

**BAFNA SPINNING MILLS
&
EXPORTS LIMITED**

Registered Office

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

21st

ANNUAL REPORT

2011-2012

BAFNA SPINNING MILLS & EXPORTS LIMITED

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

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

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

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

BAFNA SPINNING MILLS & EXPORTS LIMITED
NOTICE

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

ORDINARY BUSINESS:

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

Place: Coimbatore
Date: 01/09/2012

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



Sd/-
CHAIRMAN

NOTES: -

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

BAFNA SPINNING MILLS & EXPORTS LIMITED

DIRECTORS' REPORT

To,
The Members,
BAFNA SPINNING MILLS & EXPORTS LIMITED

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

1. Financial Results

(Rs. in Lacs)

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

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

2. Directors

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

3. Personnel

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

4. Sub-division of Equity Shares:

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

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

5. Auditors

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

6. Deposits

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

7. Energy, Technology And Foreign Exchange

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

8. Directors' Responsibility Statement

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

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

9. Auditor's Qualification

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

10. Report on Corporate Governance

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

11. Acknowledgements

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

PLACE: COIMBATORE

FOR AND ON BEHALF OF THE BOARD

DATE : 01/09/2012



Sd/-
CHAIRMAN

ANNUAL REPORT 2011-12

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

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

REPORT ON CORPORATE GOVERNANCE

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

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

1. BOARD OF DIRECTORS

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

P- Present A- Absent

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

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

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

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

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

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

2. AUDIT COMMITTEE

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

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

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

The scope of committee includes.

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

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

3. REMUNERATION COMMITTEE

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

4. SHAREHOLDERS' COMMITTEE

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

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

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

During the year, the company and their Registrar and Share Transfer Agents M/s Cameo Corporate Services Limited has not received any complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

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

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

5. GENERAL BODY MEETING:

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

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

6. DISCLOSURES:

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

7. MEANS OF COMMUNICATION:

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

8. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting (Date, Time & Venue)	Date : 28/09/2012 Time : 11.00 a.m. Venue: "Viaweswaram" 132, West Venkatsamy Road, R S Puram, Coimbatore-641002
Financial Calendar	:1 st April 2011 to 31 st March 2012
Date of Book Closure:	From 21 st Sept.2012 to 28 th Sept. 2012 (Both days inclusive)
Dividend Payment Date:	No Dividend declare

9. LISTING OF STOCK EXCHANGE:

The Bombay Stock Exchange Limited
The Madras Stock Exchange Limited
The Coimbatore Stock Exchange Limited

10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED:

MONTH	HIGH (RS.)	LOW (RS.)
April, 2011	2.13	0.37
May, 2011	0.46	0.33
June, 2011	0.37	0.26
July, 2011	0.29	0.24
August, 2011	0.27	0.20
September, 2011	0.37	0.28
October, 2011	0.29	0.22
November, 2011	0.26	0.20
December, 2011	0.25	0.20
January, 2012	0.22	0.20
February, 2012	0.21	0.20
March, 2012	0.20	0.20

12. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2012:

Particular	No of Shares	Percentage
Promoters and Relatives	750000	0.39
Bodies Corporate	22960099	11.80
Public	169976901	87.38
Clearing Members	481000	0.25
HUF	354000	0.18

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13. REGISTRAR AND SHARE TRANSFER AGENT:

M/s Cameo Corporate Services Limited.

Chennai.

14. SHARE TRANSFER SYSTEM:

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

15. DEMATERIALISATION OF SHARES:

Outstanding GDRs/ADRs/Warrants or any Convertibles : N.A.
instruments and conversion date and likely impact on Equity

Address for Correspondence : "Viaweswaram"
132, West Venkatsamy
Road,
R S Puram,
Coimbatore-641002

139128100 shares out of 194522000 Equity shares of the company have been dematerialized as at 31st March, 2012 representing 71.52% of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 01/09/2012

BAFNA SPINNING MILLS & EXPORTS LIMITED

Place : Coimbatore



Mr. Sidhraj Bafna
(Managing Director)

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review:

The overall performance during the financial year 2011-12 has been satisfactory.

2. Financial Review:

Total turnover for the year ended 31st March, 2012 was Rs. 45,25,000/-. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weight age was laid upon.

3. Internal Control System and their adequacy:

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment:

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern:

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

6. Cautionary Statement:

Statements 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 different 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 responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event

BY ORDER OF THE BOARD OF DIRECTORS

For Bafna Spinning Mills & Exports Limited

Place: Coimbatore

Date: 01/09/2012



Mr. Sidhraj Bafna

(Managing Director)

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CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. Sidhraj Bafna, Managing Director of the Bafna Spinning Mills & Exports Limited certify that:

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief :
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. .
 - (b) These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee:
 - (a) Significant changes in internal control over financial reporting during the year.
 - (b) Significant changes in accounting policies during the year;
 - (c) Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 01/09/2012

Place : Coimbatore



Mr. Sidhraj Bafna

(Managing Director)

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**DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR ABOUT
CODE OF CONDUCT**

I, Mr. Sidhraj Bafna, Managing Director of Bafna Spinning Mills & Exports Limited hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of Bafna Spinning Mills & Exports Limited has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2012.

Place: Coimbatore

Date: 01/09/2012



Mr. Sidhraj Bafna

(Managing Director)

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE


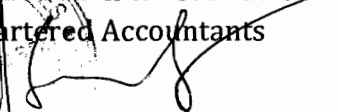
To,
The Members of
BAFNA SPINNING MILLS & EXPORTS LIMITED
Coimbatore.

We have examined the compliance of the conditions of corporate Governance by **BAFNA SPINNING MILLS & EXPORTS LIMITED** for the year ended on March 31, 2012, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an 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.

Place : Ahmedabad
Date : 01/09/2012


K. R. Shah & Associates
Chartered Accountants

K. R. Shah
(Proprietor)
(M. No.- 034612)

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AUDITOR'S REPORT

To
The Members of
BAFNA SPINNING MILLS & EXPORTS LIMITED
Coimbatore

We have audited the attached Balance Sheet of **BAFNA SPINNING MILLS & EXPORTS LIMITED**, as at 31st March, 2012 together with the Profit & Loss Account and the Cash Flow statement 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 check 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.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of the Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the annexure referred to above, we report that:

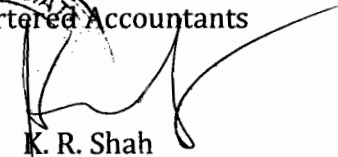
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - b. In our opinion proper books of accounts as required by law have been kept by the company so far as it appears from our examination of books of accounts.
 - c. The Balance Sheet, Statement of Profit and Loss and 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 this report are in compliance with the accounting standards referred to in Section 211 (3C) of the companies Act, 1956.
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- e. On the basis of written representations received from the directors as on 31st March, 2012 and taken on records by the Board of Directors, we report that none of the directors of the company are disqualified from being appointed as directors of the company under 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 explanation given to us, the said accounts read together with the Significant Accounting Policy and Notes thereto give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India;
- (i) In the case of the Balance Sheet, of the state of affairs of the company as on 31st March, 2012;
- (ii) In the case of the statement of Profit & Loss, Accounts of the Loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Ahmedabad

Date : 01/09/2012

K. R. Shah & Associates
Chartered Accountants



K. R. Shah
(Proprietor)
(M. No.- 034612)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDITORS REPORT OF
EVEN DATE OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st
MARCH, 2012**

On the basis of such checks as we considered appropriate and the terms of the information and explanations given to us, we state that:

1. (a) The Company has maintained proper records showing full particulars including quantitative and situation of fixed assets.

(b) As explained to us fixed assets are physically verified by the management at reasonable intervals in a phased verification program, which in our opinion is reasonable looking to the size of the company and the nature of its business.

(c) In our opinion, the company has not disposed off any substantial part of its fixed assets so as to effect in it going concern.
2. The Company does not hold any stocks of finished goods, stores, spare parts, work-in-progress or raw materials. Hence the question of physical verification, reconciliation, maintenance or records, discrepancies or valuation does not arise.
3. In respect of 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 taken loans from Mr. SR Bafna, the Managing Director of the Company in the year 2009-10. The Maximum amount involved was Rs. 7,82,162/- and the outstanding balance at the end of the year is Rs. 7,82,162/-. The Company has not granted any loans to the parties covered In the register required to be maintained u/s 301 of the Companies Act, 1956.

(b) No interest is charged for the above loan taken.

(c) There is no stipulated repayment schedule for the above loan.
4. In our opinion and according to the information and given to us, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of fixed assets and other stock in trade. During the course of audit, no major weakness in internal control had come to notice.
5. (a) On the basis of the audit procedure performed by us, and according to the information and explanations given and representations given to us, we are of the opinion that, there were no transactions in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and so question of making entries in the register maintained under Section 301 of the said Act, does not arise.

- (b) In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements exceeding the value of rupees five lacs during the year, so the question of making entries in the Register maintained u/s 301, do not arise.
6. The company has not accepted any deposit from public cover u/s 58A, 58AA or any other relevant provisions of the Companies Act 1956 read along with companies (Acceptance of deposits) rules 1973 and the directive issued by the Reserve Bank of India.
 7. The Company has no separate Internal audit system during the year under audit.
 8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the company.
 9. According to the information and explanations given to us no disputed amounts payable in respect of Income Tax, Sales tax, Custom duty and Excise duty were outstanding as at 31st March, 2012 except the following:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Income Tax with Interest	1,81,010/-	A.Y. 2008-09	30/09/2008	Outstanding
Income Tax Act, 1961	Advance Tax	10,41,301.35	A.Y. 2009-10	30/09/2009	Outstanding
Income Tax Act, 1961	Advance Tax	9,88,864.82	A.Y. 2010-11	30/09/2010	Outstanding

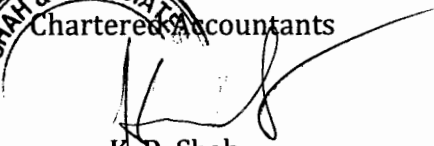
10. The Company has neither accumulated losses nor incurred cash losses at the end of the financial year and in the immediately preceding year.
11. As the Company has not obtained any loans from financial institutions, the question of default in repayment of dues does not arise.
12. As examined to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, or any other securities.
13. In our opinion, the company is not a chit fund or a nidhi fund / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report order 2003 is not applicable.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in respect of shares, securities debentures and other investments. According to the provision of clause 4 (xiv) of the companies (Auditor Report) order 2003 are not applicable to the company.

15. According to the information and explanation given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. The company has not raised any term loan during the year under review.
17. According to the information and explanation given to us and on overall examination of the financial statements of the company and after placing reliance on the reasonable assumption made by the company for classification of long term and short term usage's of funds, we are of the opinion that, prima-facie, long term funds have not been utilized for short term purposes.
18. The company has not made any issue of shares during the year under audit. Hence the question of preferential allotment of shares to parties and companies covered in the register mentioned under section 301 does not arise.
19. The Company has not issued any debentures.
20. The Company has not issued any money by way of public issue, during the year.
21. According to the information and explanation given to us, and to the best of our knowledge and benefit, no fraud on or by the Company, has been noticed or by the company, during the year that clauses the financial statements to be materially misstated.

Place : Ahmedabad

Date : 01/09/2012

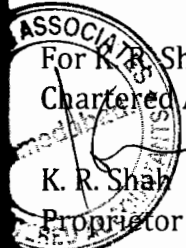
K. R. Shah & Associates
Chartered Accountants


K. R. Shah
(Proprietor)
(M. No.- 034612)

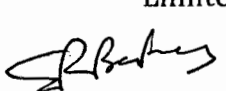

BAFNA SPINNING MILLS & EXPORTS LIMITED

Balance Sheet as at 31st March, 2012

	Note	31/03/2012	31/03/2011
I. EQUITY and LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	19,45,22,000	19,45,22,000
(b) Reserves and Surplus	2	38,43,066	37,72,954
Non Current Liabilities			
(a) Long Term Borrowings		0	0
(b) Deferred Tax Liabilities (Net)		0	0
Current Liabilities			
(a) Short Term Borrowings		7,82,162	7,82,162
(b) Trade Payables	3	0	74,56,75,885
(c) Other Current Liabilities		0	0
(d) Short Term Provisions		54,864	54,864
TOTAL- I		19,92,02,092	94,48,07,865
II- ASSETS			
Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	4	3,81,28,997	3,81,28,997
(ii) Capital work in progress		2,78,44,251	2,78,44,251
(b) Non Current Investments		0	0
(c) Long Term Loans & Advances		0	0
Current Assets			
(a) Inventories		0	0
(b) Trade Receivables	5	0	75,22,43,218
(c) Cash & Cash Equivalants	6	68,43,355	2,05,910
(d) Short Term Loans & Advances	7	12,63,85,489	12,63,85,489
TOTAL- II		19,92,02,092	94,48,07,865


 For K. R. Shah & Associates
 Chartered Accountants
 K. R. Shah
 Proprietor
 Mem. No. 034612

For Bafna Spinning Mills & Exports
 Limited



 Director Director

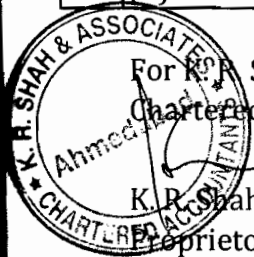
Place : Ahmedabad
Date : 1/9/2012

Place : Coimbatore
Date : 1/9/2012

BAFNA SPINNING MILLS & EXPORTS LIMITED

Statement of Profit & Loss Account for the year ended on 31st March, 2012

	Note	31/03/2012	31/03/2011
TOTAL INCOME			
I Revenue form Operations	8	45,25,000	0
II Other Income		0	6,40,000
III TOTAL INCOME (I +II)		45,25,000	6,40,000
IV EXPENSES			
(a) Cost of Materials consumed		24,11,000	0
(b) Purchase of Stock in Trade		0	0
(c) Change in inventory of finished goods, stock in trade and work in progress		0	0
(d) Employee Benefit Expenses		12,05,000	0
(e) Other Expenses	9	7,70,106	3,60,000
Finance Cost		0	0
Depriciation & Amortisation expenses	4	33,257	1,18,589
V Total Expenses		44,19,363	4,78,589
VI Profit before Exceptional Items & Extraordinary Items & Tax (V-III)		1,05,637	1,61,411
Exceptional Items		0	0
Profit before Extraordinary Items & Tax		1,05,637	1,61,411
Extraordinary Items		0	0
VII Profit before Tax		1,05,637	1,61,411
VIII Tax Expenses			
(1) Current Tax		35,525	54,864
(2) Deferred Tax		0	0
IX Profit for the period (VII-VIII)		70,112	1,06,547
X Earning per Equity Shares			
(1) Basic		0.0003	0.0005
(2) Diluted		0.0003	0.0005



For K.R. Shah & Associates

Chartered Accountants

K. R. Shah

Proprietor

Mem. No. 034612

Place : Ahmedabad

Date : 1/9/2012

For Bafna Spinning Mills &
Exports Limited

[Signature] *[Signature]*

Director

Director

Place : Coimbatore

Date : 1/9/2012

BAFNA SPINNING MILLS & EXPORTS LIMITED

Particulars	31/03/2012	31/03/2011
NOTE -1 Share Capital		
Authorised Share Capital		
21,00,00,000 equity shares of Rs. 1/- each	21,00,00,000	21,00,00,000
Issued, Subscribed & paid up Share Capital		
19,45,22,000 equity shares of Rs. 1/- each fully paid up	19,45,22,000	19,45,22,000

1.1 Till 31st March, 2011

*Authorised Share Capital - 4,20,00,000 equity shares of Rs. 5/- each fully paid
Issued, Subscribed & Paid up Capital- 3,89,04,400 equity shares of Rs. 5/- each fully paid*

Company has sub divided equity shares such that each existing Equity Shares in the Authorized Share Capital of the face value of Rs. 5/- (Rupees Five) each of the Company be and is hereby sub-divided into 5(five) equity shares of the face value of Rs.1/- (Rupees One) each

1.2 The Company has only one class of equity shares at par value of Rs. 5/- per share. Each holder of Equity shares is entitles to one vote per share

1.3 Shares in the Company held by other Company

Particulars	31/03/2012	31/03/2011
NIL	0	0

1.4 Shareholders holding more than 5% of shares

Particulars	31/03/2012	31/03/2011
NIL	0	0

1.5 Amount of Unpaid Calls by-

Particulars	2011-12	2010-11
Directors	0	0
Officers	0	0

NOTE -2 Reserves & Surplus		
Particulars	31/03/2012	31/03/2011
Capital Reserve	0	0
Profit & Loss Account:		
Balance as per last balance sheet	37,72,954	36,66,407
Add: Profit for the year	70,112	1,06,547
TOTAL	38,43,066	37,72,954

NOTE -3 Trade Payable		
Particulars	31/03/2012	31/03/2011
Sundry Creditors - Young Enterprises - Ahmedabad	0	74,56,75,885

NOTE - 5 Trade Receivables		
Particulars	31/03/2012	31/03/2011
Sundry Debtors- Shilpa Enterprises-Ahmedabad	0	75,22,43,218
TOTAL	0	75,22,43,218

NOTE - 6 Cash & Cash Equivalent		
Particulars	31/03/2012	31/03/2011
Cash in hand	68,33,115	1,95,670
Balance with ICICI Bank	4,788	4,788
Balance with Indian Overseas Bank	867	867
Balance with Navnirman Co-op Ahmedabad	1,128	1,128
Balance with Punjab National Bank	3,457	3,457
TOTAL	68,43,355	2,05,910

NOTE - 7 Short Term Loans & Advances

Particulars	31/03/2012	31/03/2011
Deposits:		
Office Advances	25,000	25,000
Electricity Temporary Deposit	83,100	83,100
Electricity EMD HT	7,18,100	7,18,100
Telephone Deposit	87,600	87,600
Sales Tax Deposit	2,000	2,000
Security Deposit Public Issue	9,18,000	9,18,000
Fixed Deposit	1,75,00,000	1,75,00,000
Total	1,93,33,800	1,93,33,800

Loans & Advances		
Southern Pest Control	67,000	67,000
Abulkaria Stone Contractor	2,19,707	2,19,707
Neelgiri Engineering Co.	38,43,438	38,43,438
Bafna Construction	2,08,70,000	2,08,70,000
Shivkumaram Spinning Mills (P) Ltd.	33,57,405	33,57,405
Total	2,83,57,550	2,83,57,550
Machinery Advance		
Allied Engineering Company	1,00,000	1,00,000
Sampath Plastic	37,75,000	37,75,000
ALS Engineering Works	44,000	44,000
Marzoli- Italy	2,55,55,500	2,55,55,500
Luwa India	99,00,000	99,00,000
Control Engg. Co.	20,00,000	20,00,000
Shree Percoated Steels	4,00,000	4,00,000
Bakelite Hylum	13,50,000	13,50,000
Savio Tessili	69,12,639	69,12,639
Jaydeep Engg.	3,50,000	3,50,000
Nicco Corporation	3,00,000	3,00,000
Jwala Aluminium	3,00,000	3,00,000
Luva AG	2,77,07,000	2,77,07,000
Total	7,86,94,139	7,86,94,139

SCHEDULE - 4 FIXED ASSETS

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK			
	Cost as on 1.4.2011	Addition	Total	Up to 31.03.2011	For the year 31.03.2012	Total as on 31.03.2012	Opening	Closing
Land	35,82,883	0	35,82,883	0	0	35,82,883	35,82,883	35,82,883
Building Factory	3,36,10,905	0	3,36,10,905	0	0	3,36,10,905	3,36,10,905	3,36,10,905
Borewell	53,864	0	53,864	0	0	53,864	53,864	53,864
Elec. Fittings- Factory	94,208	0	94,208	0	0	94,208	94,208	94,208
Generator Shed	1,40,369	0	1,40,369	0	0	1,40,369	1,40,369	1,40,369
Generator Factory	1,34,158	0	1,34,158	0	0	1,34,158	1,34,158	1,34,158
Furniture Factory	2,78,758	0	2,78,758	0	0	2,78,758	2,78,758	2,78,758
Stores & Spares	54,787	0	54,787	0	0	54,787	54,787	54,787
Elec. Fittings- Office	99,998	0	99,998	70,184	4,472	74,656	25,342	29,814
Furniture- Office	4,94,022	0	4,94,022	4,91,403	524	4,91,927	2,095	2,619
Air conditioners	1,77,232	0	1,77,232	1,27,611	7,443	1,35,054	42,178	49,621
UPS Office	36,644	0	36,644	26,600	1,507	28,107	8,537	10,044
Vehicle Car	4,37,402	0	4,37,402	4,37,351	13	4,37,364	38	51
Vehicle Scooter	14,932	0	14,932	13,834	275	14,109	3,823	1,098
Vehicle Cycle	2,442	0	2,442	2,441	0	2,441	1	1
Refrigerator	16,553	0	16,553	12,259	4,294	16,553	0	4,294
Computers	2,78,687	0	2,78,687	2,39,059	9,907	2,48,966	29,721	39,628
Fax Machines	44,839	0	44,839	31,472	2,005	33,477	11,362	13,367
Filing Cabinets	4,248	0	4,248	3,313	187	3,500	748	935
Vacuum Cleaner	2,488	0	2,488	1,745	112	1,857	631	743
Franking Machine	11,135	0	11,135	7,814	499	8,313	2,822	3,321
Printers	34,186	0	34,186	20,864	2,665	23,529	10,657	13,322
Telephone Mobile	16,846	0	16,846	6,639	1,531	8,170	8,676	10,207
TOTAL	3,96,21,586	0	3,96,21,586	14,92,589	33,257	15,25,846	3,80,96,563	3,81,28,997

BAFNA SPINNING MILLS & EXPORTS LIMITED

Particulars	31/03/2012	31/03/2011
NOTE - 8 Revenue from Operation		
Trading Income	45,25,000	6,40,000
TOTAL	45,25,000	6,40,000

NOTE - 9 Other Expense

Particulars	31/03/2012	31/03/2011
Salary, wages & bonus	12,00,000	0
Ahmedabad Office rent	48,000	48,000
Audit fees	5,000	5,000
Bank Charge Expenses	28,000	3,000
Business Promotion Expenses	54,106	0
Club Membership Fees	7,000	5,206
Electricity Charges	8000	1,000
General Expenses	63,675	2,000
House rent	1,20,000	1,20,000
Legal Exp.	4,000	1,000
Office exp.	40,000	35,000
Office rent	1,20,000	1,20,000
Postage & Telegram	7,500	2,000
Printing & Stationery	26,500	2,000
Software Exp.	12,325	6,794
Salary paid	0	5,000
Telephone Exp.	18,000	1,000
Travelling conveyances	85,000	2,000
Vehicle maintenance	1,23,000	1,000
TOTAL	7,70,106	3,60,000

BAFNA SPINNING MILLS & EXPORTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2012

Amount in Rs.

	PARTICULARS	31/03/2012	31/03/2011
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax	70,112	6,40,000
	Adjustment for		
	(a) depreciation	33,257	1,18,589
	(b) Miscelenious exp. Not written off	0	-196
	Operating profit before working capital changes	1,03,369	7,58,393
	Adjustment for changes in working capital		
	(c) sundry creditors	0	0
	(d) sundry debtors	0	-596178
	Cash generated from operations		
	(f) taxes paid	0	0
	Cash flow from operating activities -A	1,03,369	1,62,215
B	CASH FLOW FROM INVESTING ACTIVITIES		
	(g) purchase on fixed assets	0	0
	(h) increase in capital	0	0
	(i) capital work in progress	0	0
	Net Cash used in investing activities -B	1,03,369	0
C	CASH FLOW FROM FINANCE ACTIVITIES		
	(j) Financial & Interest Charges	0	0
	Net Cash Flow from Financing Activities -C	0	0
	Net increase/decrease in cash & cash equivalents (A+B+C)	1,03,369	1,62,215
	Cash & Cash equivalents as at 31/03/2011	1,95,670	33,455
	Cash & Cash equivalents as at 31/03/2012	2,99,039	1,95,670

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SCHEDULE 11 NOTES ON ACCOUNTS & ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared on the basis of historical cost convention and on accrual basis.

FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost and includes all the expenditure of Capital Nature.

Depreciation has been provided on WDV method in accordance with the rate specified under Schedule XIV of the Companies Act, 1956. Depreciation on additions during the year is provided on pro-rata basis with reference to the date of installation. However, no depreciation is provided during the year for building as it is under construction and plant is not put to use.

OTHER NOTES ON ACCOUNTS

1. Estimated value of Contract outstanding on Capital accounts Rs. NIL
2. Expenditure incurred relating to Public Issue is amortized over a period of 10 years.
3. Preliminary expenses shown in Balance sheet under miscellaneous Expenditure will be amortized from the year the Company commences commercial activity/ production.
4. In the opinion of the Board Current Assets, Loans and Advances will fetch the amount stated, if realized in the ordinary course of business
5. Preoperative Expenditure pending Capitalization will be allocated on completion of project.
6. Previous Year Figures have been regrouped or rearrange wherever necessary.



For **K. R. Shah & Associates**
Chartered Accountants

(K. R. Shah)

Proprietor

Mem No. 034612

Place : Ahmedabad

Date : 01/09/2012

For **BAFNA SPINNING MILLS & EXPORTS LIMITED**

Director

Director

Place : Coimbatore

Date :01/09/2012

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BALANCE SHEET ABSTRACT AND COMPANIES GENERAL PROFILE

PART IV -SCHEDULE VI OF THE COMPANIES ACT, 1956

Registration Details

Registration Number	18-2611 of 1990	State Code	18
Balance Sheet Date	31-03-2012		
Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Preferential Issue	NIL

Position & Mobilization of Funds (Amount in Rs.)

Total Liabilities	94,49,17,932	Total Assets	94,49,17,932
Sources of Funds		Application of Funds	
Paid up Capital	19,45,22,000	Net Fixed Assets	3,81,28,997
Reserves & Surplus	38,83,021	Investments	
Secured Loans	-	Net Current Assets	87,88,34,617
Unsecured Loans	7,82,162	Miscellaneous Exps.	-
Trade Payables	74,56,75,885	Capital Work-in-progress	2,79,54,318
Short Term Provision	54,864		

Performance of the Company (Amt. in Rs.)

Turnover	45,25,000	Total Expenditure	44,19,363
Profit Before Tax	1,05,637	Profit After Tax	70,112
Earnings Per Share	0.0003	Dividend Rate	---

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Generic Names of the Three Principal Products

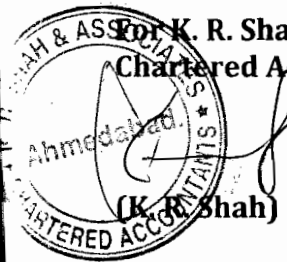
1 Item Code No.

N.A.

As per Our Report of Even Date

**For K. R. Shah & Associates
Chartered Accountants**

**For BAFNA SPINNING MILLS &
EXPORTS LIMITED**



Director

Director

Proprietor

Mem No. 034612

Place : Ahmedabad

Place : Coimbatore

Date : 01/09/2012

Date :01/09/2012

Notes forming Part of Financial Statements

- (1) Balances of Sundry Creditors, Sundry Debtors, Advances, Deposits, Secured and Unsecured Loans are as per the book and subject to confirmation and reconciliation from respective parties.
- (2) In the opinion of the Board of Directors Current Assets, Loans and Advances are approximately of the same value if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
- (3) Payment to Auditors (In Rs.)

	31-03-2012	31-03-2011
For Statutory Audit	5,000	5,000
Total	5,000	5,000

- (5) Payment to Directors (In Rs.)

	31-03-2012	31-03-2011
Salary and Bonus	0	0
Contribution to Funds	0	0
Total		

- (6) There are no amounts due to be credited to Investor Education and Protection Fund.
- (7) Earning in Foreign Exchange at F.O.B. Value: Rs. Nil (Rs. Nil).
- (8) Expenses in Foreign Currency at CIF Value: Rs. Nil (Rs. Nil).
- (9) Value of Imports on CIF basis accounted for during the year: Rs. Nil (Rs. Nil).
- (10) Security Deposit made with Coimbatore Stock Exchange at the time of Public Issue, is still with the Coimbatore Stock Exchange.
- (11) Fixed Deposits made with Bank of Madura as lien for the Letter of Credit in favour of Import of Machinery for which no interest accrued is accounted for.

As per attached report on even date

Place : Ahmedabad
Date : 01/09/2012



For, M. R. Shah & Associates
Chartered Accountants

R. Shah
(Proprietor)
(M. No.- 034612)

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BAFNA SPINNING MILLS & EXPORTS LIMITED

Registered Office

Visweswaram, 132, West Venkatasamy Road, RS Puram, Coimbatore- 641002.

PROXY FORM

21st Annual General Meeting to be held on 28th September, 2012

Reg. Folio No. _____

I/We _____

of _____ in the district of _____

Being a member/members of the above named Company hereby appoint _____

_____ of _____ in the district of _____

or failing him of _____ in the district of _____ as

my/our proxy to vote me/ us on my/ our behalf at the Twenty First Annual General

Meeting of the Company to be held at 11.00 AM on 28th September, 2012 at

"Visweswaram", 132, West Venkatsamy Road, R S Puram, Coimbatore - 641 002.

Signed this ____ day of _____ 2012.

Signature _____ Re. 1 Revenue Stamp _____

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

BAFNA SPINNING MILLS & EXPORTS LIMITED

Registered Office

"Visweswaram" 132 West Venkatasamy Road, R S Puram, Coimbatore - 641 002

ATTENDANCE SLIP

Twenty First Annual General Meeting to be held on 28th September, 2012

Regd. Folio No. _____

I certify that I am the registered/proxy for the shareholder of the Company.

I hereby record my presence at the Twenty First Annual General Meeting of the Company at 11.00 AM on 28th September, 2012 at "Visweswaram" 132, West Venkatsamy Road, R S Puram, Coimbatore -641002.

Member's/Proxy name in BLOCK Letters.

Member's/Proxy's Signature

Note: Please fill in this attendance slip and hand over at the ENTRANCE OF THE MEETING VENUE.

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