

KAPIL COTEX LIMITED

ANNUAL REPORT 2006-2007

KAPIL COTEX LIMITED

NOTICE

Notice is hereby given that the Twenty-third Annual General Meeting of the members of Kapil Cotex Limited will be held at 305, Bewitching Apt., Miniland, Tank Road, Bhandup (W), Mumbai- 400078 on September 21, 2007 at 11.00 a.m. to transact the following Business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Yogesh N Chandak who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mrs. Poonam Prakash Rathi who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

NOTES:

- 1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBE.**
- 2..The register of Members and Share Transfer Books of the Company will remain closed from September 20, 2007 to September 21, 2007 (Both days inclusive)

By order of the Board


Director

Miniland, Tank Road,
Bhandup (W),
Mumbai – 400 078

Dated: June 6, 2007.

KAPIL COTEX LIMITED

Regd.Office:305,Bewitching Apt,Miniland,Tank Road, Bhandup (W),Mumbai-400078

DIRECTORS REPORT TO THE MEMBERS

The Directors present herewith the Twenty-third Annual Report together with the Statement of Accounts for the year ended March 31, 2007

OPERTION:

The working results of the company show a net Profit of Rs.46,346/- for the year under report.

LISTING:

The Equity Shares of the Company are listed on Mumbai Stock Exchange and the company has paid the Annual Listing Fees for the year 2007-2008.
Shares of the company have been admitted on depository system by National Securities Depository Ltd. (NSDL)

DIRECTORS:

Mr. Yogesh Chandak and Mrs.Poonam Prakash Rathi, Directors of the company would retire by rotation at the ensuing Annual General Meeting and they are eligible for re appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

As specifically required under the Companies Act, 1956, your Directors state:

- i) in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have 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 Company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars is required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

During the year the Company had strict control on wasteful electrical consumption. Lights and power were switched off whenever not necessary.

The company does not use any technology for its existing business.

Foreign Exchange Earnings : Rs. NIL
Foreign Exchange Outgo : Rs. NIL

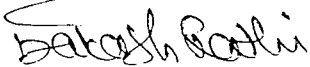
COMPLIANCE CERTIFICATE:

A Compliance Certificate from a secretary in whole time practice under Section 383A of the Companies Act. 1956 in respect of the financial year ended on March 31, 2007. is attached hereto.

AUDITORS:

M/s. Alok maheshwari & Co. Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting of the company and they are eligible for re-appointment.

You are requested to appoint Auditors and to fix their remuneration.

FOR AND ON BEHALF OF THE BOARD
Director
Director

Mumbai.
June 6, 2007.

Alok Maheshwari & Co.

A/307 Gorai Shri Datta
Guru Co Op Hsc. Soc.
Plot No. 15, Gorai-2
Borivali (West),
Mumbai-400092
Cell No. 9892175870

AUDITORS REPORT

To the Members of
KAPIL COTEX LIMITED

We have audited the attached Balance Sheet of Kapil Cotex Limited, as at 31st March 2007 and the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

1. 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 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.
2. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2007 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant Accounting Policies and other notes thereon give the information required by the



Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India:

- (i) in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
- (ii) in so far as it relates to the Profit and Loss Account, of the Loss of the Company for the year ended on that date; and
- (iii) in so far as it relates to the Cash Flow Statement, of the Company for the year ended on that date.

For Alok Maheshwari & Co.,
Chartered Accountants

Place : Mumbai
Date : 02/07/2007

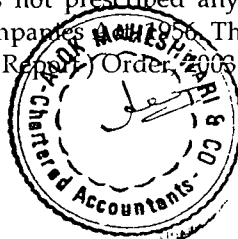


(Alok Maheshwari)
Proprietor
(M. No. 113322)

Annexure to Auditors' Report

Referred to in paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. There is no inventory held by the company during the last financial year.
3. In respect to loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - a) The Company has not granted/taken any loans secured or unsecured to/from companies firms or other parties listed in the registered maintained u/s 301 of the Companies Act.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Sanction 301 of the Companies Act, 1956
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Sanction 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Sanction 301 of the Companies Act, 1956 and exceeding Rupees 5, 00,000/- (Rs. Five Lacs only) or more in respect of each party during the year, have been made at prices which are reasonable having regard to the prevalent market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed any maintenance of Cost Records under Sanction 209 (1) (d) of the Companies Act, 1956. Therefore, the provisions of Clause (viii) of the Companies (Auditor 's Report) Order, 2003 are not applicable to the Company.



9. In respect of statutory dues.
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2006 for a period of more than six months from the date of becoming payable.
 - b) According to the information and explanation given to us, there are no disputed statutory dues to be deposited on account of matters pending before appropriate authority.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year under audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, or banks or debenture holders
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein. All shares, and other investments have been held by the Company in its own name.
15. The Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year. Therefore, clause 4(vi) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
17. In our Opinion, the funds raised on short term or long term basis have been used for the purpose for which they were raised.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not raised any money by way of a debenture issue. Therefore, the provisions of Clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



20. The Company has not raised any money by way of a public issue during the year. Therefore, the provisions of Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Alok Maheshwari & Co.,
Chartered Accountants



Place : Mumbai
Dated : : 02/07/2007

(Alok Maheshwari)
Proprietor

KAPIL COTEX LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2007

<u>SOURCES OF FUNDS :-</u>	<u>SCHEDULE</u>	<u>31ST MARCH,2007 RUPEES.</u>	<u>31ST MARCH,2006 RUPEES.</u>
Share capital	'A'	2400000	2400000
Reserve & Surplus	'B'	781698	735352
Total - A		3181698	3135352
<u>APPLICATION OF FUNDS :-</u>			
FIXED ASSETS	'C'	10794	16314
CURRENT ASSETS, LOANS & ADVANCES	'D'	2951517	3122404
		2951517	3122404
Less :CURRENT LIABILITIES & PROVISIONS	'E'	28724	3366
NET CURRENT ASSETS		2922793	3119038
MISCELLEANEOUS EXPENDITURE	'F'	248111	0
Total - B		3181698	3135352


Notes Forming Part of the Accounts

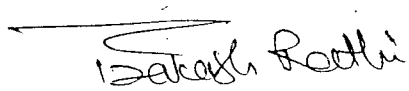
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AS PER OUR REPORT OF EVEN DATE

For ALOK MAHESHWARI & CO.
Chartered Accountants

For and on behalf of the Board of Directors


Alok Maheshwari
(Proprietor)
(M.No.113322)


(Director)


(Director)

MUMBAI : 02-07-2007

MUMBAI : 02-07-2007



KAPIL COTEX LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULE		31ST MARCH, 2007 RUPEES	31ST MARCH, 2006 RUPEES
INCOME			
Sales		Nil	Nil
Other Income:			
Interest Income		150411	28011
Total - A		150411	28011
Less:			
EXPENDITURE:			
Cost of Production		Nil	Nil
Office & Administration Cost	'G'	74821	89004
Depreciation		5520	9538
Total - B		80341	98542
) Profit (Loss) before Tax (A-B)		70070	(70531)
Provision for Tax		23666	0
Provision for FBT		58	0
Profit (Loss) after Tax		46346	(70531)
Surplus brought forward		735352	824997
Net Profit after Tax		781698	754466
Income tax Adjustment of earlier years		0	(19114)
Balance Carries to Reserve & surplus		781698	735352
Notes Forming Part of the Accounts		'H'	

AS PER OUR REPORT OF EVEN DATE

For **ALOK MAHESHWARI & CO.**
Chartered Accountants

For and on behalf of the Board of Directors

Alok Maheshwari
(Proprietor)
(M.No.113322)

(Director)

(Director)

MUMBAI : 02-07-2007

MUMBAI : 02-07-2007



KAPIL COTEX LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AS ON 31-03-2007

	31ST MARCH,2007 RUPEES	31ST MARCH,2006 RUPEES
<u>SCHEDULE:- " A ":</u>		
SHARE CAPITAL		
Authorised :		
20,00,000 Equity Shares of Rs. 10 Each	2,00,00,000	2,00,00,000
Issued ,Subscribed & paid up :		
2,40,000 Equity Shares of Rs. 10 Each	2400000	2400000
<u>SCHEDULE:- " B ":</u>		
Reserve & Surplus		
Surplus in Profit & Loss A/c	781698	735352
<u>SCHEDULE:-D :CURRENT ASSETS,LOANS & ADVANCE</u>		
a) CASH & BANK BALANCE		
i) Cash in hand	5391	23377
ii) Bank Balance with The Federal Bank Limited	1177374	954116
	1182765	977493
b) LOANS & ADVANCES		
Sundry Advances	1735000	2144911
T.D.S. Receivable	33752	0
	1768752	2144911
Grand Total	2951517	3122404



KAPIL COTEX LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

SCHEDULE:- " C ":FIXED ASSETS

DISCRIPTION OF THE ASSETS	RATE OF DEPN.	OPENING WDV AS ON 1.04.06	ADDITION DURING THE YEAR		TOTAL	DEPN. FOR THE YEAR	WDV AS ON 31.03.07
			MORE THEN 180 DAYS	LESS THEN 180 DAYS			
Computer	40%	12300	0	0	12300	4920	7380
Fax	15%	4014	0	0	4014	602	3412
		16314	0	0	16314	5520	10794
Previous Year		5352	20500	0	25852	9538	16314



KAPIL COTEX LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

	31ST MARCH,2007 RUPEES	31ST MARCH,2006 RUPEES
SCHEDULE:- " E ":		
Current Liabilities & Provisions	5000	3366
Provision for Taxation	23666	0
Provision for FBT	58	0
	28724	3366
SCHEDULE:- F:		
MISCELLEANEOUS EXPENDITURE :		
ROC FILLING FEES	153111	0
STAMP DUTY	35000	0
LISTING PROCESSING FEES	50000	0
SEBI RIGHT ISSUE PROCESSING FEES	10000	0
	248111	0

KAPIL COTEX LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	31ST MARCH,2007 RUPEES	31ST MARCH,2006 RUPEES
SCHEDULE:- ' G ' :OFFICE & ADMINISTRATIVE EXP.		
Advertisement Expenses	5000	3366
Auditor's Remuneration	3475	3548
Conveyance Exp.	4490	367
Depository Charges	0	11000
Donation	10000	10000
Listing Fees	20000	37500
Legal & Professional Fees	1742	1483
Printing & Stationery Expenses	7500	0
Rates & Taxes	19500	19500
Salary, Remuneration & Benefits	2840	2240
Sundry Exp.	35	0
Bank Charges	239	0
Fringe Benefit Tax		
Grand Total	74821	89004



KAPIL COTEX LIMITED

SCHEDULE :- 'H'

NOTES FORMING PARTS OF ACCOUNTS

Statement of Significant Accounting Policies :

1. Fixed Assets : Fixed assets are stated at cost less accumulated depreciation.

2. Depreciation & Amortisation :

Depreciation on Fixed assets is provided under the written Down Value Method at the rate and in the manner prescribed by under Income Tax Act, 1961.

3. Investments :

Company not held any investment during the previous year only fixed deposits in the Commercial bank made by company during the year

4. Inventories : Company not held any inventories during the previous year

5. Sales :

There has been nothing sales accounting in the previous year.

6. Gratuity :

No provision has been made in the accounts on accounts of gratuity which are not quantified as it is not applicable

7. Basis of Accounting :

The financial statements are prepared under the historical cost convention accordance with the companies Act 1956 and accepted accounting standards.

8. In the opinion of the management, the current Assets, Loans & Advances are not less than the value stated, if realised in the ordinary course of business.

9. Figures pertaining to previous year have been regrouped and recast wherever necessary so as to make comparable with those of the current year.

10.. Related party disclosures as required by the Accounting standard 18 "Related party Disclosures" are not applicable to the company.

11. The Company have not carried any business activity during the year. Consequently the need for separate disclosure as required under the Accounting standard 17 "segment reporting" is not considered relevant.

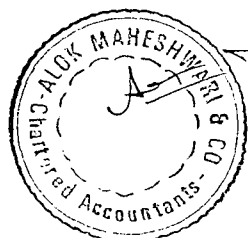
As Per our attached report of even date

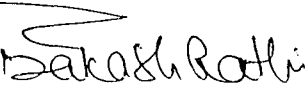
For ALOK MAHESHWARI & CO.
Chartered Accountants

For and on behalf of the Board of Directors


ALOK MAHESHWARI
(Proprietor)


MUMBAI : 02-07-2007





(Director)

MUMBAI : 02-07-2007


(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

(Amount in Rs.)

A. CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit before tax and Extraordinary Items 70070

Adjustment for :

Interest Income (150411)

Depreciation Provided during the Year 5520

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES (74821)

Adjustment For :

Increase in Sundry Creditors 1634

Other Current Assets (Loans and Advances) 376159

Net Flow before Tax Adjustment 302972

Income Tax Adjustment 0

Net Cash Flow From Operating Activities A 302972**B. CASH FLOW FROM INVESTING ACTIVITIES :**

Interest Income 150411

Miscellaneous expenditure : (248111)

Net Cash Flow From Investing Activities B (97700)**B. CASH FLOW FROM FINANCING ACTIVITIES :****Net Cash Flow From Financing Activities C 0****Net Increase in Cash and Cash Equivalents (A+B+C) 205272**

Cash and Cash Equivalents as at 01.04.2006 977493

(Opening Balance)

Cash and Cash Equivalents as at 31.03.2007 1182765

(Closing Balance)

1182765

As Per our attached report of even date

For ALOK MAHESHWARI & CO.

Chartered Accountants

For and on behalf of the Board of Directors

ALOK MAHESHWARI

(Proprietor)

MUMBAI : 02-07-2007



(Director)

MUMBAI : 02-07-2007

(Director)