

KNITWORTH EXPORTS LIMITED

16A, SHAKESPEARE SARANI, NEW B.K. MARKET, 5TH FLOOR
KOLKATA 700 071

NOTICE

Notice is hereby given that the 16th Annual General Meeting of Knitworth Exports Limited will be held at 16A, Shakespeare Sarani, New B.K. Market, 5th Floor, Kolkata – 700 071 on Monday 26th Day of September 2011 at 10:30 A.M. to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited balance sheet as at 31st March 2011 and the profit & Loss Account for the year ended on the date, together with the reports of the Directors & Auditors thereon.
- 2) To appoint a Director in place of Mr. Amarnath Chatterjee who retires by rotation and being eligible offer himself for re-appointment.
- 3) To appoint M/s. J B S & Company, Chartered Accountants, as Auditors in place of M/s. Agarwal Himatsingka & Co., the retiring auditors of Company and fix their remuneration and for the purpose, to consider and if thought fit, to pass the following resolution:
"RESOLVED THAT M/s. J. B. S. & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company in place of M/s. Agarwal Himatsingka & Co., the retiring Auditors, to hold office until the conclusion of the next Annual General Meeting at remuneration to be decided by the Board of Directors."

Registered Office
16A, Shakespeare Sarani,
New B.K. Market, 5th Floor,
Kolkata 700 071

On behalf of the Board

Amarnath Chatterjee *Deepak Banerjee*
Director Director

Dated: 27.08.2011

Notes:

- I Members are entitled to attend and vote at the meeting and he can also appoint a proxy to attend and vote at the meeting instead of him/her and the proxy need not be a member of the company.
- II The instrument of proxy, duly completed, should be lodged at the registered office of the company not less than forty eight hours before the commencement of the Annual General Meeting. Proxies shall have no right to speak at meeting.
- III. The register of member and share transfer books of the company will remain closed from 20th September to 26th September 2011 (both days inclusive).

KNITWORTH EXPORTS LIMITED

16A, SHAKESPEARE SARANI, NEW B.K. MARKET, 5TH FLOOR
KOLKATA 700 071

DIRECTOR'S REPORT

Your directors have pleasure in submitting the 16th Annual Report together with Audited Statement of Account of the company for the Year Ended 31.03.2011.

FINANCIAL PERFORMANCE :	PREVIOUS YEAR	CURRENT YEAR
Profit/(Loss) before Tax	(36408)	(6618)
Less : Provision for Income Tax	--	--
Provision for F.B.T.	--	--
Amount Available for Apportionment	(36408)	(6618)
TDS written off	--	--
Balance brought forward from Previous Year	(15059906)	(15096314)
Balance Carried to Balance Sheet	(15096314)	(15102932)

FIXED DEPOSIT

During the year under review the Company has not accepted any deposits under Section 58A of Companies Act, 1956 read with Companies (Accepting of Deposits) rules, 1975.

DIVIDEND

In the absence of adequate profits, your directors do not recommend the payment of dividend for the year under review.

AUDITORS

The statutory auditors of the company M/S AGRAWAL HIMATSINGKA & CO, Chartered Accountants, retires at the conclusion of this Annual General Meeting of the company and showing unwillingness to continue as auditor of the company. The confirmation under section 224(1B) of the Companies Act 1956 has been received from M/s J. B. S. & Company and the Board decided to appoint them as statutory auditor for the Financial year 2011-2012.

CORPORATE GOVERNANCE

Securities & Exchange Board of India (SEBI) stipulates the Corporate Governance standards for the listed companies through Clause 49 of the Listing Agreement with

the stock Exchange. Realizing the importance of these standards, your company has initiated the process of implementing them even before listing of its shares. Accordingly, the Compliance Report on Corporate Governance forms part of the Annual report. The Auditors' Certificates on compliance of the provisions of Corporate Governance is also annexed herewith and forms part of this report.

PARTICULARS OF EMPLOYEES

The particulars of employees as required to be disclosed in accordance with the previous of section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended are not required to Report as the company has no employees falling under provisions.

PARTICULARS OF THE TECHNOLOGY ABSORPTION, CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING & OUTGO

Conservation of Energy	:	Not Applicable
Technology Absorption	:	Not Applicable
Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

DIRECTORS' RESPONSIBILITY STATEMENT

In conformity with Section 217(2AA) of the Companies Act, 1956 the Directors, states:

- 1) That in the preparation of annual Accounts for the year ended the applicable accounting Standards have been followed along with proper explanations relating to material departures as stated in notes on accounts;
- 2) That 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 state of affairs of the Company at the end of financial year and profit of the Company for that year.
- 3) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- 4) The Directors have prepared the accounts for the year for the year ended on a "going concern basis".

COMPLIANCE CERTIFICATE

In accordance with Section 383A of the Companies Act, 1956 and Companies (Compliance Certificate) Rules 2001, the Company has obtained a certificate from a secretary in whole time practice confirming that the Company has complied with all the provisions of the companies Act, 1956 and a copy of such certificate is annexed to this report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the valuable contributions and co-operations received by the company from its Banker, other Associates of the Company and Statutory Authorities.

Registered Office

16A, Shakespeare Sarani,
New B.K. Market, 5th Floor,
Kolkata 700 071

On behalf of the Board

Anand Chatterjee · *Deepak Banerjee*

Director

Director

Dated: 27.08.2011

KNITHWORTH EXPORTS LIMITED

16A, SHAKESPEARE SARANI, NEW B.K. MARKET, 5TH FLOOR
KOLKATA 700 071

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

The Directors present the company's Report on Corporate Governance for the year ended March 31, 2011.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company places a strong emphasis on transparency, empowerment, accountability and integrity with the objective to continuously enhance the stakeholders' value.

The Company is in compliance with the requirements of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.

2. BOARD OF DIRECTORS

Presently, the Board comprises of two executive Director and three Non-Executive Directors. All Directors, including non-executive Directors have wide experience in their respective fields. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Board functions either as a full Board or through committees constituted by it. The Board of Directors and its committees meet at regular intervals. The following are the sub-committees of the Board:

- a) Audit Committee.
- b) Remuneration Committee.
- c) Shareholders' and Investors' Grievances Committee.

Details of Directors

Sl.No	Name of Directors	Category	Directorship*
1	Md Shakeel Ahmed	Managing Director	NIL
2	Mr.Deepak Banerjee	Director	NIL
3	Mr.Amar Chatterjee	Executive Director	NIL
4	Mr.Prasad Debnath	Director	NIL
5	Mr.partho Debnath	Director	NIL

Details of Board meeting held during the year and attendance of Directors

In the year under review the Board of Directors 6 (Six) times respectively 20.04.2010, 13.07.2010, 01.09.2010, 20.10.2010, 18.01.2011 and 16.03.2011.

Particulars of Directors attended the Board meeting are as follows:

Sl. No	Name of Directors	No. of Board Meeting held during the year	No. of Board Meeting attended
1	Md Shakeel Ahmed	6	3
2	Mr. Deepak Banerjee	6	6
3	Mr. Amar Chatterjee	6	6
4	Mr. Prasad Debnath	6	6
5	Mr. Partho Debnath	6	6

SHAREHOLDING OF DIRECTORS

Sl.No	Name of Directors	No. of Shares
1	Md Shakeel Ahmed	NIL
2	Mr. Deepak Banerjee	NIL
3	Mr. Amar Chatterjee	NIL
4	Mr. Prasad Debnath	NIL
5	Mr. Partho Debnath	NIL

3. AUDIT COMMITTEE

The current members of the Audit Committee of our Board are Mr. Deepak Banerjee -Chairman, Mr. Partho Debnath and Mr. Prasad Debnath. All of them are Independent Directors.

Brief description of the terms of reference:

- a) To review Company's Financial Reporting Process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) To recommend the appointment and removal of external auditor, and the terms of appointment.
- c) To review with management the annual financial statements before submission to the Board, focusing primarily on :
 - Any changes in Accounting Policies and Practices
 - Major accounting entries based on exercise of judgment by the management.
 - Qualifications in draft Audit Report
 - Significant adjustments arising out of audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature with promoters or the management, their subsidiaries of relatives etc. that may have potential conflict with the interests of the Company at large.
- d) To review with the management, external and internal auditors, the adequacy of the internal control systems.
- e) To review the adequacy of internal audit function, including the nature and scope of internal audit.
- f) To discuss with internal auditors any significant findings and follow up thereon.

- g) To review the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) To discuss with external auditors before the audit commences, nature and scope of audit as well as post – audit discussion to ascertain any area of concern.
- i) To review the Company's financial risk management policies.
- j) To look in to the reasons for substantial defaults, if any in the payment to the banks and creditors.

Number of meeting held and the dates on which they were held and attendance of the members.

Name of the Directors and position	Date : 31.03.2011
Mr. Deepak Banerjee-Chairman,	Yes
Mr. Prasad Debnath, Member	Yes
Mr. Partho Debnath, Member	Yes

4. REMUNERATION COMMITTEE

The current members of the Remuneration Committee of our Board are Mr. Deepak Banerjee-Chairman, Mr. Prasad Debnath and Mr. Prasad Debnath. All of them are Independent Directors.

Term of Reference: The major terms of reference of the Remuneration Committee, inter alia, consists of reviewing of overall compensation policy, service agreement and other employment conditions of the Managing /Whole time Directors with a view to retaining and motivating the best managerial talents.

Remuneration policy: The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the exiting industry practice.

Number of meeting held and the dates on which they were held and attendance of the members.

Name of the Directors and position	Date : 31.03.2011
Mr. Deepak Banerjee-Chairman,	Yes
Mr. Prasad Debnath, Member	Yes
Mr. Partho Debnath, Member	Yes

5. SHAREHOLDERS' AND INVESTORS' GRIEVANCES COMMITTEE

The current members of the Remuneration Committee of our Board are Mr. Amarnath Chatterjee-Chairman, Mr. Prasad Debnath and Mr. Prasad Debnath. The Chairman is a Executive Director and rest of them are Independent Directors.

The major terms of reference of the Shareholders and Investors Grievances committee, inter alia, consists of redressal of shareholders and investors complaints like transfer of shares, non-receipt of Balance Sheet etc. The shareholders complaints are addressed to the committee for its noting/advice and redressal. Mr. Amarnath Chatterjee is the Compliance Officer.

No meeting of the Shareholders and Investors Grievances committee was held during the year, as the company did not receive any investors' grievance during the period.

6. GENERAL BODY MEETING

Locations and time, where last three AGMs were held:

Financial Year	2009-2010	2008-2009	2007-2008
Date:	30/09/2010	30/09/2009	30/09/2008
Time:	10.30A.M	10.30A.M	10.30A.M
Venue:	8/1/1, Gurudas Dutta Garden Lane, Kolkata 700067	8/1/1, Gurudas Dutta Garden Lane, Kolkata 700067	8/1/1, Gurudas Dutta Garden Lane, Kolkata 700067

7. DISCLOSURE

- Details of non-compliance by the company and penalties imposed on the company by any Statutory Authority for the last three years: NIL
- Secretarial Audit is carried out by practicing Company Secretaries Firm M/s SR & Associates, Company Secretaries
- Statutory Auditor's Certificate certifying, as stipulated in clause 49 of the Listing Agreement with Stock Exchange that the company has complied with the conditions of Corporate Governance, is annexed to the Report. The certificate will be forwarded to the Stock Exchanges along with the Annual Report of the company.

8. General Shareholder Information

AGM Details :		
Date	:	Monday 26th Day of September 2011
Venue	:	16A, Shakespeare Sarani, New B.K.Market, 5 th Floor, Kolkata 700 071
Time	:	10.30 A. M.
Book closure	:	20 th September, 2011 to 26 th September, 2011 (both days inclusive)

Listing on Stock Exchange:

The Company's Equity Shares are listed/traded at:

S.L.No.	Name of Stock Exchange
1.	The Calcutta Stock Exchange of India Ltd. 7, Lyons Range, Kolkata-700001
2.	The Bombay Stock Exchange Ltd P J.Towers, Dalal Street, Mumbai - 400 001
3.	Jaipur Stock Exchange Ltd. Stock Exchange Building, JLN Marg, Malviya Nagar, Jaipur - 302017
4.	Madras Stock Exchange Ltd. Exchange Building, P O Box no 183, No: 30, Second Line Beach, Chennai - 600 001
5.	Ahmedabad Stock Exchange Ltd Kamdheni Complex, Opp, Sahajanand College, Panjarapole, Ambawadi, Ahmedabad - 380001

The Listing fee for the financial year 2010-2011 has been paid to the Stock Exchange where the shares of the Company are listed.

Registrars and Share Transfer Agents

Name And Address	::	S.K.Computers 34/1A, Sudhir Chatterjee Lane,, Kolkata - 700 006
Phone	::	(033) 22196797
E-mail	::	skcdilip@gmail.com

Details of Compliance Officer

Name : Mr. Amarnath Chatterjee

Address: 140, Nandan Nagar, Block-3, 23, Belgharia, North 24-Parganas,
Kolkata-700 083

Phone: 033 2356 0215

Shareholding Pattern

Category of Shareholders:

Category	No. of Shares	%of Shareholding
Promoters	2161200	42.38
Mutual Fund & Unit Trust of India	100000	1.96
Banks, Financial Institutions & Insurance Companies	----	----
Foreign Institutional Investors	----	----
Others (Non-promoters)	2839000	55.66
Total	5100200	100

9. MANAGEMENT RESPONSIBILITY STATEMENT

The Management confirms that the financial statements are in conformity with requirements of the Companies Act, 1956 and the applicable Accounting Standards in India. The management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the year-end. The company has a system of internal control, which is reviewed, evaluated and updated on ongoing basis.

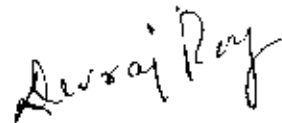
The Financial Statements have been audited by M/s AGARWAL HIMATSINGKA & COMPANY, Chartered Accountants and have been discussed with the Audit Committee.

Mr Amarnath Chatterjee, Compliance Officer of the company have certified to the Board that:-

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) 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.
- b) There are, to the best of their knowledge and belief, no transaction entered into by the company during the years which are fraudulent, illegal or violative of the company's code of conduct.

- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to the financial reporting and they have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls ,if any, of which they are aware and the steps they have or propose to take to rectify these deficiencies.

For and On Behalf of the Board



DIRECTOR



DIRECTOR

REGISTERED OFFICE AND ADDRESS FOR CORRESPONDENCE

KNITHWORTH EXPORTS LIMITED

16A, Shakespeare Sarani, New B.K. Market, 5th Floor, Kolkata 700 067

Phone: 22826809/6807

Email: **Knithworthexportslimited@yahoo.com**

AGRAWAL HIMATSINGKA & CO.
Chartered Accountants

HEAD OFFICE:

9, India Exchange Place Hillcart Road
4th Floor, R No:3 SILIGURI-734401
Kolkata-700001 Ph 2432321/16
Ph:2230 1217/81,2242 6090

BRANCHES:

R.No.206,Urmilla Towers
DHANBAD-826001
Ph 262346
e-mail : ahco@vsnl.net

AUDITORS' REPORT

TO
THE MEMBERS OF
KNITWORTH EXPORTS LIMITED

We have audited the attached Balance Sheet of **M/S. KNITWORTH EXPORTS LIMITED** as at 31st March, 2011, the Profit & Loss Account and also Cash Flow Statement of the company for the year ended on that date. These financial statements are the responsibilities 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 mis-statement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that -

- (1) As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in Paragraph (1) above :
 - (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 accounts as required by Law have been kept by the company so far as it appears from our examination of the books.
 - (c) The said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion and to the best of our information, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standard referred to in sub-Section (3C) of Section 211 of the Companies Act, 1956.



- (e) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1965.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said statements of accounts together with the other notes appearing thereon as per Schedule-"8" annexed give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.
- (i) in case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2011
- (ii) in the case of Profit & Loss Account, of the Loss of the company for the year ended on that date

AND

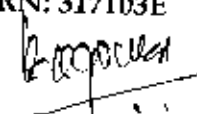
- (iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

Place: Kolkata

Dated: 27/08/2011



For Agrawal Himatsingka
& Company
Chartered Accountants
FRN: 317103E


V.K. Agrawal
(Partner)

Membership No-053243

Annexure to the Auditors' Report

Referred to in Paragraph 1 of our Report of even date

With reference to the Annexure referred to in Paragraph 1 of the Auditors' Report to the Members **M/S. KNITWORTH EXPORTS LIMITED** on the financial statements for the year ended 31st March 2011, we report the followings:

- 1)
 - 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 explain 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) Since there was no business activity, nor any commodity was dealt in/with , it is not required to be reported upon.
- 3)
 - a) According to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 during the year that need to have been entered in the register maintained under that section.
 - b) The company has not granted any loan to any such parties. However the company has overdue loans/advances given to some companies, firm and to other parties. The parties to whom loans or advances in the natures of loans has been giver by the company are not repaying the principal and /or interest as well and in most of the cases no recovery was made during the year and no provision for doubtful debts amounting to Rs 1,88,50,906/- has been made in the books.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the Investments, fixed assets and also for the sale of goods. During the course of our audit, we have observed some major weaknesses which is still continuing in internal controls which may be referred to in point no.6 of the notes on accounts of Schedule -"9" of the company.
- 5) The Company has neither taken nor given any secured or unsecured loan from/ to companies, firm or other parties covered in the register maintained under section 301 of the companies Act, 1956.



- 6) The company has not accepted any deposits from the public and consequently, the Directions issued by Reserve Bank of India and the provision of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- 7) In our opinion and explanation given to us, the Company has internal audit system commensurate with the size and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed for maintenance of the Cost Records under Clause-(d) of subsection-(1) of Section-209 of the Companies Act 1956 in respect of any product of the company.
- 9) a) According to the information and explanations given to us and on basis of our examination of the books of account, the company has been regular in depositing undisputed statutory dues including Income Tax and any other material statutory dues with the appropriate authorities during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax and other statutory dues in arrears as at 31st march, 2011 for a period exceeding six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- 10) The company has accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year but not exceeding fifty percent of the net worth covered under audit and in the immediately preceding financial year.
- 11) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.
- 12) In our opinion and according to the explanations given to us and based on the information available, 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 and according to the information and explanations given to us, the Company is not a Chit fund/ Nidhi/Mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.



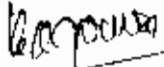
- 14) The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. Accordingly, the provisions of clause 4(XIV) of the companies (Auditor's Report) Order 2003 are not applicable to the company.
- 15) According to the information and explanations given to us, the company has not given any guarantee for loan taken by other from banks or financial institution.
- 16) According to the information and explanations given to us and on the basis of examination, the Company has not taken term loan during the period. Therefore, the Provisions of clause 4 (xvi) of the Order are not applicable to the Company.
- 17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short term basis that have been used for long term investments.
- 18) The Company has not made any preferential allotment of share to companies/firm/parties covered in the register maintained under section-301 of the Companies Act, 1956.
- 19) The Company has not issued debenture during the financial year. Therefore, the Provisions of clause 4 (xix) of the Order are not applicable to the Company.
- 20) The Company has not raised any money by way of public issues during the year.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For Agrawal Himatsingka & Company
Chartered Accountants
FRN: 317103E

Place: Kolkata

Dated: 27/09/2011




V.K. Agrawal
(Partner)
Membership No-053243

KNITWORTH EXPORTS LIMITED

Balance Sheet as on 31st March 2011

	Schedule No	As on 31.03.2011	As on 31.03.2010
		Amount(Rs)	Amount(Rs)
I SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Capital Account			
Equity Share capital	1	49,398,250	49,398,250
TOTAL		<u>49,398,250</u>	<u>49,398,250</u>
II APPLICATION OF FUNDS			
FIXED ASSETS	2		
Gross Block		9,265,289	9,265,289
Less: Depreciation		7,502,540	7,502,540
Net Block		<u>1,762,749</u>	<u>1,762,749</u>
INVESTMENTS	3	13,845,000	13,845,000
CURRENT ASSETS, LOANS AND ADVANCES			
Cash & Bank Balances	4	48,455	48,455
Loans & Advances	5	18,856,906	18,856,906
		<u>18,905,362</u>	<u>18,905,362</u>
LESS : CURRENT LIABILITIES & PROVISIONS	6		
Current Liabilities		217,290	210,672
Provisions		502	502
		<u>217,792</u>	<u>211,174</u>
NET CURRENT ASSETS		18,687,569	18,694,187
MISCELLANEOUS EXPENDITURE			
Profit & Loss Account(as per accounts annexed)		15,102,932	15,096,314
TOTAL		<u>49,398,250</u>	<u>49,398,250</u>
Significant Accounting Policies and Notes on Accounts	8		

As per our report of even date annexed

Agrawal Himatsingka & Company
Chartered Accountants

FRN No: 317103E

V.K.Agrawal
(Partner)



Place: Kolkata

Date: 27/08/2011

For and on behalf of the Board

Anwar Chatterjee
Director

Deepak Banerjee
Director

KNITWORTH EXPORTS LIMITED

Profit & Loss Account for the year ended 31st March, 2011

		<u>Schedule No As on 31.03.2011</u>	<u>As on 31.03.2010</u>
		<u>Amount(Rs.)</u>	<u>Amount(Rs.)</u>
I INCOME			
Sales		-	-
	TOTAL	-	-
II EXPENDITURE			
Administrative, Selling & Distribution Expenses	7	6,618	36,408
		6,618	36,408
PROFIT/(LOSS) BEFORE TAX		(6,618)	(36,408)
Less: Provision for Tax		-	-
PROFIT/(LOSS) AFTER TAXATION		(6,618)	(36,408)
Profit/(Loss) brought forward from Previous Year		(15,096,314)	(15,059,906)
Balance Carried to Balance Sheet		<u>(15,102,932)</u>	<u>(15,096,314)</u>
Earnings Per Shares :			
Basic		(0.00)	(0.01)
Diluted		(0.00)	(0.01)
Singificant Accounting Policies and Notes on Accounts	8		

As per our report of even date annexed

Agrawal Himatsingka & Company
Chartered Accountants

FRN No: 317103E

V.K. Agrawal
V.K. Agrawal
(Partner)



FOR & ON BEHALF OF THE BOARD

Anirudh Chatterjee
Director

Deepak Banerjee
Director

Place: Kolkata

Date: 27/08/2011

KNITWORTH EXPORTS LIMITED

Cash flow statement as on 31.03.2011

Particulars	Amount	Amount
A. <u>Cash Flow From Operating Activities</u>		
Profit/(Loss) Before Tax	(6,618.00)	
Depreciation	-	(6,618.00)
<u>Operating Profit Before Working Capital Changes</u>		
Adjustment for:		
(Increase) Decrease in Inventories	-	
(Increase) Decrease in Sundry Debtors	-	
(Increase) Decrease in Loans & Advances	-	
Increase (Decrease) in Current Liabilities	6,618.00	
Net Cash from Operating Activities	6,618.00	
B. <u>Cash Flow From Investing Activities</u>		
Decrease in Capital W / P of Fixed Assets		
Purchase of Investment		
Net Cash from Investing Activities		
C. <u>Cash Flow From Financing Activities</u>		
There is no any Inflow or Outflow from Financing Activities		NIL
Net (Decrease) Increase in Cash & Cash Equivalents		
Opening Cash & Cash Equivalents		48,455.00
Closing Cash & Cash Equivalents		48,455.00

Notes to the Cash Flow Statement:

- The Cash Flow Statement has been prepared in accordance with requirement of Accounting Standard-3.
- Cash Flow have been reported using the indirect method, where by the net profit is adjusted for the effects of the transactions of the non cash nature and deferrals or accruals of past or future cash receipts or payments, segregated between cash flows.
- Cash and cash equivalents balances held by the company are available for its use.

As per our report of even date annexed

For Agrawal Himatsingka & Company
Chartered Accountants

FRN No.317103F

V.K.Agrawal
Partner

Membership No.083243

Place: Kolkata

Date: 27/08/2011



For and on behalf of the Board

Amar Chatterjee
Director

Deepak Banerjee
Director

KNITWORTH EXPORTS LIMITED

	As on 31.03.2011 31.03.2011 Amount (Rs)	As on 31.03.2010 Amount (Rs)
Schedule No 1		
SHARE CAPITAL :		
AUTHORISED :		
60,00,000 Equity Shares of Rs 10/- each	60,000,000.00	60,000,000.00
	<u>60,000,000.00</u>	<u>60,000,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
51,00,200 Eq. Shares of Rs.10/- Each fully paid up In Cash	51,002,000.00	51,002,000.00
Less : Allotment Money in arrears	1,603,750.00	1,603,750.00
	<u>49,398,250.00</u>	<u>49,398,250.00</u>

Schedule No 3**INVESTMENTS : (Long Term)****NON-TRADE UNQUOTED:****In Equity Shares of Rs 10/- each**

	Quantity		
Arham Tradelink Ltd.	20,000	200,000.00	200,000.00
B K. Investment Services P.Ltd.	40,000	400,000.00	400,000.00
Dhanvant Barter Pvt. Ltd.	45,000	450,000.00	450,000.00
Gangvijay Commotrade Pvt. Ltd	65,000	650,000.00	650,000.00
Humalife Distributers Pvt Ltd	35,000	350,000.00	350,000.00
Jill Chem Tieup Pvt. Ltd	25,000	250,000.00	250,000.00
Jobner Dealers Pvt Ltd	20,000	200,000.00	200,000.00
Manimaya Vyapar P.Ltd	50,000	500,000.00	500,000.00
Multiplus Resources Ltd.	100,000	1,000,000.00	1,000,000.00
Nishraj Traders Pvt.Ltd.	45,000	450,000.00	450,000.00
Paintings and Artifacts	120,000	1,200,000.00	1,200,000.00
Panchwati Tieup Pvt Ltd	40,000	400,000.00	400,000.00
Shriya Securities Ltd	50,000	500,000.00	500,000.00
Shyam Sanitary Pvt Ltd.	10,000	100,000.00	100,000.00
Star Projects & Infrastructure Pvt Ltd	497,000	4,970,000.00	4,970,000.00
Sumil Trexim Pvt.Ltd	40,000	400,000.00	400,000.00
Sumitra Securities Ltd	180,000	1,800,000.00	1,800,000.00

IN GOVT SECURITIES- UNQUOTED

6 yrs National Saving Certificate Pledged with Commercial Tax Dept	25,000.00	25,000.00
	<u>13,845,000.00</u>	<u>13,845,000.00</u>

Schedule No 4**CASH & BANK BALANCE**

Cash in Hand (as certified by the Management)	19,186.39	9,186.39
Balance with Scheduled Bank in Current Account	29,268.84	39,268.84
	<u>48,455.23</u>	<u>48,455.23</u>



SCHEDULE - 2

KNITWORTH EXPORTS LIMITED

FIXED ASSETS

(In Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK		
	COST AS ON 1.04.2010	ADDITIONS (Adjustment)	COST AS ON ON 31.3.2011	UP TO 31.03.2010	FOR THE YEAR	UP TO 31/3/2011	AS ON 31/3/2011	AS ON 31/3/2010
PLANT & MACHINERY	9,105,445.00	-	9,105,445.00	7,373,105.00	-	7,373,105.00	1,732,340.00	1,732,340.00
ELECTRIC INSTALLATION	159,844.00	-	159,844.00	129,435.00	-	129,435.00	30,409.00	30,409.00
TOTAL	9,265,289.00	-	9,265,289.00	7,502,540.00	-	7,502,540.00	1,762,749.00	1,762,749.00
PREVIOUS YEAR	9,440,926.00	(175,637.00)	9,265,289.00	7,669,794.00	(187,254.00)	7,502,540.00	1,762,749.00	



SCHEDULES FORMING PART OF STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31/3/2011

Schedule No 5

Advances

(Unsecured, considered good, recoverable
in cash or in kind or for value to be received)

<u>18,856,906.38</u>	<u>18,856,906.38</u>
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Schedule No 6

CURRENT LIABILITIES & PROVISION:

CURRENT LIABILITIES

Liabilities for Expenses	211,201.50	204,583.50
Liabilities for Others	6,088.92	6,088.92
	<u>217,290.42</u>	<u>210,672.42</u>

PROVISIONS

Prov. For FBT	502.00	502.00
	<u>502.00</u>	<u>502.00</u>

Schedule No 7

**ADMINISTRATIVE, SELLING
& DISTRIBUTION EXPENSES**

Auditor's Remuneration	6,618.00	6,618.00
Bank Charges	-	49.64
Conveyance	-	700.00
Legal /Consultancy Fee	-	17,976.00
Miscellaneous Expenses	-	1,664.00
Post & Telegraph	-	3,400.00
Printing & Stationery	-	6,000.00
Sundry Bal W/off	-	0.36
	<u>6,618.00</u>	<u>36,408.00</u>



KNITWORTH EXPORTS LIMITED

Schedule – "8"

(Schedule Annexed to and forming part of Accounts for the year ended 31st March 2011)

Significant Accounting Policies and Notes on Accounts

A) Significant Accounting Policies.

1. General :

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956 as adopted consistently by the Company except interest on NSC pledged with the commercial Tax Department.
- b) The Company is a medium –sized Company(SMC) as defined in the General Instruction in respect of Accounting Standards notified under the companies Act,1956. Accordingly, the company has complied with the Accounting Standards as applicable to a Small and Medium sized company.

2. Basis of Accounting :

All the Income and Expenditures are recognized on Accrual Basis except Rates & Taxes that is accounted for on Cash Basis.

3. Fixed Assets & Depreciation:

Fixed assets are stated at their original cost of acquisition and cost of installation including all expenses attributable to bring the assets to its intend use

No depreciation on Fixed Assets has been provided for during the year as the assets were obsolete and were not to put in use.

4. Investments :

Investments being long terms and non trade investment are valued at cost and provisions for diminution if any other than temporary is made to recognize decline in the value of investments on the basis of market/break up value as applicable.

5. Contingent Liabilities:

Contingent Liabilities are determined on the basis of available information and are disclosed by way of notes to the accounts.

B) Notes on Accounts :

1. The parties to whom loans and advances have been given by the company are not repaying principal. Though the management considers such loans and advances amounting to Rs. 1,88,56,906/- as recoverable, no provision has been made in the books of accounts.



2. As per explanations and information furnished, the company has advance a sum of Rs.50,00,000/- to the Bangur Finance Limited against collateral security of 34000 Equity Shares of Bank of Rajasthan Ltd. The Bangur Finance Ltd. have defaulted on repayment of principal and interest. The management has sold some of these shares but 101000 equity shares were lost from the possession of the company and a suit for loss and issue of duplicate shares were filed in City Civil Court of Kolkata. The matter is subjudice.
3. The Company is having deferred tax assets in view of carry forward losses. as a matter of prudence , the same has not been recognized as per the processing of Accounting Standard -22 issued by ICAI.
4. Previous Year's figures have been regrouped or rearranged wherever considered necessary for comparison.
5. Schedules 1 to 8 form an integral part of account and have been duly authenticated.
6. Additional information pursuant to part iv of schedules in the Companies Act, 1956 is given Annexure 'A'

As per our report of even date Annexed

For Agrawal Himatsingka & Company
Chartered Accountants

For & on behalf of the Board

V.K. Agrawal
V.K. Agrawal
(Partner)



Place : Kolkata

Date : 27/08/2011

Anirban Chatterjee
Director

Director

Debanjan Banerjee
Director

Director

KNITWORTH EXPORTS LIMITED

Annexure -A'

**Balance Sheet Abstract and Company's Business Profile as per Part-IV
of Schedule -VI of the Companies Act,1956**

1. REGISTRATION DETAILS

Registration No : 21-65138 STATE CODE 21
Balance Sheet Date : 31/03/2011

2. CAPITAL RAISED DURING THE YEAR (in thousand)

PUBLIC ISSUE : NIL RIGHTS ISSUE : NIL
BONUS ISSUE : NIL PRIVATE PLACEMENT : NIL

3. Position of Mobilisation and Development of Funds (Rupees in thousands)

Total Liabilities : 49398 Total Assets : 49398

SOURCES OF FUNDS

APPLICATION OF FUNDS

Paid Share Capital : 49398 Net fixed Assets : 1763
Reserve & Surplus : NIL Investments : 13845
Secured Loans : NIL Net Current Assets : 18,688
Unsecured Loans : NIL Misc.Expenditures : NIL
Accumulated Losses : 15103

4. PERFORMANCE OF THE COMPANY (Rupees in thousands)

Turnover : 0 Total Expenditure : 7
(+)Profit)before Tax : (7) Profit/Loss after Tax: (7)
(-)Loss} (+) (-)
Earning per Share : (Rs) NIL Dividend Rate % NIL

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :

Item Code No. : NIL Product Description : Hosiery Goods
Item Code No. : NIL Product Description : NIL

For Agrawal Himatsingka & Company
Chartered Accountants
FRN No.317103F

V.K.Agrawal
Partner
Membership No.053243
Date. 27/08/2011

For & on Behalf of the Board

Anand Chatterjee
Director

Director

Director