/324 Popat Street Nanpura Surat 395001
- E-mail id of the Company: Kiransyntex@yahoo.com
- E-mail id of the Compliance officer: kiransyntex@yahoo.com
- Telephone No: 0261 2463826
- Fax: 0261-2463826

Share Transfer Agents: The company has in-house share department at registered office of company.

h) Stock Code – 530443 (Bombay Stock Exchange)

- i) Dematerialization of shares & liquidity: Bulk of the shares are in physical mode, as given below:

Sr. No	Particulars	No. of share holders	No. of shares	Percentage
1	Physical Shares	1543	4249900	100%
2	Electronic Shares	00	00	00%
	Total	1543	4249900	100%

- j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity Not Applicable
- k) Conversion date and likely impact on Equity Shares: Not Applicable
- l) The details of related parties' viz.; Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with Company's interest: No related [arty transactions have been entered into by company
- m) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review: Not Applicable
- n) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc. : Not Applicable since the trading in shares has been suspended and the share are not quoted in Bombay Stock Exchange

By order of Board of Directors of Kiran Syntex Limited

Deleted:

Place: Surat
Date: 01.09.2010

Sd/-

Chairman and Managing Director

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
Kiran Syntex Limited
Surat

We have examined the compliance of the conditions of Corporate Governance by Kiran Syntex Limited for the year ended 31.03.2010 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify, that the Company has partly complied with the conditions of The Corporate Governance as stipulated in the above mentioned listing agreement.

We state that majority of the investor grievances were attended within one month as per maintained by the company.

We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M M S & Associates
Chartered Accountants

Place: Surat
Date: 01.09.2010

Sd/-

Murli Somani
Partner
Membership No. 36727

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I Shri Mahesh M Godiwala Chairman & Managing Director of the Company, hereby declare that the Board Members and senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31.03.2010.

Place : Surat
Date : 01.09.2010

Sd/-
Chairman and Managing Director

CEO & CFO CERTIFICATION

The Board of Directors
Kiran Syntex Limited
Surat

Re-financial Statements for the year ended 31.03.2010 Certification

I/We, Mahesh M Godiwala Chairman & Managing Director and CFO, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31.03.2010 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2010 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Surat
Date : 01.09.2010

Sd/-
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overall Review

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

2. Financial Review

During the year the company has carried out trading activities and generating gross receipts of Rs. 1165.25 lacs in the current year.

3. Risk and Concern

Bullish trend in Equity Markets, Commodities and Real estate will effect volume and profitability of Government Securities business. Changes in rate of interest will effect company's Profitability.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Environmental Issues

As the company is presently not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward – looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

By order of Board of Directors of Kiran Syntex Limited

Deleted:

Place: Surat

Date: 01.09.2010

Sd/-

Chairman and Managing Director

M M S & ASSOCIATES

CHARTERED ACCOUNTANTS

**1003, RATHI
PALACE
RING ROAD ,
SURAT-2**

AUDITORS REPORT

We have audited the attached Balance Sheet of **KIRAN SYNTEX LTD.**, as at 31st March 2010 and the Profit & Loss account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors Report) Order 2003, as amended by the Companies (Auditors' Report) (amendment) order ,2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 we enclose in the Annexure "A" statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in Annexure "A" referred to in paragraph above.

- i) We have obtained all the information & explanation which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books ;
- iii) The said Balance Sheet and Profit & Loss accounts dealt with by this report are in agreement with the books of account ;
- iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;

M M S & ASSOCIATES

CHARTERED ACCOUNTANTS

**1003, RATHI
PALACE
RING ROAD ,
SURAT-2**

- v) On the basis of written representations received from the directors as on 31st March 2010, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 ;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies Act, 1956 in manner so required and a true and fair view in conformity with the accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 ; and
- b) In the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date.

for **M M S & ASSOCIATES**
Chartered Accountants,

(MURLI SOMANI)
Partner.
(M.NO.36727)

PLACE : SURAT

DATE : September 1, 2010

M M S & ASSOCIATES

CHARTERED ACCOUNTANTS

1003, RATHI
PALACE
RING ROAD ,
SURAT-2

ANNEXURE TO THE AUDITOR'S REPORT

1. (a) The Company has maintained proper records showing particulars, quantitative details and situation of fixed assets.
(b) As explained to us the Management has carried out physical verification of these assets and no major discrepancies are noticed.
(c) The Company has disposed off all the Assets during the previous year and have started business by getting the goods processed from third parties on job work basis, In our opinion the going concern status of the company as a Manufacturing concern has affected by this, however with continuation of trading activities the going concern status is continued as trading company
2. (a) As per information & explanation given to us, physical verification of inventory has been carried out by the management during the year. In our opinion frequency of physical verification is reasonable considering the size of the company and nature of its business.
(b) As per informations and explanations given to us, the procedures adopted for physical verification by the management is reasonable considering the size of the company and nature of its business.
(c) The company has maintained proper records in relation to the material received and despatched, and as explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the books records.
3. (a) As per explanation & information given to us, company has taken and granted unsecured loan from and to the parties covered in the register maintained U/S 301 of the Companies Act, 1956. Details of such loan as at the end of the year are as under:

	<u>Loan Taken</u>	<u>Loan Granted</u>
No. of the Parties	NiL	NiL
Amount (Rs.)	NiL	NiL

- (b) In our opinion and as per explanation & information given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- (c) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the company, it has been explained to us, that these loan are repayable on demand and therefore the question of overdue amount does not arise.

M M S & ASSOCIATES

CHARTERED ACCOUNTANTS

**1003, RATHI
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SURAT-2**

4. In our opinion and according to the information & explanation given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of business for the purchase of material, fixed assets and sale of goods. We have not observed any major weakness in the internal control system.
5. (a) As per explanation & information given to us, the transactions that need to be entered into a register in pursuance of Sec. 301 of the Companies Act, 1956 have been so entered.

(b) As per explanation & information given to us, we are of the opinion that these transactions have been entered at price which are reasonable having regard to the prevailing market prices at relevant time.
6. The Company has not accepted any deposits from the public therefore this clause is not applicable.
7. In our opinion the Internal Audit System of the Company is commensurate with size and nature of its business.
8. As per information & explanation given to us, maintenance of cost records under clause (d) of the sub-section (1) of section 209 is not applicable to the Company.
9. (a) According to the informations & explanations given to us, and as per our verification, the Company has been regular in depositing undisputed statutory dues like Provident Fund, ESIC, Sales Tax, Income-Tax with appropriate authorities.

(b) According to the informations & explanations given to us, no amount is outstanding at the end of the year for a period of more than 6 months from the date they become payable.

(c) According to the informations & explanations given to us, there are no statutory dues of Sales Tax, Income Tax or Excise Duty, outstanding which were not deposited on account of any dispute.
10. The company does not have accumulated losses more than fifty percent of its net worth and it has not incurred any cash loss during the year as well as in the immediate preceding year.
11. As per information & explanations given to us and as per analysis of the Balance Sheet the Company has not defaulted in repayment of dues to banks, and financial institutions. The Company has not issued any debentures.

M M S & ASSOCIATES

CHARTERED ACCOUNTANTS

**1003, RATHI
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SURAT-2**

12. In our opinion and as per information & explanations given to us, the Company has not granted any loans & advances, on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit Fund or Society.
14. According to the informations & explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments .
15. As per informations & explanations given to us, the Company has not given any corporate guarantee
16. As per informations & explanations given to us, the Company has obtained Vehicle Loan during the year.
17. According to the informations and explanations given to us and as per verification of the annual accounts, the Company has not used short term funds for long term purposes. The surplus generated by way of cash profit has been ploughed back into the business.
18. The Company has not issued any shares during the year under review..
19. The Company has not issued any debentures hence this clause is not applicable to Company.
20. The Company has not raised any money by way of public issue during the year.
21. As per information & explanation given to us and in our opinion no fraud on or by the Company has been noticed or reported during the year.

for **M M S & ASSOCIATES**
Chartered Accountants,

(MURLI SOMANI)
Partner.
(M.NO.36727)

PLACE : SURAT

DATE : September 1, 2010

KIRAN SYNTEX LIMITED

BALANCE SHEET AS AT 31st MARCH 2010

As at 31.03.2009		Schedule	As at 31.03.2010
<u>SOURCES OF FUNDS:</u>			
42,364,660	Share Capital	1	42,364,660
47,564,660	Reserve & Surplus	2	47,564,660
1,640,690	Secured Loan	3	2,013,028
<u>91,570,010</u>			<u>91,942,348</u>
<u>APPLICATION OF FUNDS:</u>			
2,078,260	Fixed Assets	4	2,311,815
2,000	Investment in Shares	5	2,000
<u>Current Assets, Loans & Advances:</u>			
4,439,239	Inventories	6	1,509,846
155,473,178	Sundry Debtors	7	53,917,167
2,704,258	Cash & Bank Balances	8	2,284,258
20,692,013	Loans & Advances	9	46,547,116
<u>183,308,688</u>			<u>104,258,387</u>
165,468,552	Less: Current Liabilities & Provisions	10	84,001,635
<u>17,840,136</u>	Net Current Assets		<u>20,256,752</u>
65,330,608	Profit & Loss Account		63,052,775
6,319,006	Deferred Tax (Liability)/Assets	11	6,319,006
<u>91,570,010</u>			<u>91,942,348</u>
-	Notes On Accounts	21	-

As per our attached report of even date

For M M S & ASSOCIATES**Chartered Accountants**

For and on behalf of Board

For KIRAN SYNTEX LTD.**MURLI SOMANI****Partner****M.NO.36727**

PLACE : SURAT

DIRECTORS.

DATE : September 1, 2010

KIRAN SYNTEX LTD.

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

Year ended 31.03.2009	Schedule	Year ended 31.03.2010
<u>INCOME:</u>		
443,601,924	Sales 12	116,525,456
8,765	Other Income 13	248,199
159,899	Increase/Decrease in closing stock of Finished Goods 14	415,359
<u>443,770,588</u>	(A)	<u>117,189,014</u>
<u>EXPENDITURE:</u>		
18,988,509	Cost of Raw Material Consumed 15	44,877,495
405,828,502	Purchase 16	50,920,479
14,264,718	Manufacturing & Maintenance exp. 17	16,379,006
417,745	Payments to & Provision for employees 18	661,123
300,000	Director Remuneration	300,000
652,858	Administrative, Selling, Distribution expenses 19	678,368
424,332	Finance Charges 20	212,584
<u>440,876,664</u>	(B)	<u>114,029,055</u>
2,893,924	Profit/(Loss) Before Depreciation (A - B)	3,159,959
620,593	Less: Depreciation	715,535
2,273,331	Profit/(Loss) After Depreciation	2,444,424
-	Less: Provision For Taxation	166,591
28,689	Less: Fringe Benefit Tax(FBT)	-
<u>2,244,642</u>		<u>2,277,833</u>
<u>(67,575,250)</u>	Balance B/f from Previous year	<u>(65,330,608)</u>
<u>(65,330,608)</u>	Balance Carried Forward	<u>(63,052,775)</u>

Notes On Accounts

21

As per our attached report of even date

For and on behalf of Board

For M M S & ASSOCIATES

For KIRAN SYNTEX LTD.

Chartered Accountants

MURLI SOMANI

Partner

M.NO.36727

PLACE : SURAT

DATE : September 1, 2010

DIRECTORS.

KIRAN SYNTEX LTD.

SCHEDULES ATTACHED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2010

As at 31.03.2009		As at 31.03.2010
	<u>SCHEDULE "1"</u>	
	<u>SHARE CAPITAL:</u>	
	<u>Authorised:</u>	
50,000,000	50,00,000 Equity Shares of Rs.10/- each	50,000,000
	<u>Issued, Subscribed & Paid up:</u>	
42,499,000	42,49,900 Equity Shares of Rs.10/- each	42,499,000
134,340	Less:-Allotment money in arrears	134,340
<u>42,364,660</u>		<u>42,364,660</u>
	<u>SCHEDULE "2"</u>	
	<u>RESERVES & SURPLUS</u>	
47,699,000	Share Premium	47,699,000
134,340	Less : Allotment money in arrears	134,340
<u>47,564,660</u>		<u>47,564,660</u>
	<u>SCHEDULE "3"</u>	
	<u>SECURED LOAN:</u>	
1,640,690	Vehicle Loans	2,013,028
	(Secured Against Hypothecation of Motor vehicles)	
<u>1,640,690</u>		<u>2,013,028</u>

KIRAN SYNTEX LTD.

SCHEDULE "4"

FIXED ASSETS:

	Balance as at 01.04.2009	Addition during the year	Total	Upto 31.03.2009	Adjusted during the year	Total	Balance as at 31.03.2010	Balance as at 31.03.2009
MOTOR VEHICLES	2,555,604	949,090	3,504,694	575,816	686,927	1,262,743	2,241,951	1,211,124
AIR CONDITIONER	48,000	-	48,000	6,677	5,748	12,425	35,575	48,000
COMPUTER	95,249	-	95,249	38,100	22,860	60,960	34,289	95,249
Total	2,698,853	949,090	3,647,943	620,593	715,535	1,336,128	2,311,815	1,354,373
Previous Year	1,354,373	1,344,480	2,698,853	-	620,593	620,593	2,078,260	1,354,373

KIRAN SYNTEX LTD.

As at 31.03.2009		As at 31.03.2010
<u>SCHEDULE "5"</u>		
<u>INVESTMENTS:</u>		
2,000	(Unquoted & Fully Paid) Shares of Surat Art Silk Produce Co-Op. Society Ltd.	2,000
<u>2,000</u>		<u>2,000</u>
<u>SCHEDULE "6"</u>		
<u>INVERTORIES:</u>		
(As taken . Valued & certified by the Management)		
4,279,340	Raw Materials	934,588
159,899	Finished Goods	575,258
<u>4,439,239</u>		<u>1,509,846</u>
<u>SCHEDULE "7"</u>		
<u>SUNDRY DEBTORS:</u>		
(Unsecured Considered Good)		
36,782,307	Debts Exceeding Six Months	52,092,200
118,690,871	Other Debts	1,824,967
<u>155,473,178</u>		<u>53,917,167</u>
<u>SCHEDULE "8"</u>		
<u>CASH & BANK BALANCES:</u>		
(As certified by the Management)		
946,190	Cash on hand	427,435
119,147	Bal. In Current A/c	217,902
1,638,921	Fixed Deposit A/c	1,638,921
<u>2,704,258</u>		<u>2,284,258</u>
<u>SCHEDULE "9"</u>		
<u>LOANS & ADVANCES:</u>		
(Recoverable in cash or in kind or for value to be received)		
2,761,353	Advances	1,201,150
17,930,660	Advances to Suppliers	45,345,966
<u>20,692,013</u>		<u>46,547,116</u>

KIRAN SYNTEX LTD.

As at 31.03.2009		As at 31.03.2010
	<u>SCHEDULE "10"</u>	
	<u>CURRENT LIABILITIES & PROVISIONS:</u>	
134,969,221	Sundry Creditors for Goods	61,014,258
432,481	Other Liabilities	649,466
<u>30,066,850</u>	Deposit From Customer/Dealers	<u>22,337,911</u>
<u>165,468,552</u>		<u>84,001,635</u>
	<u>SCHEDULE "11"</u>	
	<u>DEFERRED TAX (ASSETS)/LIABILITY</u>	
(6,319,006)	Accumulated Deferred Tax Liability	(6,319,006)
<u>(6,319,006)</u>		<u>(6,319,006)</u>

KIRAN SYNTEX LTD.
SCHEDULES ATTACHED TO & FORMING PART OF THE TRADING AND PROFIT & LOSS
ACCOUNT
FOR THE YEAR ENDED 31.03.2010

Year ended 31.03.2009		Year ended 31.03.2010
<u>SCHEDULE "12"</u>		
<u>SALES :</u>		
166,918,705	Yarn	83,328,953
<u>276,683,219</u>	Grey	<u>33,196,503</u>
<u>443,601,924</u>		<u>116,525,456</u>
<u>SCHEDULE "13"</u>		
<u>OTHER INCOME:</u>		
8,765	Interest	976
<u>-</u>	Central Excise Duty Refund	<u>247,223</u>
<u>8,765</u>		<u>248,199</u>
<u>SCHEDULE "14"</u>		
<u>INCREASE/(DECREASE) IN CLOSING STOCK OF FINISHED GOODS:</u>		
159,899	Closing Stock of Finished Goods	575,258
<u>-</u>	Less: Opening Stock of Finished Goods	<u>159,899</u>
<u>159,899</u>		<u>415,359</u>
<u>SCHEDULE "15"</u>		
<u>COST OF RAW MATERIAL CONSUMED:</u>		
3,418,400	Opening Stock of Raw Material (Net of VAT)	4,279,340
<u>19,849,449</u>	Add: Purchases	<u>41,532,743</u>
23,267,849		45,812,083
<u>4,279,340</u>	Less: Closing Stock of Raw Material	<u>934,588</u>
<u>18,988,509</u>		<u>44,877,495</u>
<u>SCHEDULE "16"</u>		
<u>PURCHASES:</u>		
275,264,940	Grey Purchase	33,189,782
<u>130,563,562</u>	Yarn Purchase	<u>17,730,697</u>
<u>405,828,502</u>		<u>50,920,479</u>
<u>SCHEDULE "17"</u>		
<u>MANUFACTURING & MAINTENANCE EXPENSES:</u>		
312,398	Freight, Cartage & Octroi	412,531
13,485,437	Job Charges	15,543,732
117,014	Packing Materials	422,743
349,869	Central Excise Duty	-

14,264,718

16,379,006

KIRAN SYNTEX LTD.

Year ended
31.03.2009

Year ended
31.03.2010

SCHEDULE "18"

PAYMENT TO & PROVISION FOR EMPLOYEES:

417,745	Salary	566,113
-	Bonus	46,510
-	Leave Encashment	48,500
<hr/> 417,745		<hr/> 661,123

SCHEDULE "19"

ADMINISTRATIVE, SELLING, DISTRIBUTION & OTHER EXPENSES:

17,607	Printing & Stationary	21,059
56,253	Auditors Remuneration	44,120
5,724	Advertisement exp.	-
33,090	Insurance Premium	39,224
248,200	Sales Commission	285,027
-	Discount	3,180
173,082	Bad Debts	-
43,735	Legal & Professional Charges	65,560
13,960	Miscellaneous exps.	12,691
7,905	Computer exp.	12,330
-	Repair & Maintanance	12,715
3,855	Conveyance exp.	15,406
4,670	Electric exp.	7,860
10,300	Listing Fees	-
-	Rent	24,000
7,824	Postage & Telegram	10,845
4,665	Travelling exp	71,158
21,988	Telephone exp.	53,193
<hr/> 652,858		<hr/> 678,368

SCHEDULE "20"

FINANCIAL CHARGES:

15,046	Bank Charges & Commission	24,730
409,286	Interest Paid	187,854

424,332

212,584

KIRAN SYNTEX LTD.

SCHEDULE "21"

NOTES ON ACCOUNTS:

1. Accounting Policies:

i) Method of Accounting:

The company follows the Mercantile system of Accounting and recognises Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principals. There are no changes in the method of accounting during the year.

ii) Fixed Assets:

The Gross Block of Fixed Assets are stated at actual cost of the assets including taxes, duties and other identifiable direct expenses and interest on borrowings attributable to acquisition of fixed assets upto the date of the commissioning of the particular asset.

iii) Depreciation:

The Company has provided depreciation on Written Down Value Method at the rates specified in the Schedule XIV of the Companies Act 1956.

iv) Inventories:

Inventories (stock) is valued at cost or net realizable value whichever is lower. The cost comprises of cost of purchase and other appropriate production overhead costs incurred in bringing such inventories to their present location.

v) Investments:

Investments are stated at cost.

vi) Government Grants:

As explained to us there exists no such contingent liabilities which may result in loss or which requires provision to be made in the books of accounts. No contingent gain has been recognised as income in the books of accounts.

vii) Government Grants:

The company has not availed any monetary or non-monetary government grants during the financial year.

viii) Taxes on Income:

The Company has substantial accumulated carried forward losses which will be available for set off against future profits earned by the company. Taking a conservative approach no Deferred Tax Ass Has been provided during the year.

ix) Input Tax Credit (VAT):

The Company has adopted exclusive method of accounting and as per guidelines issued by the ICAI, it has recorded Purchases, Sales and Inventories , Net of VAT.

2. The outstanding Balances of Debtors, Creditors, Deposits and advances are subject to confirmation.

KIRAN SYNTEX LTD.

3. Previous year figures have been regrouped or rearranged wherever necessary to make them comparable with these of current year.
4. The company has not provided for gratuity.
The management has explained that provision for gratuity will be made as per actuarial basis as and when falls due and becomes applicable.
5. Advance to Suppliers includes a sum of Rs.157.38 lacs (P.Y.Rs. 179.31 lacs) given to companies in which Directors are interested.

6 (A) Segment Reporting

There is only one segment as identified by the Management viz Textiles, as defined in the AS-17.

(B) Related Party Disclosure as per AS-18 is as Under:

a) Related Party relationship and transactions with them during the period:

(Rs in thousand)

Sr. No.	Name of the Related Party	Relationship	Description of transaction	outstanding Balance as at 31st March 2010
1	Kiran Texprint P. Ltd	Directorship	Opening Balance	2399 Dr
2	Sudreshan Texprint P.Ltd	Directorship	Opening Balance	13338 Dr
3	Gujarat Kiran Polytext Ltd	Directorship	Opening Balance	963 Cr

b) Key management Personal & Relation:

Sr. No.	Name	Designation	Relation
1	Mahesh M. Godiwala	Managing Director	Self
2	Jigar M. Godiwala	Whole Time Director	Son of M.M.Godiwala

c) Transaction during the period with key management personnel and their relatives.

Sr. No.	Relationship	Description of transaction
1	Mahesh M. Godiwala	Dir Remu of Rs 1.80 lac
2	Jigar M. Godiwala	Dir Remu of Rs 1.20 lac

KIRAN SYNTEX LTD.

7

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31.03.2010

A. CASH FLOW FROM OPERATING ACTIVITY

PROFIT AFTER DEPRECIATION & TAX		2,277,833
LESS:		
Increase In Inventory	(2,929,393)	
Increase In Debtor	(101,556,011)	
Interest On Fixed Deposit	976	104,484,428
ADD:		
Increase in Creditors & Current Liabilities	(81,633,508)	
Provision For Taxation	166,591	
Depreciation	715,535	(80,751,382)
NET CASH FLOW FROM OPERATING ACTIVITIES	A	<u>26,010,879</u>

B. CASH FLOW FROM INVESTING ACTIVITIES

Increase In Fixed Assets	(949,090)
Interest On Fixed Deposit	976
NET CASH FLOW FROM INVESTING ACTIVITIES	B
	<u>(948,114)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES

Vehicle Loan Raised	372,338
Increase in Loans & Advances	(25,855,103)
NET CASH FLOW FROM FINANCING ACTIVITIES	C
	<u>(25,482,765)</u>
	(A+B+C)
	<u>(420,000)</u>

OPENING CASH & BANK BALANCES **2,704,258**

CLOSING CASH & BANK BALANCES **2,284,258**

KIRAN SYNTEX LTD.

8

Companies Act 1956.

a) Installed Capacity

b) Licensed Capacity

Not Applicable

Actual Production:

2009-2010

2008-2009

Qty(Kg)

Qty(Kg)

Yarn

337,844

195,219

Quantitative Information:

2009-2010

2008-2009

A) Opening Stock

Qty

Value(Rs)

Qty(Kg)

Value(Rs)

Raw Material (Yarn) (Kg)

43,667

4,279,340

35,765

3,418,400

889

157,358

B) Closing Stock

134

2,546

Raw Material (Yarn) (Kg)

8,318

934,588

43,667

4,279,340

Finished Goods (Kg)

3,060

157,358

889

157,358

Grey Fabrics (Mtrs)

-

-

134

2,546

C) Purchases:

Raw Material (Yarn) (Kg)

306,952

41,532,743

203,121

19,849,449

Yarn (Kg)

182,568

17,730,697

1,394,884

130,563,562

Grey Fabrics (Mtrs)

234,349

33,189,782

5,296,545

275,264,940

D) Sales:

Finished Yarn (Kg)

335,673

6,553,252

192,892

36,763,598

Yarn (Kg)

182,568

17,775,701

1,394,884

130,155,107

Grey Fabrics (Mtrs)

234,349

33,196,503

5,320,082

276,683,219

E) Raw Material Consumed:

P.O.Y. (Kg)

342,301

195,219

(Note: Raw Material, Stores & Spare Parts consumed are 100% indigenous)

F) C.I.F. Value of Imports

Rs. NIL

G) Earning in Foreign Exchange

Rs. NIL

H) Expenditure in Foreign Currencies

Rs. NIL

I) Details of Foreign Share Holding & Dividend remitted thereon

Rs. NIL

(Amount in Rupees)

9

Current Yr.

Previous Yr.

Audit Fees

33,090

44,120

Tax Audit Fees

11,030

12,133

44,120

56,253

KIRAN SYNTEX LTD.

Additional information as required under Part IV of Schedule VI to the Companies Act. 1956

10 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Details:

Registration No. 9099

State Code : 04

Balance Sheet Date : 31.03.2010

II) Capital Raised during the year:

(Rs. in thousands)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III) Position of Mobilisation and Deployment of Funds:

(Rs. in thousands)

Total Liabilities	:	175944	Total Assets	:	175944
-------------------	---	--------	--------------	---	--------

Sources of Funds:

Share Capital	:	42365	Reserve & Surplus	:	NIL
Secured Loans	:	2013	Unsecured Loans	:	NIL

Application of Funds:

Net Fixed Assets	:	2312	Net Current Assets	:	20257
Inv. In Shares	:	2	Misc. Expenditure	:	-
Accumulated Losses	:	63053	Deferred Tax Assets	:	6319

IV) Performance of Company:

(Rs. in thousands)

Turnover	:	116525	Total Expenditure	:	114745
Other Income &-					
Increase in Stock	:	664			
Profit/(Loss) Before Tax	:				2444
Profit/(Loss) after-tax	:				2278

V) Generic names of Principal Products of Company:

Item Code No.

SIGNATURES TO SCHEDULE '1' TO SCHEDULE "21"

As per our attached report of even date

For M M S & ASSOCIATES
Chartered Accountants

For KIRAN SYNTEX LTD.

MURLI SOMANI
Partner
M.NO.36727

DIRECTORS.

PLACE : SURAT

DATE : September 1, 2010

KIRAN SYNTEX LIMITED

(Regd. Office : 1/324, Popat Street, Nanpura, Surat-395 001.)

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBER OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING.

Full Name of Shareholder / Proxy : _____
(IN BLOCK LETTER)

If Proxy, fill name of Shareholder : _____
(IN BLOCK LETTER)

I hereby record my presence at the Annual General Meeting Meeting of the company on 29th September, 2010 at 11.30 a.m. at Registered Office of at any adjournment thereof.

Registered Folio No. _____

No. of Shares held _____

Signature of the
Shareholder / Proxy holder

..... Tear Here

KIRAN SYNTEX LIMITED

(Regd. Office : 1/324, Popat Street, Nanpura, Surat-395 001.)

PROXY FORM

I/We.....
ofbeing
Member/Members of KIRAN SYNTEX LIMITED hereby appoint Shri/Smt.
.....of as my/our proxy to vote for
me/us and on my/our, behalf at the Annual General Meeting of the Company, to be held on 29th
September, 2010 at 11.30 a.m. at registered office or at any adjournment thereof.

Signed this Day of 2010.

Registered Folio No.

No. of Share held

Affix
30 Paise
Revenue
Stamp

Signature (s) of Member (s)

Notes : This instrument of Proxy, after being duly field in must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting.

Tear Here