

28th
ANNUAL
REPORT
2013-2014



KIRAN
Syntex Limited



**TWENTY EIGHTH
ANNUAL REPORT
2013-2014**

BOARD OF DIRECTORS

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

AUDITORS

M M S & Associates
Chartered Accountants
1003, Rathi Palace
Ring Road , Surat-395002

BANKERS

Union Bank Of India
Salabatpura Branch, Surat.

REGISTERED OFFICE

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

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**NOTICE**

Notice is hereby given that the Annual General Meeting of the members of Kiran Syntex Limited will be held on Saturday, September 27th, 2014 at 1.00 P.M. at 1/324, Popat Street, Nanpura, Surat – 395 001, Gujarat, (India) to transact following business :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31st 2014 , the report of the board of directors and Auditors Report there on.
2. To appoint director as independent director in place Dhirajbhai G. Patel who retires by rotation and being eligible to be appointed as independent director for a period of three years not retiring by rotation.
3. To appoint Auditors and fix their remuneration

SPECIAL BUSINESS :

4. To approve the remuneration of The Cost Auditors for the financial year ending March, 31, 2015 and in this regard to consider and thought fit to pass with or without modification the following resolution as an Ordinary resolution:

Resolved that pursuant to the provisions of section 148 and other applicable provisions of the companies act 2013 and the companies (Audit and Auditors) rules 2014 the cost auditors appointed by the board of directors of company to conduct the audit of cost records for the financial year ending March, 31, 2015 be paid remuneration not exceeding Rs.25000/- (Rupees Twenty Five Thousand) plus services tax and out of pocket expenses.

For and on behalf of Board of Directors

Place : Surat
Date : 28/05/2014
Registered Office :
1/324,Popat Street,Nanpura,Surat-395001
CIN : U17110GJ1986PLC009099
Email Kiransyntex@yahoo.com
Website: www.kiransyntex.com

Mahesh M. Godiwala
Chairman and Managing Director

Notes :

1. A members entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy and vote on a poll instead of himself and a proxy need not be a member of the company. The instrument appointing the proxy should however be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.

**Particulars of director whose appointment is being considered at the Annual General Meeting
[Pursuant to clause 49 of listing agreement]**

Name of the Director	Dhirajbhai G. patel
Director Identification Number (DIN)	02255344
Date of Birth	05/05/1955
Type of appointment	Independent Director
Date of original Appointment	30/09/2008
Areas of Specialization	Management
Qualifications	Under Graduate
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	Nil
Relation with Key Managerial Personnel and Directors	Nil

EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT 2013**Item No. 4 of Notice of Annual General Meeting****Ratification of remuneration of Cost Auditor:**

The Board on recommendation of Audit Committee has approved the appointment and recommended the remuneration of Cost Auditors. Pursuant to rule 14 of Companies (Audit and Auditors) Rules 2014 the remuneration of cost auditors recommended by the board of Directors should be rectified by the share holders, The resolution if therefore place before members for approval.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

Copy of appointment letter issued to the cost auditor and other relevant documents are available for inspection at registered office of the company.

For and on behalf of Board of Directors

Place : Surat
Date : 28/05/2014
Registered office
1/324,Popat Street,Nanpura,Surat-395001
CIN : U17110GJ1986PLC009099
Email Kiransyntex@yahoo.com
Website: www.kiransyntex.com

Mahesh M. Godiwala
Chairman and Managing Director

**DIRECTOR'S REPORT**

Your Directors have Pleasure in Presenting the Annual Report together with audited statement of accounts for the year ended 31st March, 2014

FINANCIAL HIGHLIGHTS:

	Year ended 31.03.2014 Amount(Rs)	Year ended 31.03.2013 Amount(Rs)
Sales & Other Income	117556547	111862394
Profit/(Loss) before Depreciation		
Less: Depreciation	252367	342061
Profit/(Loss) after Depreciation	18204323	2990064
Exceptional Items	-	2872671
Less: Provision for Taxation	448805	22371
Profit/(Loss) after Taxation	1371618	95022

OPERATIONS AND FUTURE PLANS

The revenue from sale of has marginally increased form Rs.111,788,051 during previous year ending 31/03/2013 to Rs.117,448,300 in the current year ending 31/03/2014. The profits for the year was Rs.1,820,423 as compared to profits for previous year Rs. 117,393. The accumulated loss at the end of year was Rs.60,581,424. The returns on the textile industry are not encouraging with majority companies incurring losses however the directors are making best efforts to survive and take benefit of opportunities.

DIVIDEND:

Since the Company has accumulated ;losses of past which has not been wiped off the directors do not recommend any dividend for the year ended 31.03.2014.

DIRECTORS

Shri Dhirajlal Patel who was appointed as independent director retires by rotation at ensuing Annual General Meeting. It is proposed to reappoint him as independent director and he shall not retire by rotation in view of provisions of The new Companies Act 2013 and rules made there under.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors State that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.



(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSITS

Your company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.

CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE:

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Annexure "A" and "B" respectively. A Certificate from the Auditor of the Company certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

LISTING AGREEMENTS REQUIREMENTS:

Shares are being traded at Mumbai Stock Exchange.

BUY-BACK OF SHARES

There was no buy-back of shares during the year under review.

PARTICULARS OF THE EMPLOYEES:

None of the employees employed during the year was in receipt of remuneration in excess of the Prescribed limit specified in section 217 (2A) of the Companies Act, 1956 Hence, furnishing of particulars under the Companies (Particulars of Employees) 1975 does not arise.

AUDITORS

M/s M M S & Associates , Surat Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

During the year under review, there were no activities, which required heavy consumption of energy. However adequate measures have been taken to make sure that there is no wastage of energy. Since the requisite information with regard to the conservation of energy, technology absorption (Disclosures of Particulars in the report of Board of Directors) Rules is irrelevant/not applicable to the company during the year under review, the same are not reported.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign Exchange earning and out go during the year is nil

ACKNOWLEDGMENTS:

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the company's business.

Your directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

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

Place : Surat
Date : 28/05/2014

Mahesh M. Godiwala
Managing Director

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

Kiran Syntex Limited aims at ensuring high ethical standards in all areas of its business operations to enhance its stake holder's value

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance including compliances by Kiran Syntex Limited with the provisions of Clause 49 are as under:

1. BOARD OF DIRECTORS:

As on 31.03.2014, The Company's Board consisted of two Promoter, Non Independent Directors and two non-executive , independent directors, who have rich experience in their fields.

The Board of the Company met 5 times during the last financial year on the following dates: — 30.04.2013, 28.05.2013, 31.07.2013, 31.10.2013 and 31.03.2014

Code of conduct:

The Company has already implemented a Code of Conduct for all Board Members and Senior Managements of the company in compliance with Clause 49 (1) of the Listing Agreement. But, since the operations of the Company were not much, the application of the code of conduct was limited to that extent

The constitution of the Board as on 31.03.2014 and the attendance of the Directors are given below:

Name of the Director	Category of the Director	No. of other Directorship (*)	No. of Board meetings Attended	Attendance at Last AGM
Mahesh M Godiwala Chairman and Managing Director	Promoter Executive	Nil	5	Yes
Jigar M Godiwala Whole Time Director	Promoter Executive	Nil	5	Yes
Dhirajbhai G Patel Director	Independent Non Executive	Nil	5	Yes
Manoj D Patel Director	Independent Non Executive	Nil	5	Yes

- Excludes Directorship in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies act, 1956
- The Director(s) are neither Chairman nor members of any other committee(s) other that Audit committee, grievance committee, remuneration committee of Kiran Syntex Limited as mentioned in this report.
- No Leave of absence was required to given to directors since all directors have attended all meetings.

Notice of Board meeting is circulated / sent to the members of the Board in advance The Board discuss/ deliberate and decides on all the topics/ matters including those suggested in the Listing Agreement, as and when the requirement arises.

Risk Mitigation Plan: The Company has already adopted a risk mitigation plan, suitable to the Company. During the year there were no activities that required the assessment of risk.

2. AUDIT COMMITTEE:

The total strength of the Audit Committee is three. The said committee was constituted to exercise powers and discharge function as stipulated in Clause 49 of the Listing Agreement, and other relevant statutory and regulatory provisions. The Chairman of the audit committee is an independent/non executive director, and of the other two members one is executive director and the other is non-executive / independent director.

During the relevant financial year, five Audit Committee Meetings were held on 30.04.2013, 28.05.2013, 31.07.2013, 31.10.2013, 31.03.2014.



The constitution of the Audit Committee as on 31.03.2014 and the attendance of each member of the Committee is given below

Name of the Member	Category	No. of Meetings	Attendance (No)
Dhirajbhai G Patel, Chairman	Independent Non Executive	5	5
Manoj D Patel, Member	Independent Non Executive	5	5
Jigar M Godiwala, Member	Promoter Executive	5	5

3. SHARE HOLDERS GRIEVANCE/ SHARE TRANSFER COMMITTEE:

Share Holder's Grievance Committee

Share Holders Grievance Committee consists of two independent Directors who have met on 30.04.2013, 28.05.2013, 31.07.2013, 31.10.2013, 31.01.2014 and 31.03.2014 . As on 31.03.2014, Company was redressed all the complaints/ grievances within one month of the receipt of such grievances. But action is taken to make sure all the grievances are redressed.

The data for the year is as follows:

No of Complaints received from share holders/ Exchange during the year : Nil

unresolved complaints (including pertaining to the previous year(s)) : Nil

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

Name of the Member	Category	No. of Meetings	Attendance
Dhirajbhai G Patel, Chairman	Independent Non Executive	5	5
Manoj D Patel, Member	Independent Non Executive	5	5

At present, Maheshbhai Godiwala, Chairman and Managing Director is the Compliance officer of the Company.

Share Transfer Committee

The same members of Share Holders Grievance Committee are the members of this committee also. The Committee has met five times on 30.04.2013, 28.05.2013, 31.07.2013, 31.10.2013, 31.03.2014

4. REMUNERATION COMMITTEE

The remuneration of executive directors is fixed by the committee within the overall limit recommended for approval by Board of directors and the share holders at their meetings. The non executive directors are not paid any remuneration or sitting fees.

During the year Shri maheshbhai M.Godiwala and Jigar M Godiwala have been paid remuneration of Rs.2,40,000.00 and Rs.1,80,000.00 each as Managing Director and Whole Time Director respectively.

5. OTHER DETAILS/INFORMATIONS

The details of Annual General Meeting held in last 3 years are as under:

Year Ended	Venue	Date	Time
31.03.2013	Kashyatriya Mochi Panch Ni Wadi , Nanpura Surat 395001	28/09/2013	1.00 P.M.
31.03.2012	Kashyatriya Mochi Panch Ni Wadi , Nanpura Surat 395001	30/09/2012	11.00 A.M
31.03.2011	Registered office of Company	30/09/2011	11.00 A.M

The Company has neither used Postal Ballot nor passed any special resolutions during these years, and there was no Extra Ordinary General Meetings of the members of the Company during the relevant period.

- **Means of communication:**

The Company has been filings quarterly / half yearly / annual results of the company with the Stock Exchanges.

- **Compliance of Insider Trading Norms:**

Company has adopted the code of internal procedures and thus complies with the insider trading norms.



• **General Shareholder's information**

- a) AGM, date, time, and venue

Venue	Date	Time
Registered Office of Company	27.09.2014	1.00 p.m.

- b) Financial year ending 31.03.2014.

- c) Book closure date 16.09.2014 to 25.09.2014 (both the days inclusive)

- d) Listing on stock exchanges.

The shares are listed in Mumbai, Ahmedabad, Vadodra and Banglore Stock Exchanges

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

- e) Distribution schedule as on 31.03.2014

Category	Number of Shareholders	% (percentage)	Number of Shares Held	% (Percentage)
Upto – 500	1069	72.721	334930	7.88
501 – 1000	194	13.197	163400	3.85
1001 – 2000	84	5.714	130675	3.08
2001 - 3000	21	1.429	54771	1.29
3001 – 4000	19	1.293	70428	1.66
4001 – 5000	22	1.497	107400	2.53
5001 - 10000	11	0.748	79225	1.86
10001 and above	50	3.401	3309071	77.86
Total	1470	100	4249900	100

- f) **Share price movements:**

Month	Share Price		No. of Shares
	High	Low	
April 2013	9.70	8.00	6802
May 2013	8.00	7.62	150
June 2013	9.63	7.60	2322
July 2013	9.15	7.50	6828
August 2013	7.15	6.48	95
September 2013	7.32	6.70	295
October 2013	9.72	7.32	12200
November 2013	8.00	6.87	530
December 2013	6.53	5.92	6015
January 2014	6.19	6.19	25
February 2014	6.99	6.49	5800
March 2014	6.66	6.28	735

- g) **Share Holding Pattern As On 31.03.2014**

Category	No. of shares	% of equity
Promoter Group	1606943	37.81
Resident Body Corporate	169946	3.99
Banks/FI/FII/MF/Trust	47900	0.96
NRI/OCB	129700	3.05

**Share holdings of Independent Directors (name)****No. of Shares**

Dhirajbhai G Patel

Nil

Manoj D Patel

Nil

h) Additional information: The Company has been aggressively following up with stock exchange for resumption of trading in shares of company.

a) Director retiring by rotation / reappointment: Dhirajbhai G Patel (The particulars have been given in notice of Annual General Meeting)

b) The ISIN for the dematerialized share of the Company is INE29D01017

c) Share transfer system: The share transfers are looked in by share transfer committee which meets every month. The share certificates received for transfer are returned within 15 days

d) The Company has not proposed / declared any dividend during the year.

e) Financial Year : 01.04.2013 to 31.03.2014

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

Financial reporting for 2013-2014:

- 1st Quarter On or before 31.07.2013
- 2nd Quarter On or before 31.10.2013
- 3rd Quarter On or before 31.01.2014
- Financial year closing: 31.03.2014 on or before 31.05.2013
- 4th Quarter On or before 31.04.2014

f) Plant Location : Not Applicable

g) Address for correspondence

- Regd Office: 1/324, Popat Street, Nanpura, Surat 395001
- E-mail id of the Company: Kiransyntex@yahoo.com
- E-mail id of the Compliance officer: kiransyntex@yahoo.com

Share Transfer Agents: Sharepro Services India Private Limited

13AB, Samita House Complex, Sakinaka telephone exchange, Andheri Saki Naka Road Anderi East Mumbai -400072

h) Stock Code – 530443 (Bombay Stock Exchange)

i) Dematerialization of shares & liquidity: Bulk of the shares are in physical mode, as given below:

Sr. No	Particulars	No. of share holders	No. of shares	Percentage
1	Physical Shares	1285	945900	22.26
2	Electronic Shares	185	3304000	77.74
Total		1470	4249900	100.00

j) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely impact on equity Not Applicable

k) Conversion date and likely impact on Equity Shares: Not Applicable

l) Penalties or structures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review: Not Applicable

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members
Kiran Syntex Limited, Surat

We have examined the compliance of the conditions of Corporate Governance by Kiran Syntex Limited for the year ended 31.03.2014 as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression on the financial statements of the Company.

In our opinion and to the best of our information, and according to the explanations given to us, we certify, that the Company has partly complied with the conditions of The Corporate Governance as stipulated in the above mentioned listing agreement.

We state that majority of the investor grievances were attended within one month as per maintained by the company. We further state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M M S & Associates
Chartered Accountants

Murli Somani
Partner

Place : Surat
Date : 28.05.2014

Membership No. 36727

CEO & CFO CERTIFICATION

The Board of Directors
Kiran Syntex Limited
Surat

Re-financial Statements for the year ended 31.03.2014 Certification

I/We, Mahesh M Godiwala Chairman & Managing Director and CFO, on the basis of the review of the financial statements and the cash flow statements for the

Financial year ending 31.03.2014 and to the best of our knowledge and belief, thereby certify that:-

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transaction entered into by the company during the year ended 31.03.2014 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) There have been no significant changes in the internal control over financial reporting during this year.
 - (b) There have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place : Surat
Date : 28.05.2014

Chairman and Managing Director



DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with clause 49 of the Listing Agreement with the Stock Exchanges, I Shri Mahesh M. Godiwala, Chairman & Managing Director of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this report, for the year ended 31.03.2014.

Place : Surat

Date : 28.05.2014

Chairman and Managing Director

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

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

2. Financial Review

During the year the company has carried out trading activities and generating gross receipts of Rs. 1117.88 lacs in the current year.

3. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

4. Environmental Issues

As the company is presently not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

5. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

6. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward – looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

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

Place : Surat
Date : 28.05.2014

Mahesh M. Godiwala
Chairman & Managing Director

**INDEPENDENT AUDITOR'S REPORT**

To,
The Members of
KIRAN SYNTEX LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **KIRAN SYNTEX LTD.** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act").

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014.
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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.



2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information & explanation which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books ;
 - 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards 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 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due or payable by the Company.

For M M S & Associates
Chartered Accountants
(F.R.No.: 110250W)

Murli Somani
Partner

Membership No. 36727

Place : Surat
Date : May 28, 2014.

ANNEXURE TO THE AUDITOR'S REPORT

1. (a) The Company has maintained proper records showing particulars, quantitative details and situation of fixed assets.
- (b) As explained to us the Management has carried out physical verification of these assets and no major discrepancies are noticed.
- (c) No substantial part of Fixed Assets are disposed off during the year. Hence the going concern status of the company is not affected.
2. (a) As per information & explanation given to us, physical verification of inventory has been carried out by the management during the year. In our opinion frequency of physical verification is reasonable considering the size of the company and nature of its business.
- (b) As per informations and explanations given to us, the procedures adopted for physical verification by the management is reasonable considering the size of the company and nature of its business.
- (c) The company has maintained proper records in relation to the material received and despatched, and as explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the books records.
3. (a) As per explanation & information given to us, company has taken and granted unsecured loan from and to the parties covered in the register maintained U/S 301 of the Companies Act, 1956.

Details of such loan as at the end of the year are as under:

	<u>Loan Taken</u>	<u>Loan Granted</u>
No. of the Parties	Nil	1
Amount (₹)	Nil	10,414,415

- (b) In our opinion and as per explanation & information given to us, the rate of interest wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- (c) As per explanation & information given to us, payment of principal and interest of loans are as per stipulation.
- (d) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the company, loan given to Sudershan Texprint Pvt Ltd. ₹ 104.14 lacs is outstanding since long.
4. In our opinion and according to the information & explanation given to us, there are adequate internal control procedures commensurate with the size of the company and its nature of business for the purchase of material, fixed assets and sale of goods. We have not observed any major weakness in the internal control system.
5. (a) As per explanation & information given to us, the transactions that need to be entered into a register in pursuance of Sec. 301 of the Companies Act, 1956 have been so entered.
- (b) As per explanation & information given to us, we are of the opinion that these transactions have been entered at price which are reasonable having regard to the prevailing market prices at relevant time.
6. The Company has not accepted any deposits from the public therefore this clause is not applicable.
7. In our opinion the Internal Audit System of the Company is commensurate with size and nature of its business.
8. As per information & explanation given to us, maintenance of cost records under clause (d) of the sub-section (1) of section 209 is not applicable to the Company.
9. (a) According to the informations & explanations given to us, and as per our verification, the Company has been regular in depositing undisputed statutory dues like Provident Fund, ESIC, Sales Tax, Income-Tax with appropriate authorities.



- (b) According to the informations & explanations given to us, No undisputed statutory dues were outstanding at the end of the year for a period of more than six months from the date they became payable.
- (c) i) The Excise deptt has raised demand of ₹ 1939.19 Lacs and ₹1387.35 on the company for the period from 1998 to 2003 and has also imposed penalty of equal amount. The company has disputed the said demand in Tribunal and in the opinion of the management the liability will be deleted. The management has not proposed any provision in the books for the said demand raised by the Excise Department.
10. At the end of the year the company has accumulated losses to the tune of ₹ 606.69 Lacs which works out to be more than fifty percent of the networth of the company.
11. As per information & explanations given to us and as per analysis of the Balance Sheet the Company has not defaulted in repayment of dues to banks, and financial institutions. The Company has not issued any debentures.
12. In our opinion and as per information & explanations given to us, the Company has not granted any loans & advances, on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a Chit Fund, Nidhi or Mutual Benefit Fund or Society, Accordingly Clause 4(xiii) is not applicable to the Company.
14. According to the informations & explanations given to us, the company is not dealing or trading in shares, securities, debentures or other investments, hence this clause is not applicable.
15. As per informations & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any Term Loan during the year, hence this clause is not applicable.
17. According to the informations and explanations given to us and as per verification of the annual accounts, the Company has not used short term funds for long term purposes. The surplus generated by way of cash profit has been ploughed back into the business.
18. The Company has not issued any shares during the year under review..
19. The Company has not issued any debentures hence this clause is not applicable to Company.
20. The Company has not raised any money by way of public issue during the year.
21. As per information & explanation given to us and in our opinion no fraud on or by the Company has been noticed or reported during the year.

For M M S & Associates
Chartered Accountants
(F.R.No.: 110250W)

Place : Surat
Date : May 28, 2014.

Murli Somani
Partner
Membership No. 36727

**BALANCE SHEET AS AT 31ST MARCH 2014**

(Amount in ₹)

	Note No.	31-Mar-14	31-Mar-13
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	42,364,660	42,364,660
(b) Reserves and surplus	4	(13,016,764)	(14,388,382)
Current Liabilities			
(a) Trade payables	5	2,862,478	8,554,650
(b) Other current liabilities	6	3,108,130	12,178,229
(c) Short-term provisions	7	571,932	-
TOTAL		35,890,436	48,709,157
ASSETS			
Non-Current Assets			
(a) Fixed assets			
Tangible assets	8	734,621	1,029,772
(b) Non-current investments	9	2,000	2,000
(c) Long-term loans and advances	10	10,695,407	11,614,686
(d) Deferred tax Assets		6,319,006	6,319,006
Current assets			
(a) Inventories	11	2,060,949	11,756,106
(b) Trade receivables	12	7,640,264	15,333,129
(c) Cash and cash equivalents	13	299,289	981,847
(d) Short-term loans and advances	14	8,138,900	1,672,611
TOTAL		35,890,436	48,709,157

See accompanying 1 to 31 Notes forming part of the financial statements

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

MURLI SOMANI
Partner
M.NO.36727

PLACE : SURAT
DATE : May 28, 2014.

For and on behalf of Board
For KIRAN SYNTEX LTD.

Mahesh M. Godiwala
Chairman & M.D.

Dhiraj G. Patel
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

(Amount in ₹)

Particulars	Note No.	31-Mar-14	31-Mar-13
1 Revenue from Operations (Gross)	15	117,448,300	111,788,051
Less: Excise duty	15	-	-
Revenue from operations (net)		117,448,300	111,788,051
2 Other Income	16	108,247	74,343
3 Total Revenue (1+2)		117,556,547	111,862,394
4 Expenses			
(a) Cost of materials consumed	17	70,956,457	71,170,883
(b) Purchases of stock-in-trade	18	4,143,193	6,005,226
(c) Changes in inventories of finished goods, W I P and stock-in-trade	19	-	224,949
(d) Employee benefits expense	20	1,186,624	985,451
(e) Finance costs	21	36,349	86,804
(f) Depreciation and amortisation expenses	8	252,367	342,061
(g) Other expenses	22	39,161,134	30,056,956
Total Expenses		115,736,124	108,872,330
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		1,820,423	2,990,064
6 Exceptional Items	23	-	(2,872,671)
7 Profit / (Loss) before Extraordinary items and Tax (5 + 6)		1,820,423	117,393
8 Extraordinary Items		-	-
9 Profit / (Loss) before Tax (7 + 8)		1,820,423	117,393
10 Tax Expense:			
(a) Current tax expense for current year		346,882	22,371
(b) Taxation for previous year		101,923	-
(c) Deferred tax		-	-
11 Profit / (Loss) from continuing operations		1,371,618	95,022
12. i Profit / (Loss) from discontinuing operations		-	-
12. ii Add / (Less): Tax exp of discontinuing Operation		-	-
13 Profit / (Loss) from discontinuing operations		-	-
14 Profit / (Loss) for the year (11 + 13)		1,371,618	95,022
15 Earnings per share (of ₹ 10/- each):		0.33	0.02

See accompanying 1 to 31 Notes forming part of the financial statements

As per our attached report of even date

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

PLACE : SURAT

DATE : May 28, 2014.

For and on behalf of Board

For KIRAN SYNTEX LTD.**Mahesh M. Godiwala***Chairman & M.D.***Dhiraj G. Patel***Director*

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2014****Note No. 1 :- Corporate information**

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

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

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

Inventories

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

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

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

Cash flow statement

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

Depreciation and amortisation

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

Revenue recognition**Sale of goods**

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

Income from services

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

Other income

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

Fixed Assets**Tangible Fixed Assets**

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

**Capital work-in-progress:**

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

Intangible assets

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

Foreign currency transactions and translations

Not Applicable

Accounting of forward contracts

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

Government grants, subsidies and export incentives

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

Investments

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

Employee benefits

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

Defined contribution plans

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

Defined benefit plans

Short-term employee benefits

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

ESOPS

The Company has not formulated any scheme like ESOPS

Borrowing costs

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

**Segment reporting**

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

Leases

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

Earnings per share

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

Taxes on income

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

Research and development expenses

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

Joint Venture

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

Impairment of assets

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

Provisions and contingencies

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

Provision for warranty

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

Share issues expenses

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

Insurance claims

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

Service tax input credit

Not Applicable



Note 3 :- Share Capital

Particulars	As at 31 March 2014		As at 31 March 2013	
	Number of shares	₹	Number of shares	₹
(a) Authorised				
Equity shares of ₹ 10 each with voting rights	5,000,000	50,000,000	5,000,000	50,000,000
(b) Issued				
Equity shares of ₹ 10 each with voting rights	4,249,900	42,499,000	4,249,900	42,499,000
(c) Subscribed and fully paid up				
Equity shares of ₹ 10 each with voting rights	4,196,164	41,961,640	4,196,164	41,961,640
(d) Subscribed but not fully paid up				
Equity shares of ₹ 7.50 each with voting rights	53,736	403,020	53,736	403,020
	4,249,900	42,364,660	4,249,900	42,364,660

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

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2014			
- Number of shares	4,249,900	-	4,249,900
- Amount	42,364,660	-	42,364,660
Year ended 31 March, 2013			
- Number of shares	4,249,900	-	4,249,900
- Amount	42,364,660	-	42,364,660
Shareholder holding More than 5% shares	No of Shares	% of total shares	
Ami Jigar Godiwala	593,155	13.96%	
Nancy Joy Godiwala	555,355	13.07%	
Sudershan Texprint Pvt. Ltd.	450,700	10.60%	

Note 4 :- Reserves and Surplus

Particulars	As at 31 March 2014	As at 31 March 2013
(a) Securities premium account		
Opening balance	47,564,660	47,564,660
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(61,953,042)	(62,048,064)
Add: Profit / (Loss) for the year	1,371,618	95,022
Closing balance	(60,581,424)	(61,953,042)
	(13,016,764)	(14,388,382)



KIRAN SYNTEX LIMITED

Particulars	As at 31 March 2014	As at 31 March 2013
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Note 5 :- Trade Payables

Trade payables:	2,862,478	8,554,650
	2,862,478	8,554,650

Note 6 :- Other Current Liabilities

(a) Current maturities of long-term debt	-	43,311
(b) Advance From Customers	256,637	6,334,504
(c) Other payables		
‘- For Expenses	2,318,479	294,967
‘- For Others	533,014	5,505,447
	3,108,130	12,178,229

Note 7 :- Short-term provisions

(a) Provision - Others:		
(i) Provision for Income tax (Net of advance tax)	96,575	-
(ii) VAT	475,357	-
	571,932	-

Note 8:- Fixed Assets (Tangible)

Particulars	Gross Block			Depreciation				Net Block	
	Balance as at 01.04.2013	Addition/(sale) during the year	Total 31.03.2014	Upto 31.03.2013	Provided during the year	Amount written back	Total 31.03.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
(A) Vehicles									
Motor Vehicle	3,551,914	(263,476)	3,288,438	2,598,608	237,491	220,692	2,615,407	673,031	953,306
(B) Office equipment									
Air Conditioner	90,000	-	90,000	29,783	8,376	-	38,159	51,841	60,217
COMPUTER	111,949	-	111,949	95,700	6,500	-	102,200	9,749	16,249
Total	3,753,863	(263,476)	3,490,387	2,724,091	252,367	220,692	2,755,766	734,621	1,029,772
Previous Year	3,654,443	99,420	3,753,863	2,382,030	342,061	-	2,724,091	1,029,772	1,272,413

Particulars	As at 31 March 2014	As at 31 March 2013
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Note 9 :- Non-current investments

Investments (At cost): (UNQUOTED)

(i) Shares of Surat Art silk Producers Coop Society Ltd.	2,000	2,000
	2,000	2,000



Particulars	As at 31 March 2014	As at 31 March 2013
Note 10 :- Long-term Loans and Advances, Unsecured, considered good		
(a) Loans and advances to related parties	10,414,415	11,109,415
(b) Receivables from Govt. Authorities:	280,992	505,271
	10,695,407	11,614,686
(Due from related party us outstanding since a very long period the management has expained tha they are hopeful of recovery of the same in the nex financial year)		
Note 11 :- Inventories (At lower of Cost and Net Realisable Value)		
(a) Raw Material	2,060,949	11,756,106
(b) Traded Goods	-	-
	2,060,949	11,756,106
Note 12 :- Trade Receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Unsecured, considered good)	4,824,316	5,387,466
Other Trade receivables (Unsecured, considered good)	2,815,948	9,945,663
	7,640,264	15,333,129
Less: Provision for doubtful trade receivables	-	-
	7,640,264	15,333,129
(Trade receivable includes a sum of ₹4810944/- from one of the customer against whom the company has filed a legal suit of recovery.The management has not made any provision against the said debt and has considered the entire outstanding as good and recoverable.)		
Note: Trade receivables include debts due from		
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
	-	-
Note 13:- Cash and cash equivalent		
(a) Cash on hand	40,023	267,836
(b) Balances with banks		
(i) In current accounts	259,266	714,011
	299,289	981,847
Note 14 :- Short-Term Loans and Advances (Unsecured Considered Good)		
(a) Balances with government authorities		
(i) Vat Receivable	-	1,661,830
(b) Prepaid expenses	32,693	10,781
(c) Advances to related party	8,106,207	
Less: Provision for other doubtful loans and advances	-	-
	8,138,900	1,672,611

**KIRAN SYNTEX LIMITED**

Particulars	As at 31 March 2014	As at 31 March 2013
Note 15 :- Revenue from operations		
Sale of products	117,448,300	111,788,051
Sale of services /Other operating revenues	-	-
	<u>117,448,300</u>	<u>111,788,051</u>
Less: Excise duty	-	-
	<u>117,448,300</u>	<u>111,788,051</u>
Note 16 :- Other income		
Interest on Trade Receivable	86,031	74,343
SuProfit of sale of Car (Indica)	22,216	-
	<u>108,247</u>	<u>74,343</u>
Note 17 :- Cost of materials consumed		
Opening stock	11,756,106	-
Add: Purchases	61,261,300	82,926,989
	<u>73,017,406</u>	<u>82,926,989</u>
Less: Closing stock	2,060,949	11,756,106
	<u>70,956,457</u>	<u>71,170,883</u>
Material consumed comprises:		
Yarn	70,956,457	71,170,883
Note 18 :- Purchase of traded goods		
Yarn	4,143,193	6,005,226
	<u>4,143,193</u>	<u>6,005,226</u>
Note 19 :- Changes in inventories of Finished Goods, WIP and Stock-in-Trade		
Inventories at the end of the year:		
Stock-in-trade	-	-
Finished goods	-	-
	<u>-</u>	<u>-</u>
Inventories at the beginning of the year:		
Finished goods	-	224,949
Stock-in-trade	-	-
	<u>-</u>	<u>224,949</u>
Net (increase) / decrease	<u>-</u>	<u>224,949</u>
Note 20 :- Employee benefits expense		
Salaries	698,156	619,125
Directors Salary	420,000	300,000
Leave Pay & Bonus	52,330	51,515
Staff Welfare	16,138	14,811
	<u>1,186,624</u>	<u>985,451</u>



Particulars	As at 31 March 2014	As at 31 March 2013
Note 21 :- Finance Costs		
(a) Interest expense on:		
(i) Borrowings	-	82,598
(ii) Others (Bank Charges)	36,349	4,206
	36,349	86,804

Note 22 :- Other Expenses

Electricity exp.	39,775	51,781
Rent Paid	72,000	72,000
Rates & Taxes	6,075	181,698
Office Repairs & Maintance	-	42,438
Insurance Exp	58,405	33,254
Computer Exp	25,300	1,850
Conveyance and vehicle exp.	36,510	24,787
Packing Exp	27,483	-
Commission and Brokerage	1,936,004	157,516
Freight & Cartage	754,510	757,166
General Exp	4,966	3,658
Legal & Professional Exp	363,025	233,722
Postage & Telegrams	28,647	23,322
Printing & Stationery Exp.	63,251	44,540
Auditors Remuneration	56,180	56,180
Telephone Exp	22,121	51,045
Job charges	35,666,882	28,321,999
	39,161,134	30,056,956

Note 23 :- Exceptional items

Old Demand Of Employees Provident Fund Paid (The Company has paid old outstanding demand of Employees Provident Fund during the year)	-	2,872,671
	-	2,872,671

Note 24 :- Payment to Auditors

Statutory Audit	44,944	44,944
Tax Audit	11,236	11,236
	56,180	56,180

Note 25 :- Details of Foreign Exchange Income & Expenditure

Value of Imports			
	31/03/2014	31/03/2013	
Yarn		\$ 88,610	-
			4,997,741



Particulars	As at 31 March 2014	As at 31 March 2013
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Note 26 :- Government Grants

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

Note 27 :- Taxes on Income

Pursuant to Accounting Standard (AS) 22- Accounting for taxes on Income, the Company has not substantial accumulated carried forward losses which will be available for set off against future profit earned by the company. Taking a conservative approach no deferred tax assets has been provided during the year. - -

Current tax has been calculated as per the prevailing Income tax rates on the taxable Net Profit of the Company 346,882 22,371

Note 28 :- Segment Reporting**Segment information**

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

Note 29 :-Contingent Liabilities

The Excise deptt has raised demand of ₹1939.19 lacs and ₹1387.35 lacs on the company for the period from 1998 to 2003 and has also imposed penalty of equal amount. The company has disputed the said demand in Tribunal and in the opinion of the management the liability will be deleted. The management has not proposed any provision in the books for the said demand raised by Excise Department.

Note 30 :- Related Party Disclosure as per AS-18**a) Related Party relationship and transactions with them during the period:** (₹ in thousand)

Sr. No	Name of the Related Party	Relationship of transaction	Description As On 31.03.2014	Outstanding Balance
1	Gujarat Kiran Polytex Ltd.	Directorship	Loan & Advances (Earlier Advances to Suppliers)	8,106.207 Dr
2	Sudreshan Texprint Pvt.Ltd.	Directorship	Advance to Suppliers (Earlier Advances to Suppliers)	10,414.415 Dr

b) Key management Personal & Relation:

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

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

Sr. No.	Name	Relationship	Description of transaction
1	Mahesh M. Godiwala	Chairman & M.D.	Remuneratin of ₹ 2.40 lac
2	Jigar M. Godiwala	Whole Time Director	Remuneratin of ₹ 1.80 lac
3	Gujarat Kiran Polyetex Ltd.	Associate Company	Job Work Charges (Exps.) Of ₹ 34835088/-
4	Gujarat Kiran Polyetex Ltd.	Associate Company	Sales of ₹ 15,42,052/-

**Note 31 :- Cash Flow Statement
(FOR THE YEAR ENDED 31.03.2014)****A. CASH FLOW FROM OPERATING ACTIVITY**

Net Profit After Depreciation & Tax		1,371,618
ADD: Financial Charges	36,349	
Provision For Taxation	346,882	
Profit From Sale of Car	(22,216)	
Depreciation	252,367	
Interest Received	(86,031)	527,351
Net Cash Profit From Operating Activities		1,898,969
ADD: Increase In Inventories	9,695,157	
Increase In Trade Receivable	7,692,865	
Increase In Current Liabilities	(14,537,221)	2,850,801
	A	4,749,770

B. CASH FLOW FROM INVESTING ACTIVITIES

Decrease In Fixed assets	65,000	
Interest Received	86,031	
NET CASH FLOW FROM INVESTING ACTIVITIES	B	151,031

C. CASH FLOW FROM FINANCING ACTIVITIES

Decrease in Loans & Advances	(5,547,010)	
Financial Charges	(36,349)	
NET CASH FLOW FROM FINANCING ACTIVITIES	C	(5,583,359)
	(A+B+C)	(682,558)

OPENING CASH & BANK BALANCES **981,847**

CLOSING CASH & BANK BALANCES **299,289**

Notes To Cash Flow Statement

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

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

MURLI SOMANI
Partner
M.NO.36727

PLACE : SURAT
DATE : May 28, 2014.

For and on behalf of Board
For KIRAN SYNTEX LTD.

Mahesh M. Godiwala
Chairman & M.D.

Dhiraj G. Patel
Director

KIRAN Syntex Limited

Regd. Office : 1/324, Popat Street Nanpura, Surat, INDIA

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the meeting hall. It helps us to make proper arrangements. Failure to bring this Attendance Slip will cause unnecessary inconvenience to you. Please write below

Name of the member : _____ No. of Shares held : _____

Registered Folio No. : _____ DP ID NO. : _____

Client ID No. : _____

(Please write your name in BLOCK Letter)

I hereby record my presence at the 28th ANNUAL GENERAL MEETING of the Company Scheduled to be held at 1/324, Popat Street, Nanpura, Surat – 395 001, India on 27th September, 2014 at 1.00 P.M.

Members/Proxy's Signature

(To be signed at the time of handing over this slip)

NOTES :

1. Members/Proxy holders are requested to bring their copy of the Annual Report with them at the meeting.
2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the meeting hall.

----- Tear Here -----

Form No. MGT-11 PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)

of the Companies Management and Administration) Rules, 2014 CIN : U17110GJ1986PLC009099

Name of the company : KIRAN SYNTEX LIMITED

Registered office : 1/324, Popat Street, Nanpura, Surat – 395 001, Gujarat, India.

Name of the member (s) : _____

Registered Address : _____

E-mail ID : _____

Folio No./Client ID : _____ DP ID : _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name : _____ Address : _____

E-mail Id : _____ Signature : _____ or failing him

2. Name : _____ Address : _____

E-mail Id : _____ Signature : _____ or failing him

3. Name : _____ Address : _____

E-mail Id : _____ Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting/ Extraordinary General Meeting of the Company, to be held on the Saturday, 27th September, 2014 at 1.00 P.M. at 1/324, Popat Street, Nanpura, Surat-395 001, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. _____

2. _____

3. _____

Signed this _____ day of _____ 2014

Signature of shareholders _____

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

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Tear Here



Form No. MGT-12

POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Kiran Syntex Limited

Registered office : /1/324 Popat Street Nanpura Surat 395001

BALLOT PAPER FOR Annual general meeting to be held on 27/09/2014

S.No.	Particulars	Details
01	Name of the First Named Shareholder (In block letters)	
02	Postal address	
03	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
04	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Item no.	No. of shares held by me	I assent to the resolution	I dissent from the resolution
01	To consider and adopt the Audited financial statements of the company for the financial year ended March 31 st 2014 , the report of the board of directors and Auditors report there on.			
02	To appoint director as independent director in place Dhirajbhai G Patel who retires by rotation and being eligible to be appointed as independent director for a period of three years not retiring by rotation.			
03	To appoint Auditors and fix their remuneration			
04	To approve the remuneration of The Cost Auditors for the financial year ending March, 31, 2015 and in this regard to consider and thought fit to pass with or without modification the following resolution as an Ordinary resolution : Resolved that pursuant to the provisions of section 148 and other applicable provisions of the companies act 2013and the companies (Audit and Auditors) rules 2014 the cost auditors appointed by the board of directors of company to conduct the audit of cost records for the financial year ending March, 31, 2015 be paid remuneration not exceeding Rs.25000/- Rupees Twenty Five Thousand) plus services tax and out of pocket expenses.			

Place :

Date :

(Signature of the shareholder)

TO,

If undelivered, please return to :

KIRAN Syntex Limited

Regd. Office : 1/324, Popat Street

Nanpura, Surat-3950001, Gujarat, India.