

**26<sup>th</sup>**  
**ANNUAL**  
**REPORT**  
**2011-2012**



**KIRAN**  
**Syntex Limited**



**TWENTY SIXTH  
ANNUAL REPORT  
2011-2012**

**BOARD OF DIRECTORS**

Mahesh M. Godiwala	<i>Chairman &amp; Managing Director</i>
Jigar M. Godiwala	<i>Whole-Time Director</i>
Dhirajbhai G. Patel	<i>Director</i>
Jitendra D. Dina	<i>Director</i>

**AUDITORS**

M M S & Associates  
Chartered Accountants  
1003, Rathi Palace  
Ring Road , Surat-2

**BANKERS**

Union Bank Of India  
Salabatpura Branch, Surat.

**REGISTERD OFFICE**

1/324, Popat Street,  
Nanpura, Surat - 395001  
Gujarat, India.  
Email : kiransyntex@yahoo.com  
Website : www.kiransyntex.com

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**NOTICE**

Notice is hereby given that Annual General Meeting of members of Kiran Syntex Limited shall be held on Saturday, 29th September 2012 at 1.00 P.M. at Kashtriya Mochi Panch ni Wadi, above Handloom House, 2nd floor, Godavari Bhavan, Choki Sheri, Near Nanpura Police Choki, Nanpura, Surat-395001 to transact following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt audited Balance Sheet as at 31st March 2012 and profit and loss Account for the year ended on that date and report of Directors and Auditors there on.
2. To appoint director in place of Shri. Mahesh Godiwala who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Shri Jigar Godiwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this Annual General Meeting to conclusion of Next Annual general meeting and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and if thought fit to pass with or without modification following resolution as ordinary resolution.  
To appoint Shri Manoj Dhirajbhai Patel as director of company liable to retire by rotation.

For and on behalf of Board of Directors

Place : Surat

Date : 24th August, 2012

**Mahesh M. Godiwala**

*Chairman and managing Director*

**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY DULY COMPLETED MUST BE RETURNED TO REACH REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE TIME FOR HOLDING THE MEETING.
2. Register and Share Transfer books shall remain closed from 15.09.2012 to 29.09.2012 (both days inclusive)
3. The details of Director retiring by rotation at this meeting as required under listing agreement is as under
  - a. Shri Mahesh Godiwala is having business interest in Textiles and is associated with company from incorporation. He has 40 years of experience of running successful business. Shri Mahesh Godiwala is 64 years of age.
  - b. Shri. Jigar Godiwala is having business interest in Textiles and is associated with company since long. He has 20 years of experience of running successful business. Shri Jigar Godiwala is 40 years of age.
  - c. Shri Manoj Patel is having business interest in textiles and construction. He has 8 years of experience of running successful business. Mr. Manoj Patel is 30 years of age.

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company/ the registrar and transfer agent.

**DIRECTOR'S REPORT**

Your Directors have Pleasure in Presenting the Annual Report together with audited statement of accounts for the year ended 31st March, 2012

**FINANCIAL HIGHLIGHTS:**

	<b>Year ended 31.03.2012 Amount(Rs)</b>	<b>Year ended 31.03.2011 Amount(Rs)</b>
Sales & Other Income	88,962,453	53,999,030
Profit/(Loss) before Depreciation	2,823,797	1,112,182
Less: Depreciation	444,225	601,677
Exceptional Items	1,638,921	-
Profit/(Loss) after Depreciation	740,651	510,505
Less: Provision for Taxation	141,131	104,150
Profit/(Loss) after Taxation	599,520	406,355
Balance B/f from Previous Year	(62,646,420)	(63,052,775)
	(62,046,900)	(62,646,420)
Deferred Tax (Liabilities)/Assets	-	-
Balance C/f to Balance Sheet	(62,046,900)	(62,646,420)

**DIVIDEND:**

The directors do not recommend dividend for year ended 31.03.2012.

**DIRECTOR'S**

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

It is proposed to appoint Shri Manojbhai D patel as director of company pursuant to notice received form share holder.

**DIRECTOR'S 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 ate 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 in 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:**

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 traded and listed at Mumbai Stock 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**

The company is engaged in trading activity and 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 as per note no. 26 in financial statements.

**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.

**By order of Board of Directors**  
**Kiran Syntex Limited**

Place : Surat  
Date : 24th August, 2012

**Mahesh M. Godiwala**  
*Chairman and managing Director*

**Annexure - A****CORPORATE GOVERNANCE****COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

Kiran Syntax 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 Syntax Limited with the provisions of Clause 49 are as under:

**1. BOARD OF DIRECTORS:**

As on 31.03.2012, 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: 30.04.2011, 30.07.2011, 31.10.2011, 31.01.2012 and 31.03.2012

**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 31.03.2012 and the attendance of the Directors are given below:

<b>Name of the Director</b>	<b>Category of the Director</b>	<b>No. of other Directorship (*)</b>	<b>No. of Board meetings Attended</b>	<b>Attendance at Last AGM</b>
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 Syntax 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 five. The said committee was constituted to exercise powers and discharge functions 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 30.04.2011, 30.07.2011, 31.10.2011, 31.01.2012 and 31.03.2012



The constitution of the Committee as on 31.03.2012 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 30.04.2011, 30.07.2011, 31.10.2011, 31.01.2012 and 31.03.2012

As on 31.03.2012, Company was readressed all the complaints/ grievances within one month of the receipt of such grievances. But action is taken to make sure all the grievances are readressed.

The data for the year is as follows:

No of Complaints received from share holders/ Exchange during the year : Nil  
 unresolved complaints (including pertaining to the previous year) : Nil

The constitution of the Committee as on 31.03.2012 is as under:

Name of the Member	Category	No. of Meetings	Attendance
Dhirajbhai G Patel, Chairman	Independent Non Executive	4	4
Jitendra D Dina, Member	Independent Non Executive	4	4

At present, Mahesh M. 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 sixteen times on 15.04.2011, 30.04.2011, 31.05.2011, 15.06.2011, 30.06.2011, 30.07.2011, 15.09.2011, 15.10.2011, 15.11.2011, 30.11.2011, 15.12.2011, 31.12.2011, 16.01.2012, 30.01.2012, 29.02.2012, 31.03.2012.

### 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 Mahesh 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
31.03.09	Registered office of Company	29.09.09	11.00 A.M
31.03.10	Registered office of Company	29.09.10	11.00 A.M
31.03.11	Registered office of Company	30.09.11	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
Kashtriya Mochi Panch ni Wadi, above Handloom House, 2nd floor, Godavari Bhavan, Choki Sheri, Near Nanpura Police Choki, Nanpura, Surat-395001	29.09.2012	1.00 p.m.

b) Financial year ending 31.03.2012.

c) Book closure date 15.09.2012 to 29.09.2012 (both the days inclusive)

d) Listing on stock exchanges.

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

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

e) Distribution schedule as on 31.03.2012

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto – 500	1089	71.50	346200	8.15
501 – 1000	213	13.99	179500	4.22
1001 – 2000	91	5.98	144500	3.40
2001 - 3000	27	1.77	68600	1.61
3001 – 4000	17	1.12	62800	1.48
4001 – 5000	25	1.64	122400	2.88
5001 - 10000	5	0.33	36900	0.87
10001 and above	56	3.68	3289000	77.39
<b>Total</b>	<b>1523</b>	<b>100</b>	<b>4249900</b>	<b>100</b>

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 31.03.2012**

Category	No. of shares	% of equity
Promoter Group	1599250	37.63
Resident Body Corporate	172844	04.07
Banks/FI/FII/MF/Trust	41000	00.97
NRI/OCB	132100	03.10

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





- h) 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 . INE293D01017
- c) Share transfer system: The share transfers are looked in by share transfer agents
- d) The Company has not proposed / declared any dividend during the year.
- e) Financial Year : 01.04.2011 to 31.03.2012

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

Financial reporting for 2011-2012:

- 1st Quarter On or before 31.07.2011
  - 2nd Quarter On or before 31.10.2011
  - 3rd Quarter On or before 31.01.2012
  - Financial year closing: 31.03.2012 on or before 31.08.2012
  - 4th Quarter On or before 31.04.2012
- 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

Share Transfer Agents: Sharepro Services India Private Limited, Mumbai

- 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	1382	1157600	27.24%
2	Electronic Shares	141	3092300	72.76%
<b>Total</b>		1523	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 party 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

**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 31.03.2012 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

**Murli Somani**

*Partner*

Membership No. 36727

Place : Surat

Date : 24.08.2012

**CEO & CFO CERTIFICATION**

The Board of Directors

Kiran Syntex Limited, Surat

Re-financial Statements for the year ended 31.03.2012 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 31.03.2012 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 31.03.2012 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 : 24.08.2012

Chairman and Managing Director

**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 31.03.2012.

Place : Surat

Date : 24.08.2012

Chairman and Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Overall Review**

During the year the Company has dispensed with trading activities which were not profitable. Due to this the overall turnover of the Company has fallen as compared to the last year. The Company is planning to start new unit of yarn dyeing in near future.

**2. Financial Review**

During the year the company has carried out trading activities and generating gross receipts of Rs. 888.35 lacs in the current year.

**3. 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.

**4. 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.

**5. 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.

**6. 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**

Place : Surat  
Date : 24.08.2012

**Mahesh M. Godiwala**  
*Chairman & Managing Director*

**AUDITORS REPORT**

We have audited the attached Balance Sheet of KIRAN SYNTAX LIMITED, as at 31st March 2012 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 ;
- v) On the basis of written representations received from the directors as on 31st March 2012, we report that none of the directors is disqualified as on 31st March 2012 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 the manner so required give 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 2012 ; 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*

Membership No. 36727

Place : Surat  
Date : 24.08.2012

**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) No substantial part of Fixed Assets are disposed off during the year. Hence the going concern status of the company is not affected.
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 ad under:

	<u>Loan Taken</u>	<u>Loan Granted</u>
No. of the Parties	Nil	2
Amount (Rs.)	Nil	15,202,412

- (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) As per explanation & information given to us, payment of principal and interest of loans are as per stipulation.
- (d) 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.
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. There is no formal Internal Audit System in the company , it has been explained to us that internal Audit is carried out by the staff of the company itself.
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 undisputed statutory dues were outstanding at the end of the year for a period of more than six months from the date they became payable.
- (c) i) The Excise deptt has raised liability of duty amounting to Rs 1387 Lacs on the company for the period from 1998 to 2003 . The company has disputed the said demand in Tribunal and the CESTAT ( Ahmedabad) has remanded back the said case with relief on the limitation period.
- ii) The Company has also disputed liability of Rs 26.87 lacs raised by the Provident Fund department . The Company has filled a petition before High Court ( Gujarat) for the same.
10. At the end of the year the company has accumulated losses to the tune of Rs. 620.47 Lacs which works out to be more than fifty percent of the networth of the company.
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.
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, Accordingly Clause 4(xiii) is not applicable to the Company.
14. According to the informations & explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments, hence this clause is not applicable.
15. As per informations & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. As per informations & explanations given to us, Term Loans obtained during the year has been applied for the purpose for which the loan were obtained.
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*

Membership No. 36727

Place : Surat  
Date : 24.08.2012

**BALANCE SHEET AS AT 31ST MARCH 2012**

(Amount in Rupees)

	Note No.	31.03.2012	31.03.2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share capital	3	42,364,660	42,364,660
(b) Reserves and surplus	4	(14,483,404)	(15,081,760)
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	5	-	794,802
<b>Current Liabilities</b>			
(a) Trade payables	6	2,847,989	120,477
(b) Other current liabilities	7	6,579,665	7,274,556
(c) Short-term provisions	8	15,730	120,725
<b>TOTAL</b>		<b>37,324,640</b>	<b>35,593,460</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed assets			
Tangible assets	9	1,272,413	1,716,638
(b) Non-current investments	10	2,000	2,000
(c) Long-term loans and advances	11	15,396,587	17,332,971
(d) Deferred tax Assets		6,319,006	6,319,006
<b>Current assets</b>			
(a) Inventories	12	224,949	-
(b) Trade receivables	13	11,238,821	6,760,665
(c) Cash and cash equivalents	14	1,111,889	2,191,420
(d) Short-term loans and advances	15	1,758,975	1,270,760
<b>TOTAL</b>		<b>37,324,640</b>	<b>35,593,460</b>

**See accompanying 1 to 32 Notes forming part of the financial statements**

As per our attached report of even date

**For M M S & ASSOCIATES***Chartered Accountants***MURLI SOMANI****Partner****M.NO.36727**

PLACE : SURAT

DATE : August 24, 2012

For and on behalf of Board

**For KIRAN SYNTEX LTD.****Mahesh M. Godiwala***Chairman & MD***Jigar M. Godiwala***Whole Time Director*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012**

(Amount in Rupees)

	Note No.	31.03.2012	31.03.2011
<b>1 Revenue from Operations (Gross)</b>	16	88,834,758	54,352,699
Less: Excise duty		-	-
Revenue from operations (net)		88,834,758	54,352,699
<b>2 Other Income</b>	17	127,695	216,102
<b>3 Total Revenue (1+2)</b>		<b>88,962,453</b>	<b>54,568,801</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	18	-	7,657,473
(b) Purchases of stock-in-trade	19	83,392,118	38,305,539
(c) Changes in inventories of finished goods, W I P and stock-in-trade	20	(224,949)	575,258
(d) Employee benefits expense	21	929,432	807,225
(e) Finance costs	22	133,245	211,394
(f) Depreciation and amortisation expenses	9	444,225	601,677
(g) Other expenses	23	1,910,244	5,899,730
<b>Total Expenses</b>		<b>86,584,315</b>	<b>54,058,296</b>
<b>5 Profit/(Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		2,378,138	510,505
<b>6 Exceptional Items</b>	24	(1,638,921)	-
<b>7 Profit/(Loss) before Extraordinary items and Tax (5+6)</b>		739,217	510,505
<b>8 Extraordinary Items</b>		-	-
<b>9 Profit/(Loss) before Tax (7 + 8)</b>		739,217	510,505
<b>10 Tax Expense:</b>			
(a) Current tax expense for current year		140,861	104,150
(b) Taxation for previous year		-	-
(b) Deferred tax		-	-
<b>11 Profit / (Loss) from continuing operations</b>		598,356	406,355
<b>12. i Profit / (Loss) from discontinuing operations</b>		-	-
<b>12. ii Add / (Less): Tax exp of discontinuing Operation</b>		-	-
<b>13 Profit/(Loss) from discontinuing operations</b>		-	-
<b>14 Profit/(Loss) for the year (11 + 13)</b>		598,356	406,355
<b>15 Earnings per share (of ₹ 10/- each):</b>		0.14	0.10

See accompanying 1 to 32 Notes forming part of the financial statements

As per our attached report of even date

**For M M S & ASSOCIATES**

Chartered Accountants

**MURLI SOMANI**

Partner

M.NO.36727

PLACE : SURAT

DATE : August 24, 2012

For and on behalf of Board

**For KIRAN SYNTEX LTD.****Mahesh M. Godiwala**

Chairman &amp; MD

**Jigar M. Godiwala**

Whole Time Director



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2012****Note No. 1 :- Corporate information**

The company is a public limited engaged in Trading of yarn the Registered office of the company is situated at 1/324 Popat Street Nanpura, Surat. 395001.

**Note No. 2 :- Significant Accounting Policies****Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

**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 in bringing such inventories into their present location.

**Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**Depreciation**

Depreciation has been provided on the Written Down Value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

**Revenue recognition****Sale of goods**

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude value added tax. In the case of good sent under form 'F' to one of the distributor is considered as sales to that particular person on the date of dispatch itself.

**Income from services**

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred.

**Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**Fixed Assets****Tangible Fixed Assets**

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

**Capital work-in-progress:**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

**Foreign currency transactions and translations**

Not Applicable

**Accounting of forward contracts**

The company has not entered into any forward contracts during the year.

**Government grants, subsidies and export incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

**Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

**Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

**Defined contribution plans**

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

**Defined benefit plans**

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

**ESOPS**

The Company has not formulated any scheme like ESPOS

**Borrowing costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

**Segment reporting**

The Company is having only one segment ie Trading of fabrics , hence does not require Segment Reporting.

**Leases**

The company has not taken any asset on lease and has also not given its any of asset on lease to other parties.

**Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

**Research and development expenses**

the company has not incurred specific reaserch and development expenses which need any speciofic accounting treatment.

**Joint Venture**

The company has not entered into any Joint Venture with any person during the year.

**Impairment of assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised.

**Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

**Provision for warranty**

No warranty is provided by the company on sale of its product except the settlement of claims in the form of losses born by any particular customer on account of substandard material supplied by the company.

**Share issues expenses**

The Company has not incurred any share issue expenses during the year.

**Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Service tax input credit**

Not Applicable


**Note 3 :- Share Capital**

Particulars	As at 31.03.2012		As at 31.03.2011	
	Number of shares	₹	Number of shares	₹
<b>(a) Authorised</b>				
Equity shares of Rs.10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
<b>(b) Issued</b>				
Equity shares of Rs.10 each with voting rights	4,249,900	42,499,000	4,249,900	424,990,000
<b>(c) Subscribed and fully paid up</b>				
Equity shares of Rs.10 each with voting rights	4,196,164	41,961,640	4,196,164	41,961,640
<b>(d) Subscribed but not fully paid up</b>				
Equity shares of Rs.7.50 each with voting rights	53,736	403,020	53,736	403,020
	4,249,900	42,364,660	4,249,900	42,364,660

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>Equity shares with voting rights</b>			
<b>Year ended 31 March, 2012</b>			
- Number of shares	4,249,900	-	4,249,900
- Amount	42,364,660	-	42,364,660
<b>Year ended 31 March, 2011</b>			
- Number of shares	4,249,900	-	4,249,900
- Amount	42,364,660	-	42,364,660
<b>Shareholder holding More than 5% shares</b>	<b>No of Shares</b>	<b>% of total shares</b>	
Kiran Texprint Pvt. Ltd.	569,000	13.39%	
Sudershan Texprint Pvt. Ltd.	450,700	10.60%	

**Note 4 :- Reserves and Surplus**

Particulars	As at 31 March 2012	As at 31 March 2011
<b>(a) Securities premium account</b>		
Opening balance	47,564,660	47,564,660
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(62,646,420)	(63,052,775)
Add: Profit / (Loss) for the year	598,356	406,355
Closing balance	(62,048,064)	(62,646,420)
	(14,483,404)	(15,081,760)



Particulars	As at 31 March 2012	As at 31 March 2011
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**Note 5 :- Long-Term Borrowings**
**(a) Term loans**

From HDFC Bank Ltd (Secured against Motor Car)	-	442,280
From Axis Bank Ltd (Secured against Motor Car)	-	241,284
From Tata Motor Finance Ltd (Secured against Motor Car)	-	111,238
	-	794,802

**Details of long-term borrowings guaranteed by some of the directors or others:**

Term loans from banks	683,564	1,323,841
Term loans from other parties	-	111,238

**(Note :- The Company has not defaulted in repayment of loans and interest)**

**Note 6 :- Trade Payables**

Trade payables:	2,847,989	120,477
	<b>2,847,989</b>	<b>120,477</b>

**Note 7 :- Other Current Liabilities**

(a) Current maturities of long-term debt	683,564	640,277
(b) Advance From Customers	5,610,310	6,215,596
(c) Other payables		
'- For Expenses	233,338	378,826
'- For Others	52,453	39,857
	<b>6,579,665</b>	<b>7,274,556</b>

**Note 8 :- Short-term provisions**

(a) Provision - Others:		
(i) Provision for Income tax (Net of advance tax)	15,728	120,725
	<b>15,728</b>	<b>120,725</b>

**Note 9:- Fixed Assets (Tangible)**

Particulars	Gross Block			Depreciation			Net Block		
	Balance as at 01.04.2011	Addition/(sale) during the year	Total 31.03.2012	Upto 31.03.2011	Provided during the year	Amount written back	Total 31.03.2012	Balance as at 31.03.2012	Balance as at 31.03.2011
<b>(A) Vehicles</b>									
Motor Vehicle	3,504,694	-	3,504,694	1,843,184	430,165	-	2,273,349	1,231,345	1,661,510
<b>(B) Office equipment</b>									
Air Conditioner	48,000	-	48,000	17,373	4,260	-	21,633	26,367	30,627
COMPUTER	101,749	-	101,749	77,248	9,800	-	87,048	14,701	24,501
<b>Total</b>	<b>3,654,443</b>	<b>-</b>	<b>3,654,443</b>	<b>1,937,805</b>	<b>444,225</b>	<b>-</b>	<b>2,382,030</b>	<b>1,272,413</b>	<b>1,716,638</b>
<b>Previous Year</b>	<b>3,647,973</b>	<b>6,500</b>	<b>3,654,443</b>	<b>1,336,128</b>	<b>601,677</b>	<b>-</b>	<b>1,937,805</b>	<b>1,716,638</b>	<b>2,311,815</b>



<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Note 10 :- Non-current investments</b>		
Investments (At cost): ( UNQUOTED)		
(i) Shares of Surat Art silk Producers Coop Society Ltd.	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
<b>Note 11 :- Long-term Loans and Advances, Unsecured, considered good</b>		
(a) Loans and advances to related parties	15,202,412	17,138,796
(b) TDS Refund Due	194,175	194,175
	<u>15,396,587</u>	<u>17,332,971</u>
<b>Note 12 :- Inventories (At lower of Cost and Net Realisable Value)</b>		
(a) Traded Goods	224,949	-
	<u>224,949</u>	<u>-</u>
<b>Note 13 :- Trade Receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured, considered good)	4,810,944	4,810,944
Other Trade receivables (Unsecured, considered good)	6,427,877	1,949,721
	<u>11,238,821</u>	<u>6,760,665</u>
Less: Provision for doubtful trade receivables	-	-
	<u>11,238,821</u>	<u>6,760,665</u>
Note: Trade receivables include debts due from		
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
<b>Note 14 :- Cash and cash equivalents</b>		
(a) Cash on hand	31,609	108,670
(b) Balances with banks		
(i) In current accounts	1,080,280	443,829
(ii) In deposit accounts	-	1,638,921
	<u>1,111,889</u>	<u>2,191,420</u>
<b>Note 15 :- Short-Term Loans and Advances (Unsecured Considered Good)</b>		
(a) Balances with government authorities		
(i) Vat Receivable	1,749,440	1,259,671
(b) Prepaid expenses	9,535	11,089
Less: Provision for other doubtful loans and advances	-	-
	<u>1,758,975</u>	<u>1,270,760</u>
<b>Note 16 :- Revenue from operations</b>		
Sale of products	88,834,758	54,352,699
Sale of services /Other operating revenues	-	-
	<u>88,834,758</u>	<u>54,352,699</u>
Less: Excise duty	-	-
	<u>88,834,758</u>	<u>54,352,699</u>



<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Note 17 :- Other income</b>		
Interest on Bank Deposits	-	2,483
Interest on Trade Receivable	16,457	-
Sundry Creditors Balance Written Off	111,238	213,619
	<u>127,695</u>	<u>216,102</u>
<b>Note 18 :- Cost of materials consumed</b>		
Opening stock	-	934,588
Add: Purchases	-	6,722,885
	-	<u>7,657,473</u>
Less: Closing stock	-	-
	-	<u>7,657,473</u>
Material consumed comprises:		
Yarn	-	7,657,473
<b>Note 19 :- Purchase of traded goods</b>		
Yarn	83,392,118	38,305,539
	<u>83,392,118</u>	<u>38,305,539</u>
<b>Note 20 :- Changes in inventories of Finished Goods, WIP and Stock-in-Trade</b>		
Inventories at the end of the year:		
Stock-in-trade	224,949	-
	<u>224,949</u>	<u>-</u>
Inventories at the beginning of the year:		
Finished goods	-	575,258
Stock-in-trade	-	-
	-	<u>575,258</u>
<b>Net (increase) / decrease</b>	<u>(224,949)</u>	<u>575,258</u>
<b>Note 21 :- Employee benefits expense</b>		
Salaries	578,325	471,785
Directors Remuneration	300,000	300,000
Leave Pay & Bonus	40,690	35,440
Staff Welfare	10,417	-
	<u>929,432</u>	<u>807,225</u>
<b>Note 22 :- Finance Costs</b>		
(a) Interest expense on:		
(i) Borrowings	124,555	207,992
(ii) Others ( Bank Charges )	8,690	3,402
	<u>133,245</u>	<u>211,394</u>



<b>Particulars</b>	<b>As at 31 March 2012</b>	<b>As at 31 March 2011</b>
<b>Note 23 :- Other Expenses</b>		
Electricity exp.	52,522	48,140
Rent Paid	72,000	72,000
Office Repairs & Maintance	12,368	48,912
Insurance Exps.	37,758	48,101
Computer Exp	3,200	7,450
Conveyance exp.	36,101	19,833
Packing Exp	34,544	111,475
Commission	182,093	299,958
Freight & Cartage	795,382	463,580
General Exp	687	12,801
Legal & Professional Exp	150,190	122,235
Listing Fees	393,170	24,244
Postage & Telegrams	19,553	10,426
Printing & Stationery exp.	33,237	54,789
Auditors Remuneration	44,944	33,090
Telephone Exp	40,192	51,955
Travelling Exp	2,303	-
Job charges	-	4,470,741
	<u>1,910,244</u>	<u>5,899,730</u>
<b>Note 24 :- Exceptional items</b>		
Sundry Balances of deposits written Off (The Company has written off the amount of old non recoverable deposits during the year)	1,638,921	-
	<u>1,638,921</u>	<u>-</u>
<b>Note 25 :- Payment to Auditors</b>		
Statutory Audit	33,708	26,472
Tax Audit	11,236	6,618
	<u>44,944</u>	<u>33,090</u>
<b>Note 26 :- Details of Foreign Exchange Income &amp; Expenditure</b>		
Value of Imports		
	31/3/2012	31/3/2011
Yarn	\$ 26,193	\$ -
		1,310,458





Particulars	As at 31 March 2012	As at 31 March 2011
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**Note 27 :- Government Grants**

The company has not recd any Govt. grant during the year - -

**Note 28 :- Taxes on Income**

Pursuant to Accounting Standard (AS) 22- Accounting for taxes on Income, - -

the Company has not substantial accumulated carried forwar losses which will be available for set off agains future profit earned by the company. Taking a conserative approach no deferred tax assets has been provided during the year.

Current tax has been calculated as per the prevailing Income tax rates on the taxable Net Profit of the Company 140,861 104,150

**Note 29 :- Segment Reporting****Segment information**

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

**Note 30 :-Contingent Liabilities**

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

**Note 31 :- Related Party Disclosure as per AS-18****a) Related Party relationship and transactions with them during the period:** (Rs in thousand)

Sr. No	Name of the Related Party	Relationship of transaction	Description As On 31.03.2012	Outstanding Balance
1	Kiran Texprint Pvt. Ltd.	Directorship	Loan & Advances (Earlier Advances to Suppliers)	2,394 Dr
2	Sudreshan Texprint Pvt.Ltd.	Directorship	Advance to Suppliers (Earlier Advances to Suppliers)	12,808 Dr
3	Gujarat Kiran Polytex Ltd.	Directorship	Creditors	2,728 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.	Name	Relationship	Description of transaction
1	Mahesh M. Godiwala	Chairman & M.D.	Remuneration of Rs 1.80 lac
2	Jigar M. Godiwala	Whole Time Director	Remuneratin of Rs 1.20 lac
3	Jitendra D. Dina	Director	Office Rent Paid Rs.0.72 Lacs
4	Gujarat Kiran Polyetex Ltd.	Associate Company	Purchases Of Rs. 780.55 Lacs

**Note 32 :- Cash Flow Statement  
(FOR THE YEAR ENDED 31.03.2012)****A. CASH FLOW FROM OPERATING ACTIVITY**

<b>Net Profit After Depreciation &amp; Tax</b>		598,356
<b>ADD:</b> Financial Charges	133,245	
Provision For Taxation	140,861	
Depreciation	444,225	
Interest Received	(16,457)	701,874
<b>Net Cash Profit From Operating Activities</b>		<b>1,300,230</b>
<b>ADD:</b> Increase In Inventories	(224,949)	
Increase In Trade Receivable	(4,478,156)	
Increase In Current Liabilities	1,786,765	(2,916,340)
	<b>A</b>	<b>(1,616,110)</b>

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Interest Received		16,457
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>B</b>	<b>16,457</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Repayment Of Secured Loans		(794,802)
Decrease in Loans & Advances		1,448,169
Financial Charges		(133,245)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>C</b>	<b>520,122</b>
	<b>( A+B+C )</b>	<b>(1,079,531)</b>

<b>OPENING CASH &amp; BANK BALANCES</b>		<b>2,191,420</b>
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<b>CLOSING CASH &amp; BANK BALANCES</b>		<b>1,111,889</b>
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**Notes To Cash Flow Statement**

- 1 Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

As per our attached report of even date  
**For M M S & ASSOCIATES**  
*Chartered Accountants*

**MURLI SOMANI**  
**Partner**  
**M.NO.36727**

PLACE : SURAT  
DATE : August 24, 2012

For and on behalf of Board  
**For KIRAN SYNTEX LTD.**

**Mahesh M. Godiwala**  
*Chairman & MD*

**Jigar M. Godiwala**  
*Whole Time Director*

**KIRAN Syntex Limited**  
Regd. Office : 1/324, Popat Street Nanpura, Surat, INDIA

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_ being a

Member /Members of KIRAN SYNTEX LIMITED hereby appoint Shri/Smt. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her Shri/Smt. \_\_\_\_\_

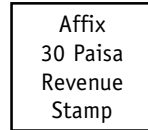
\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for

me/us and on my/our, behalf at the Annual General Meeting of the Company, to be held on 29th September, 2012 at 1.00 P.M. at Kashtriya Mochi Panch ni Wadi, above Handloom House, 2nd floor, Godavari Bhavan, Choki Sheri, Near Nanpura Police Choki, Nanpura, Surat-395001

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Registered Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_



Signature (s) of Member (s)

**Note :** This instrument of Proxy, after being duly filed 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

**Tear Here**

**KIRAN Syntex Limited**  
Regd. Office : 1/324, Popat Street Nanpura, Surat, INDIA

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. ONLY MEMBERS 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 of the Company on 29th September, 2012 at 1.00 P.M. at at Kashtriya Mochi Panch ni Wadi, above Handloom House, 2nd floor, Godavari Bhavan, Choki Sheri, Near Nanpura Police Choki, Nanpura, Surat-395001, or at any adjournment thereof.

Registered Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

\_\_\_\_\_  
Signature of the  
Shareholder / Proxy holder

**BOOK-POST  
(PRINTED MATTER)**

**TO,**

*If undelivered, please return to :*

**KIRAN Syntex Limited**

Regd. Office : 1/324, Popat Street

Nanpura, Surat-3950001, Gujarat, India.