

KIRAN SYNTEX

LIMITED

ANNUAL REPORT - 2007 - 2008

MMS & ASSOCIATES
CHARTERED ACCOUNTANTS
J-506, INDIA TEXTILE MARKET
RING ROAD
SURAT - 395 002

KIRAN SYNTEX LTD.

NOTICE

NOTICE hereby given that the Annual General Meeting of the members of the company will be held at its Registered Office on 29th September, 2008 to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the Directors & Auditors Report and statement of affairs as on 31st March 2008.
2. To appoint Auditors for the current year and fix their remuneration.

REGISTERED OFFICE:

Block No.100 Paiki
Motoborasara, Kim,
Dist: Surat

By order of the Board

M. M. Govindala

DIRECTOR.

PLACE : SURAT

DATE : September 1, 2008

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

KIRAN SYNTEX LTD.

DIRECTORS REPORT

To
The Members
KIRAN SYNTEX LTD.

Your Directors have pleasure in presenting the Annual Report of the Company together with the audited statement of accounts for the year ended 31st March 2008.

FINANCIAL HIGHLIGHTS:

	Year ended 31.03.2008 Amount(Rs)	Year ended 31.03.2007 Amount(Rs)
Sales & Other Income	<u>90,492,932</u>	<u>10,053,684</u>
Profit/(Loss) before Depreciation	6,309,961	6,063,166
Less: Depreciation	<u>-</u>	<u>-</u>
Profit/(Loss) after Depreciation	6,309,961	6,063,166
Balance B/f from Previous Year	<u>(73,882,082)</u> <u>(67,572,121)</u>	<u>(79,945,248)</u> <u>(73,882,082)</u>
Deferred Tax (Liabilities)/Assets	<u>-</u>	<u>-</u>
Balance C/f to Balance Sheet	<u>(67,572,121)</u>	<u>(73,882,082)</u>

DIVIDEND:

The Directors decided not to recommend any Dividend.

INDUSTRIAL RELATIONS:

Relations with employees continued to remain cordial.

The Directors wish to place on record their appreciation for the efforts put in by the Company's employees at all levels.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company was paid exceeding Rs.24,00,000/- per year or Rs.2,00,000/- per month if employed for part of the year.

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KIRAN SYNTEX LTD.

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AUDITORS:

M/s. M M S & ASSOCIATES, Chartered Accountants of Surat, are due to retire at the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment.

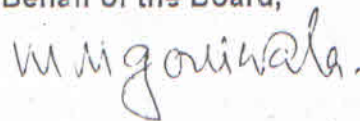
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

As required U/S 217(1)(e) of the Companies Act 1956, read with rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed.

DIRECTORS' RESPONSIBILITY STATEMENT:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors had 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 fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

On Behalf of the Board,



DIRECTOR.

PLACE : SURAT

DATE : September 1, 2008

M M S & ASSOCIATES

Chartered Accountants

J-506, INDIA TEXTILE MARKET

RING ROAD, SURAT - 395 002.

AUDITORS REPORT

We have audited the attached Balance Sheet of KIRAN SYNTEX I.TD., as at 31st March 2008 and the Profit & Loss account of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

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



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M M S & ASSOCIATES

Chartered Accountants

J-506, INDIA TEXTILE MARKET

RING ROAD, SURAT - 395 002.

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- v) On the basis of written representations received from the directors as on 31st March 2008, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956 ;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to note 1 (iii) on notes on accounts give the information required by the companies Act, 1956 in manner so required and a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008 ; and
 - b) In the case of the Profit & Loss account, of the Profit of the Company for the year ended on that date.



for M M S & ASSOCIATES
Chartered Accountants,


(MURLAL SOMANI)

Partner.

(M NO.36727)

PLACE : SURAT

DATE : September 1, 2008

M M S & ASSOCIATES

Chartered Accountants

J-506, INDIA TEXTILE MARKET

RING ROAD, SURAT - 395 002.

ANNEXURE TO THE AUDITOR'S REPORT

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

(b) As explained to us the Management has carried out physical verification of these assets and no major discrepancies are noticed.

(c) The Company has disposed off all the Assets during the previous year and have started business by getting the goods processed from third parties on job work basis. In our opinion the going concern status of the company as a Manufacturing concern has affected by this, however with continuation of trading activities the going concern status is continued as trading company

2. (a) As per information & explanation given to us physical verification of inventory has been carried out by the management during the year. In our opinion frequency of physical verification is reasonable considering the size of the company and nature of its business.

(b) As per informations and explanations given to us, the procedures adopted for physical verification by the management is reasonable considering the size of the company and nature of its business.

(c) The company has maintained proper records in relation to the material received and despatched, and as explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the books records.

3. (a) As per explanation & information given to us, company has taken and granted unsecured loan from and to the parties covered in the register maintained U/S 301 of the Companies Act, 1956. Details of such loan as at the end of the year are as under:

	<u>Loan Taken</u>	<u>Loan Granted</u>
No. of the Parties	-	2
Amount (Rs.)	-	850000

- (b) In our opinion and as per explanation & information given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.

- (c) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the company, it has been explained to us, that these loan are repayable on demand and therefore the question of overdue amount does not arise.



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M M S & ASSOCIATES

Chartered Accountants

J-506, INDIA TEXTILE MARKET

RING ROAD, SURAT - 395 002.

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No. of the Parties	-	2
Amount (Rs.)	-	850000

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M M S & ASSOCIATES

Chartered Accountants

J-506, INDIA TEXTILE MARKET

RING ROAD, SURAT - 395 002.

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

PLACE : SURAT

DATE : September 1, 2008



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


(MURLI SOMANI)

Partner.

(M.NO.36727)

KIRAN SYNTEX LTD.

BALANCE SHEET AS AT 31st MARCH 2008

As at 31.03.2007		Schedule	As at 31.03.2008
<u>SOURCES OF FUNDS:</u>			
42,364,660	Share Capital	1	42,364,660
47,564,660	Reserve & Surplus	2	47,564,660
3,343,543	Secured Loan	3	1,022,073
<u>93,272,863</u>			<u>90,951,393</u>
<u>APPLICATION OF FUNDS:</u>			
1,165,507	Fixed Assets	4	1,354,373
2,000	Investment in Shares	5	2,000
<u>Current Assets, Loans & Advances:</u>			
1,291,384	Inventories	6	3,418,400
971,944	Sundry Debtors	7	63,076,981
2,358,061	Cash & Bank Balances	8	2,001,423
19,986,105	Loans & Advances	9	20,545,279
<u>24,607,494</u>			<u>89,042,083</u>
12,703,226	Less: Current Liabilities & Provisions	10	73,341,319
<u>11,904,268</u>	Net Current Assets		<u>15,700,764</u>
73,882,082	Profit & Loss Account		67,575,250
6,319,006	Deferred Tax (Liability)/Assets	11	6,319,006
<u>93,272,863</u>			<u>90,951,393</u>
	Notes On Accounts	19	

As per our attached report of even date

For M M S & ASSOCIATES
Chartered Accountants

MURLI SOMANI
Partner
LNO.36727



For and on behalf of Board
For KIRAN SYNTEX LTD.

M.M. Gouinala

M.M. Gouinala

DIRECTORS.

PLACE : SURAT

DATE : September 1, 2008

KIRAN SYNTEX LTD.

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008


Year ended 31.03.2007	Schedule	Year ended 31.03.2008
INCOME:		
4,499,455 Sales	12	85,831,043
5,554,229 Other Income	13	4,661,889
<u>10,053,684</u>	(A)	<u>90,492,932</u>
EXPENDITURE:		
2,364,452 Cost of Raw Material Consumed	14	11,578,829
- Purchase	15	61,694,532
1,482,555 Manufacturing & Maintenance exp.	16	10,231,591
- Payments to & Provision for employees	17	88,862
143,511 Administrative, Selling, Distribution expenses	18	589,157
<u>3,990,518</u>	(B)	<u>84,182,971</u>
6,063,166 Profit/(Loss) Before Depreciation (A - B)		6,309,961
- Less: Depreciation		-
6,063,166 Profit/(Loss) After Depreciation		6,309,961
Less: Fringe Benefit Tax(FBT)		3,129
		<u>6,306,832</u>
(79,945,248) Balance B/f from Previous year		(73,882,082)
<u>(73,882,082) Balance Carried Forward</u>		<u>(67,575,250)</u>

Notes On Accounts

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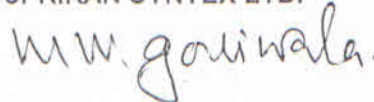
As per our attached report of even date

For M M S & ASSOCIATES
Chartered Accountants


MURLI SOMANI
Partner
M.NO.36727



For KIRAN SYNTEX LTD.


M.W. GANIWALA


J. GANIWALA
DIRECTORS.

PLACE : SURAT

DATE : September 1, 2008

KIRAN SYNTEX LTD.

SCHEDULES ATTACHED TO & FORMING PART OF THE BALANCE SHEET AS AT 31.03.2008

As at 31.03.2007		As at 31.03.2008
	<u>SCHEDULE "1"</u>	
	<u>SHARE CAPITAL:</u>	
	<u>Authorised:</u>	
50,000,000	50,00,000 Equity Shares of Rs.10/- each	50,000,000
	<u>Issued, Subscribed & Paid up:</u>	
42,499,000	42,49,900 Equity Shares of Rs.10/- each	42,499,000
-	(Previous year 42,49,900 equity shares)	
134,340	Less:-Allotment money in arrears	134,340
42,364,660		42,364,660
	<u>SCHEDULE "2"</u>	
	<u>RESERVES & SURPLUS</u>	
47,699,000	Share Premium	47,699,000
134,340	Less : Allotment money in arrears	134,340
47,564,660		47,564,660
	<u>SCHEDULE "3"</u>	
	<u>SECURED LOAN:</u>	
2,867,200	(1)Term Loan from Canara Bank (Secured against of Hypothecation of- Plant & Machineries & all other movable present and future assets)	
476,343	(2)Vehicle Loans (Secured Against Hypothecation of Motor vehicles)	1,022,073
3,343,543		1,022,073



KIRAN SYNTEX LTD.

SCHEDULE "4"

FIXED ASSETS:

	Balance as at 01.04.2007	Addition during the year	Total	Upto 31.03.2007	Adjusted during the year	Total	Balance as at 31.03.2008	Balance as at 31.03.2007
MOTOR VEHICLES	1,070,258	1,153,073 (1,012,210)	1,211,124	-	-	-	1,211,124	1,070,258
AIR CONDITIONER	-	48,000	48,000	-	-	-	48,000	-
COMPUTER	95,249	-	95,249	-	-	-	95,249	95,249
Total	1,165,507	188,866	1,354,373	-	-	-	1,354,373	1,155,507
Previous Year	112,903,361	111,737,854	1,165,507	70,334,170	70,334,170	-	1,165,507	42,569,191

KIRAN SYNTEX LTD.

As at 31.03.2007		As at 31.03.2008
<u>SCHEDULE "5"</u>		
<u>INVESTMENTS:</u>		
2,000	(Unquoted & Fully Paid) Shares of Surat Art Silk Produce Co-Op. Society Ltd.	2,000
<u>2,000</u>		<u>2,000</u>
<u>SCHEDULE "6"</u>		
<u>INVENTORIES:</u>		
(As taken. Valued & certified by the Management)		
1,291,384	Raw Materials	3,418,400
<u>1,291,384</u>		<u>3,418,400</u>
<u>SCHEDULE "7"</u>		
<u>SUNDRY DEBTORS:</u>		
(Unsecured Considered Good)		
Debts Exceeding Six Months		
971,944	Other Debts	63,076,981
<u>971,944</u>		<u>63,076,981</u>
<u>SCHEDULE "8"</u>		
<u>CASH & BANK BALANCES:</u>		
(As certified by the Management)		
245,031	Cash on Hand	19,725
539,511	Bal. In Current A/c	342,777
1,573,519	Fixed Deposit A/c	1,638,921
<u>2,358,061</u>		<u>2,001,423</u>
<u>SCHEDULE "9"</u>		
<u>LOANS & ADVANCES:</u>		
(Recoverable in cash or in kind or for value to be received)		
1,846,608	Advances	2,746,538
17,966,415	Advances to Suppliers	17,625,659
173,082	Deposits	173,082
<u>19,986,105</u>		<u>20,545,279</u>



KIRAN SYNTEX LTD.

As at 31.03.2007		As at 31.03.2008
<u>SCHEDULE "10"</u>		
<u>CURRENT LIABILITIES & PROVISIONS:</u>		
10,496,488	Sundry Creditors for Goods	71,485,364
304,862	Other Liabilities	79,079
1,901,876	Deposit From Customer/Dealers	1,776,876
<u>12,703,226</u>		<u>73,341,319</u>
 <u>SCHEDULE "11"</u>		
<u>DEFERRED TAX (ASSETS)/LIABILITY</u>		
(6,319,006)	Accumulated Deferred Tax Liability as at 01.04.2007	(6,319,006)
<u>(6,319,006)</u>		<u>(6,319,006)</u>



KIRAN SYNTEX LTD.

**SCHEDULES ATTACHED TO & FORMING PART OF THE TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31.03.2008**

<u>Year ended</u> 31.03.2007		<u>Year ended</u> 31.03.2008
	<u>SCHEDULE "12"</u>	
	<u>SALES :</u>	
4,499,455	Yarn	63,243,435
-	Grey	22,587,608
<u>4,499,455</u>		<u>85,831,043</u>
	<u>SCHEDULE "13"</u>	
	<u>OTHER INCOME:</u>	
36,012	Interest	105,533
-	Sundry Credit Balance Written off	4,556,356
	Canara Bank O/s CC, LBD & LC	
	Less: Sundry Balance Written Off	
	Loss on sale of Fixed Assets	
<u>5,518,217</u>		<u>-</u>
<u>5,554,229</u>		<u>4,661,889</u>
	<u>SCHEDULE "14"</u>	
	<u>COST OF RAW MATERIAL CONSUMED:</u>	
-	Opening Stock of Raw Material (Net of VAT)	1,291,384
3,655,836	Add: Purchases	13,705,845
<u>3,655,836</u>		<u>14,997,229</u>
1,291,384	Less: Closing Stock of Raw Material	3,418,400
<u>2,364,452</u>		<u>11,578,829</u>
	<u>SCHEDULE "15"</u>	
	<u>PURCHASES:</u>	
-	Grey Purchase	22,406,264
-	Yarn Purchase	39,288,268
<u>-</u>		<u>61,694,532</u>
	<u>SCHEDULE "16"</u>	
	<u>MANUFACTURING & MAINTENANCE EXPENSES:</u>	
12,750	Freight, Cartage & Octroi	131,345
1,469,805	Job Charges	9,748,667
-	Packing Materials	26,919
-	Central Excise Duty	324,660
<u>1,482,555</u>		<u>10,231,591</u>
	<u>SCHEDULE "17"</u>	
	<u>PAYMENT TO & PROVISION FOR EMPLOYEES:</u>	
-	Salary	83,113
-	Staff Welfare	5,749
<u>-</u>		<u>88,862</u>



KIRAN SYNTEX LTD.

Year ended
31.03.2007

Year ended
31.03.2008

SCHEDULE "18"

ADMINISTRATIVE, SELLING, DISTRIBUTION & OTHER EXPENSES:

6,446	Printing & Stationary	8,509
16,854	Auditors Remuneration	26,966
13,132	Insurance Premium	22,665
36,594	Hire Charges	-
56,470	Bank Charges & Commission	3,393
7,000	Legal & Professional Charges	62,600
2,325	Miscellaneous exps.	6,371
4,690	Computer exp.	6,000
-	Loss on sale of Motor Vehicle	140,210
-	Conveyance exp.	803
-	Electric exp.	3,090
-	Interest Paid	230,088
-	Listing Fees	53,700
-	Postage & Telegram	3,726
-	Travelling exp	5,656
-	Telephone exp.	15,380
<u>143,511</u>		<u>589,157</u>



KIRAN SYNTEX LTD.

SCHEDULE "19"

NOTES ON ACCOUNTS:

1. Accounting Policies:

i) Method of Accounting:

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

ii) Fixed Assets:

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

iii) Depreciation:

During the year the directors have decided not to provide an / depreciation. had the depreciation been provided the Profit of the company would have decreased by Rs. 1.33 Lacs.

iv) Inventories:

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

v) Investments:

Investments are stated at cost.

vi) Government Grants:

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

vii) Input Tax Credit (VAT):

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

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

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KIRAN SYNTEX LTD.

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- 3 Previous year figures have been regrouped or rearranged wherever necessary to make them comparable with these of current year.
- 4 The company has not provided for gratuity.
- 5 Advance to Suppliers Rs.176.26 lacs (P.Y.Rs. 179.17 lacs) to companies in which Directors are interested.
- 6 (A) Segment Reporting

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

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

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

Sr. No	Name of the Related Party	Relationship	Description of transaction	(Rs in thousand) outstanding Balance as at 31st March 2008
1	Kiran Texprint P. Ltd	Directorship	Opening Balance	239 Cr
2	Sudreshan Texprint P.Ltd	Directorship	Opening Balance	152.26 Dr
3	Gujarat Kiran Polytext Ltd	Directorship	Opening Balance	1581 Cr

b) Key management Personal & Relation:

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

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

Sr. No.	Relationship	Description of transaction
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KIRAN SYNTEX LTD.

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Companies Act 1956.

a) Installed Capacity

b) Licensed Capacity

Actual Production:

Yarn

Not Applicable

2007-2008	2006-2007
<u>Qty(Kg)</u>	<u>Qty(Kg)</u>
128,899	-

Quantitative Information:

A) Opening Stock

Raw Material (Yarn) (Kg)

2007-2008		2006-2007	
<u>Qty</u>	<u>Value(Rs)</u>	<u>Qty(Kg)</u>	<u>Value(Rs)</u>
12,183	1,291,384	-	-

B) Closing Stock

Raw Material (Yarn) (Kg)

35,765	3,418,400	12,183	1,291,384
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C) Purchases:

Raw Material (Yarn) (Kg)

Yarn (Kg)

Grey Febrics (Mtrs)

155,012	13,721,617	35,991	3,655,836
426,566	39,288,268	-	-
725,372	22,406,264	-	-

D) Sales:

Finished Yarn (Kg)

Yarn (Kg)

Grey Fabrics (Mtrs)

128,899	23,844,135	23,384	4,499,455
426,566	39,399,300	-	-
725,372	22,587,608	-	-

E) Raw Material Consumed:

P.O.Y. (Kg)

131,430	23,808
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(Note: Raw Material, Stores & Spare Parts consumed are 100% indigenous)

F) C.I.F. Value of Imports

Rs. NIL

G) Earning in Foreign Exchange

Rs. NIL

H) Expenditure in Foreign Currencies

Rs. NIL

I) Details of Foreign Share Holding & Dividend remitted thereon

Rs. NIL

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(Amount in Rupees)

Audit Fees

Tax Audit Fees

<u>Current Yr.</u>	<u>Previous Yr.</u>
20,226	16,854
6,742	-
<u>26,968</u>	<u>16,854</u>



Contd...3...

KIRAN SYNTEX LTD.

...3...

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I) Registration Details:

Registration No. 9099

State Code : 04

Balance Sheet Date : 31.03.2008

II) Capital Raised during the year.

(Rs. in thousands)

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

III) Position of Mobilisation and Deployment of Funds.

(Rs. in thousands)

Total Liabilities	:	164293	Total Assets	:	164293
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Sources of Funds:

Share Capital	:	42365	Reserve & Surplus	:	0
Secured Loans	:	1022	Unsecured Loans	:	0

Application of Funds:

Net Fixed Assets	:	1354	Net Current Assets	:	15701
Inv. In Shares	:	2	Misc. Expenditure	:	-
Accumulated Losses	:	67575	Deferred Tax Liabilities	:	6319

IV) Performance of Company.

(Rs. in thousands)

Turnover	:	85831	Total Expenditure	:	84183
Other Income & Increase in Stock	:	4662			
Profit/(Loss) Before Tax					6310
Profit/(Loss) after-tax					6310

V) Generic names of Principal Products of Company.

Item Code No.

SIGNATURES TO SCHEDULE '1' TO SCHEDULE "19"

As per our attached report of even date

For MMS & ASSOCIATES

Chartered Accountants

MURLI SOMANI

Partner

M.NO.36727



For KIRAN SYNTEX LTD.

Mungaiwala

ggwala

DIRECTOR S.

PLACE : SURAT

DATE : September 1, 2008

KIRAN SYNTEX LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

(Rs in '000)

31.03.2008 31.03.2007

: CASH FLOW FROM OPERATING ACTIVITIES:-

Net Profit(Loss) before Tax And- Extraordinary items	6,306	6,063
Adjustments for:		
Depreciation		-
Operating Profit/(Loss) before- Working Capital Changes	6,306	6,063
Adjustments for:		
Decrease/(Increase) in Inventories	(2,127)	(1,291)
Decrease/(Increase) in Trade and other Receivables	(62,105)	(272)
Decrease/(Increase) in Loans & Advances	(559)	10,899
Increase/(Decrease) in Trade Payables	60,638	791
Cash Generated from Operations	2,153	16,190
Interest Paid	-	-
Direct Taxes Paid	-	-
Cash Flow Before Extraordinary Items	2,153	16,190
Extraordinary Items	-	-
NET CASH FROM OPERATIONS	2,153	16,190

: CASH FLOW FROM INVESTING ACTIVITIES:-

Purchase of Fixed Assets	(1,201)	-
Sale of Fixed Assets	872	11,004
Decrease/(Increase) in Capital Advances	-	-
Sale/Purchase of Investments	-	-
Profit/(Loss) on sale of Assets	140	29,754
NET CASH USED IN INVESTING ACTIVITIES	(189)	40,758

Contd...2...



KIRAN SYNTEX LTD.

...2...

	<u>31.03.2008</u>	<u>31.03.2007</u>
C : CASH FLOW FROM FINANCING ACTIVITIES:-		
Increase/(Decrease) In Long Term Borrowings	(2,321)	(57,656)
Dividend Paid/Payable	-	-
Increase in Preliminary/ Pre-operative exps.	-	-
NET CASH USED IN FINANCING ACTIVITIES	(2,321)	(57,656)
NET (DECREASE)/INCREASE IN CASH AND- CASH EQUIVALENTS	(357)	(708)
Cash and Cash Equivalents as at 1st April 2007.	2,358	3,066
Cash and Cash Equivalents as at 31st Mar 2008.	<u>2,001</u>	<u>2,358</u>

NOTE:

Direct Taxes Paid are treated as arising from operating activities and not bifurcated between investing and financing activities.

PLACE : SURAT

For and on behalf of Board

DATE : 1st September, 2008.

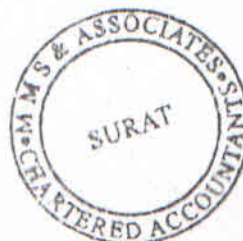
M. M. Godwala
M. M. Godwala
Chairman & M.D.

AUDITOR'S REPORT

We have verified the attached Cash Flow Statement of KIRAN SYNTEX LTD derived from audited financial statement and the books of records maintained by the company for the year ended 31st March 2008 and 31st March 2007 and found the same in agreement therewith.

For M M S & Associates
Chartered Accountants

M. Somani
MURLI SOMANI
Partner
(M.No.036727)



PLACE: SURAT

DATE : 1st Sept, 08