

18th Annual Report 2009-2010



M. K. EXIM (INDIA) LIMITED

18th Annual Report

2009-2010

Board of Directors

Shri Dayaram Khanchandani
Chairman

Shri Kanhaiya Lal Khanchandani
Managing Director

Smt. Pushpa Khanchandani
Whole-time Director

Shri Murli Meghnani
Independent Director

Shri Ashok Kumar Patni
Independent Director

Shri Kishore Motiyani
Independent Director

Factory

E-3, RIICO Industrial Area,
Sitapura, Sanganer, Jaipur

Auditors

Vimal Agrawal & Associates
Opp. Rambhawan Dharmshala,
M.D. Road, Jaipur-302004

Company Law Advisor

S.C. Sharma & Associates
Jaipur

Bankers

State Bank of Bikaner & Jaipur

Registered Office

G1/150, Garment Zone, E.P.I.P.
RIICO Industrial Area,
Sitapura, Sanganer, Jaipur

Registrar of Share Transfers

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Center,
Near Dada Harsukhdas Mandir,
New Delhi 110 062
Tel : (011) 2996 1281/82
Fax : (011) 2996 1284

NOTICE

Notice is hereby given that the 18th Annual General Meeting (AGM) of M. K. Exim (India) Limited will be held at the Registered Office: G-1/150, Garment Zone, EPIP, RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022 (Thursday) 30th September, 2010 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive and adopt the balance sheet as at 31st March, 2010 and the profit & loss account for the year ended on that date and the report of the directors and auditors thereon.
2. To appoint a director in place of Shri Murl Meghnani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri Ashok Kumar Patni, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint auditors and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the company at its registered office at least 48 hours before the time of the meeting.
2. The Register of Members and Transfer books of the company will remain closed from 23rd September, 2010 to 30th September, 2010 (both days inclusive).
3. The shareholders desiring any information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep

4. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrar & Share Transfer Agent, viz., Beetal Financial and Computer Services Private Limited, Beetal House, 99, Madangir, 3rd Floor, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062 quoting their folio members.

FURTHER, please note that in the case of demat shares, any change(s) required in address, bank details, ECS mandate, power of attorney and also requests for registration of nomination, Transmission etc. are to be intimated to your DP and not to the company or our registrars.

By order of the board
Sd/-
(K L Khanchandani)
Managing Director

Place: Jaipur
Date: 01st September, 2010

ANNEXURE TO THE AGM NOTICE**ANNEXURE - A**

Details of Director seeking appointment / reappointment in Annual General Meeting pursuant to Clause 49 of Listing Agreement

Name of Director	Shri Murl Meghnani	Shri Ashok Kumar Patni
Date of Birth	13.04.1947	17.02.1957
Date of Appointment	21.12.2005	30.09.2003
Designation	Independent Director	Independent Director
Expertise in specific Functional areas	Business	Business
Qualifications	Graduate	Graduate
Name of Companies in which Directorship held as on 31.03.2010	NIL	NIL
Member of the Committees of the Board of other Companies as on 31.03.2010	NIL	NIL

By order of the Board
Sd/-
(K. L. Khanchandani)
Managing Director

Place: Jaipur
Date: 01st September, 2010

DIRECTORS' REPORT

Yours Directors have great pleasure in presenting the 18th Annual Report on the performance of your Company for the financial year ended on 31st March, 2010 along with Audited Statement of Accounts.

The highlights of the financial results of the Company for the Financial Year ended on 31st March, 2010 are as under: -

FINANCIAL HIGHLIGHTS

Particulars	Rs. in Lacs	
	Financial Year ended on	
	2009-10	2008-09
Sales and other Income	319.68	277.80
Profit before interest & depreciation	26.13	(5.17)
Interest	19.02	24.20
Profit after interest but before depreciation	7.11	29.40
Depreciation	20.92	35.55
Profit/(Loss) before tax	(13.81)	(64.92)
Provision for taxation	0.00	0.00
Provision for FBT	0.0	1.04
Deferred Tax Liability (Created)/Reversed	(70.03)	(9.23)
Net Profit/(Loss) after Tax	(56.22)	(56.73)

FINANCIAL PERFORMANCE

The turnover during the financial year 2010 was Rs. 3,23,07,466 in comparison of previous year Rs. 2,50,35,960. The turnover has increased by approx. 29 percentage.

During the year the board has decided to enter into new areas of jewellery and hotel business. The company has made some tie-ups for hotel business, which will be highlighted shortly.

The Company has also made a preferential allotment of 31,00,000 equity shares at a price of Rs. 27/- each after getting necessary approvals from its shareholders. Some pending approvals are in progress from the stock exchanges, where the securities of the company are listed.

FIXED DEPOSITS

The Company has not received/accepted any deposit with in the Section 58A of the Companies Act, 1956 and the rules made there under.

RESPONSIBILITY STATEMENT

The Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standard has been followed and that no material departures have been made from the same;
- That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give 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;
- That they have taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of the companies act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

The Company has implemented all the Provisions of the Corporate Governance as stipulated by Clause 49 of the Listing Agreement with all the Stock Exchanges where the Company's securities are listed. It has always been a constant endeavour of the Company to adopt Good Corporate Governance code through independent board, transparent disclosures, and Shareholders empowerment for creating and sustaining shareholders value. A separate section on Corporate Governance along with a Certificate from the Auditors of the Company certifying compliance of stipulations of Clause 49 of Listing Agreement with the Stock Exchanges with regard to the Corporate Governance code is annexed with this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreement with the Stock Exchanges is annexed and forms part of the Directors' Report.

AUDITORS

During the year the previous auditor of the company M/S P.C. MODI & Co., has given resignation and the company appointed new auditor M/S Vimal Agrawal & Associates, Chartered Accountants, Jaipur to fill up the casual vacancy caused by resignation of M/S P. C. Modi & Co.

The board places its high sense of appreciation for the services rendered by the out-going auditor.

The board request to approve the reappointment of the auditor, viz., M/S Vimal Agrawal & Associates. The auditors report is self explanatory hence does not require any explanation.

COMPLIANCE CERTIFICATE

The Compliance Certificate obtained from M/S S C Sharma & Associates, Company Secretaries, Jaipur, is attached with this report. The certificate is self explanatory, hence does not require any explanation.

PERSONNEL

There have been cordial personnel relations in the Company. There was no employee drawing salary of Rs.2,00,000 per month or more and Rs.24,00,000 or more in the year ended March, 31,2010. Therefore, the provisions of Section 217 (2A) of the Companies Act,1956, read with the, "The Companies (Particulars of Employees) Rules, 1975" are not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed.

APPRECIATION

The Directors of your Company sincerely appreciate the help and co-operation rendered by banks, Government and non-governments departments, employees and others who have contributed for the interest of the Company.

By order of the board
Sd/-
(D R Khanchandani)
Chairman
Sd/-
(K L Khanchandani)
Managing Director

: Jaipur
Date: 01st September, 2010

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010.

ENERGY CONSERVATION

The Company has made all round efforts for the conservation of energy. To reduce the energy cost, energy efficient equipments were used.

Total energy consumption per unit of production as prescribed in Form "A":

I. Power Consumption

	Year Ended 31.03.2010	Year Ended 31.03.2009
1. Electricity		
Purchased units	24958	49724
Total Amount (in Rs.)	248188	403199
Rate per unit (in Rs.)	9.94	8.10
2. Diesel		
Purchased (in liters)	NIL	NIL
Total Amount (in Rs.)	NIL	NIL
Rate per liter (in Rs.)	NIL	NIL
3. Coal	NIL	NIL
4. Furnance Oil	NIL	NIL
5. Other Internal Generation	NIL	NIL

II. Consumption per unit of Production

	Year Ended 31.03.2010	Year Ended 31.03.2009
1. Electricity Units per mtr. fabrics	NIL	NIL

TECHNOLOGY ABSORPTION

Indigenous technology alone is used and Research and Development are carried out continuously.

FOREIGN EXCHANGE EARNING AND OUTGO

	Year Ended 31.03.2010 Rs. in Lacs	Year Ended 31.03.2009 Rs. in Lacs
Total Foreign Exchange earned.	254.71	109.10
Total Foreign Exchange used.	NIL	NIL

By order of the Board
Sd/-
(K. L. Khanchandani)
Managing Director

Place: Jaipur

Date: 1st September, 2010

S C Sharma & Associates
Company Secretaries
T-7, Jeewan Vihar Complex, New Colony,
Panch Batti, M. I Road, Jaipur-302001.
Phone: 0141- 2370479, 4010479.
Compliance Certificate

CIN: L51101RJ1992PLC007111

Members

M. K. EXIM (INDIA) LIMITED
Jaipur.

I have examined the registers, records, books, and papers of M. K. EXIM (INDIA) LIMITED (The Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ending on 31st March, 2010 (Financial Year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Rajasthan.
3. The Company being a Public limited company, comments are not required.
4. The Board of Directors duly met twelve times respectively on 15.06.2009, 22.06.2009, 30.06.2009, 31.07.2009, 18.08.2009, 28.08.2009, 01.09.2009, 31.10.2009, 04.11.2009, 21.12.2009, 25.01.2010 and on 27.02.2010 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 23rd September, 2009 to 30th September, 2009 and necessary compliances of Section 154 of the Act have been made except publication of the notice in the newspaper(s).
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 30th September, 2009 after giving due notice to the member a of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.

10. The Company has made necessary entries in the Register maintained under Section 301 of this Act.
11. As there were no instances falling within the purview of the Section 314 of the Act, the Company has not obtained any approvals from board, members or Central Govt.
12. The Company has not issued any duplicate share certificate during the financial year.
13. The Company has:
 - a. The work relevant with shareholder services is done by Beetal Financial and Computer Services Private Limited, Delhi (Share Transfer Agent). There was no allotment of shares during the financial year. All transfers have been affected in prescribed times.
 - b. The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - c. The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - d. duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar, and / or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Act and the rules made thereunder.
19. The Company has not issued any shares, debentures, or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in the abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.

..2nd page of CCOM 2010 of M. K. Exim (India) Limited ...

24. The amount borrowed by the Company from directors, members, public, Financial institutions, banks and others during the year ending as on 31st March, 2010 are within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or shows cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees as contemplated under Section 418 of the Act. The Company has not deposited the contribution of employees and employers under the provisions of the Provident Fund Act in the prescribed time.

For S C Sharma & Associates
Company Secretaries
Sd/-

Place: Jaipur
Date: 05/08/2010

SURESH SHARMA
Prop.
C.P. No. 2531

Annexure-A

1. Register of Members u/s 150 of the Companies Act, 1956,
2. Register of Directors Shareholdings U/S 307 of the Act,
3. Register of Directors, Managing Director, Manager and Secretary u/s 303 of the Act,
4. Register of Contracts, Companies & Firms in which Directors of the company are interested under Section 301 (3) of the Act,
5. Register of Mortgage and Charge,
6. Minutes Book of Board of Directors u/s 193 (1) of the Act,
7. Minutes Book of the proceedings of General Meeting u/s 193(1) of the Act.
..3rd page of CCOM 2010 of M. K. Exim (India) Limited ...

Annexure-B

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2010, with the Registrar of Companies, Rajasthan :-

S. No.	Forms/Returns with	Date of filing	Whether filed in prescribed time	whether filed additional fee
1.	Form 66 31.03.2009	14.10.2009 Challan No. P36056174	Yes	No
2.	Form 23AC-ACA 31.03.2009	23.10.2009 Challan No. P37048725	Yes	No
3.	Form 20B 31.03.2009	14.11.2009 Challan No. P40878159	Yes	No
4.	Form 23 26.03.2009	22.05.2009 Challan No. A6221972	No	Yes

For S. C. Sharma & Associates
Company Secretaries

Place : Jaipur
Date : 05/08/2010

sd/-
SURESH SHARMA
Prop.
C.P. No. 2531

... 4th page of CCOM 2010 of M.K. Exim (India) Limited ...

* This Compliance Certificate has four pages including Annex. -A & Annex-B.

MANAGEMENT DISCUSSION AND ANALYSIS**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY OUTLOOK**

Indian textile and clothing Industry is one of the largest in the world. India is one of the few countries that has a presence across the entire value chain of the textiles and apparel business starting from fibre production, spinning, weaving/knitting, processing to garment manufacturing.

The Company recognizes the challenges of operating in a quota free world and has positioned itself to take advantage of these opportunities.

The Company believes that the Government also has a significant role to play in the growth of this Industry. The Government recognizes the potential of this Industry and is taking a number of steps to improve the competitiveness of this Industry in the global market.

OPPORTUNITIES AND THREATS

The opening of the international markets has thrown a host of opportunities with unique set of challenges. The dismantling of quota system has given an added advantage and a huge opportunity to India as compared to other countries including China in the polyester-viscose fabrics, the very product in which the Company specializes. This is especially because viscose fiber is available in abundant quantity in India as compared to China. As such, India is stronger in polyester/ viscose fiber suiting as compared to China and other countries. Thus, in India new designs can be injected faster allowing the Indian manufacturers to cater to the larger section of the people with a variety of color choices and designs which is not feasible for the Chinese manufacturers. This is one of the reasons that the Indian fabrics, particularly viscose suiting dominates the market as compared to the Chinese fabrics.

India, therefore, has a massive edge compared to China in viscose polyester fabrics and China is in effect not a competition considering the target market and business model.

The company intends to export majority of its production from the new looms to the European market where realization is higher as compared to that in African countries.

Various Countries, especially the developed nations may, however, increasingly resort to protectionist measures or regional trade agreements to protect their domestic textile & clothing industry, which has been severely impacted by the imports of low cost products from China.

Despite all round positive developments, the Indian textile sector faces a number of challenges, foremost being infrastructure and inflexible labour laws.

Inflow into India of spurious fabric material, counterfeit, fake and misleading selvedge descriptions continues. However, recognizing the threat these spurious imports poses, if continued unchecked, the government has taken a number of steps to check the inflow of such products.

Rising oil prices result in higher input prices, especially polyester and fuel, and higher inflation, which will push up to the cost structure.

The management of the company is implementing the diversification plan of entering in jewellery and hotel/resorts activities for improving the overall performance of the company

INTERNAL CONTROL SYSTEM

The Company is in the process of establishing a strong and adequate internal audit and control system to ensure that all transactions are authorized, recorded and

reported correctly. The internal control system consists of comprehensive internal and external audits. The Company has an Audit Committee of three independent non-executive directors of the Company. The Audit Committee reviews the adequacy of internal control systems and findings of internal audit. Moreover, the annual financial results of the Company were reviewed and recommended by the Audit Committee for consideration and approval of the Board of Directors. The Audit Committee met 4 times during the year ended on 31st March 2010.

FINANCIAL REVIEW AND ANALYSIS

(a) Share Capital

The Authorised Share Capital of the Company is 10,00,00,000/- comprising of 1,00,00,000 equity shares of Rs. 10/- each. The paid-up capital of the Company is Rs. 7,18,05,000. On 30.03.2009 the company has re-issued 7,82,300 forfeited equity shares. On 3rd May, 2010 (EGM) the company allotted 31,00,000 equity shares at a price of Rs. 27/- each on preferential basis in compliance of the provisions of Issue of Capital & Disclosure Requirements Regulations, 2009.

(b) Loan funds

During the year the Secured Loan of the Company has increased by 31% i.e from Rs.113.31 Lacs. to Rs.163.72 Lacs. And Unsecured Loan of the company has decreased by 34% i.e. from Rs.427.63 Lacs to Rs.281.88 Lacs.

(d) Net Current Assets

During the current period, there was a increase in the Net Current Assets of the Company from Rs. 12,80,96,556 to Rs. 15,18,79,094.

(e) Sales

During the year the turnover of the Company has increased by 29% i.e. from Rs. 25035960/- to Rs. 32307466/-.

HUMAN RESOURCE MANAGEMENT

Human Resources are a valuable asset for any organization. The Company is giving emphasis to upgrade the skills of its human resources. This is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

By order of the Board
Sd/-

(K.L. Khanchandani)
Managing Director

Place: Jaipur

Date: 1st September, 2010

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board has adopted and is committed to adopting its obligations under relevant regulations and laws, as well as any relevant best practices relating to Corporate Governance. The Board believes that good governance is voluntary and self-discipline with the strongest impetus coming from directors and management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organization as M.K. Exim (India) Limited aims to be progressive, competent and trustworthy creating and enhancing value for stakeholders and customers, while relating and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability.

1. BOARD OF DIRECTORS

At present, the Board consists of six Directors, of whom three are Non-executive and Independent Directors.

Details of all Directors are given below by category, attendance, total directorship and memberships and chairmanships of Board Committees:

Name of Director	Category	Meeting held during his/ her tenure	Meetings Attended *	Attended Last AGM **	No. of Other Directorship	No. of Other Committee Membership/ Chairmanship
Mr. Dayaram Khanchandani	Executive (Chairman)	12	12	Y	2	Nil
Mr. Kanhaiya Lal Khanchandani	Executive (Managing Director)	12	12	Y	1	Nil
Mrs. Pushpa Khanchandani	Executive	12	12	Y	Nil	Nil
Mr. Ashok Kumar Patni	Independent	12	7	Y	Nil	Nil
Mr. Murl Meghnani	Independent	12	5	Y	Nil	Nil
Mr. Kishore Motiyani	Independent	12	10	Y	Nil	Nil

* There were Twelve meetings held during the year on 15.06.2009, 22.06.2009, 30.06.2009, 31.07.2009, 18.08.2009, 28.08.2009, 01.09.2009, 31.10.2009, 04.11.2009, 21.12.2009, 25.01.2010 and on 27.02.2010

** Last Annual General Meeting (AGM) was held on 30th September, 2009 (Wednesday) at Registered Office: G-1/150, Garment Zone, EPIP, RIICO Industrial Area, Sitapura, Sanganer, Jaipur-302022

2. AUDIT COMMITTEE

The Audit Committee of the Company comprises of three directors, all being non-executive. The Audit Committee performs the following functions: -

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that financial statements are correct, sufficient and credible.
- Reviewing the efficiency of the internal control mechanism and monitors the risk management policies adopted by the Company.
- Reviewing the report furnished by the internal and statutory auditors and ensure that suitable follow up actions are taken.

- (d) Examining accounting, taxation and disclosure aspects of all significant transactions.
- (e) Discussing with the internal auditors regarding any significant finding and follow-up on such issues.
- (f) Reviewing the findings of any internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control system of a material nature, and then reporting such matters to the Board.
- (g) Discussing with external auditors before the audit commences on the nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- (h) To approve unaudited quarterly financial results and publish the same as required in the Listing Agreement.

The information regarding the composition of Audit Committee, numbers of meetings attended by the members of the Audit Committee are as under: -

S.No.	Name of Member	Position in Committee	Meeting held during his/her tenure	Meetings Attended *
1.	Mr. Murli Meghnani	Chairman	4	4
2.	Mr. Ashok Kumar Patni	Member	4	4
3.	Mr. Kishore Motiyani	Member	4	4

* There were four meetings held during the year on 30.06.2009, 31.07.2009, 31.10.2009 and 25.01.2010.

3. SHAREHOLDER'S GRIEVANCE COMMITTEE

The Committee reviewed the Shareholders grievances, their redressal and the Share transfers for the year and expressed satisfaction with the same that there is no pending grievance of any investor against the Company.

The information regarding the composition of Shareholders Grievance Committee, numbers of meetings attended by the members of the Shareholders Grievance Committee are as under: -

S.No.	Name of Member	Position in Committee	Meeting held during his/her tenure	Meetings Attended *
1.	Mr. Murli Meghnani	Chairman	1	1
2.	Mr. Ashok Kumar Patni	Member	1	1
3.	Mr. Kishore Motiyani	Member	1	1

* There was one meeting held during the year on 20.04.2009.

Mr. Raj Kumar Jain, General Manager has been designated as Compliance Officer.

4. REMUNERATION COMMITTEE

The Company had constituted a Remuneration Committee during the year 2003. The remuneration of Managing/Executive director is decided by remuneration committee based on criteria such as industry Bench marks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance track record of Managing/Executive directors, macro economic review on remuneration packages of heads of other organization and is reported to the Board.

In the last few years efforts have been made to link the annual variable pay of senior personnels with the performance of the company in general and their individual performance for the relevant year measured against specific major performance areas which are closely aligned to Company's objectives.

* No Meeting was held during the year of Remuneration Committee.

Remuneration paid to Directors: -

Remuneration paid to non-executive Directors: NIL

Remuneration paid to Executive Directors during the Financial Year ended on 31.03.2010:

Name of Executive Director	Salary (Rs.)	Contribution to P/F (Rs.)	Total (Rs.)
Mr. Dayaram Khanchandani	1,25,760	6,240	1,32,000
Mr. Kanhaiya Lal Khanchandani	5,93,760	6,240	6,00,000
Mrs. Pushpa Khanchandani	2,33,760	6,240	2,40,000

Notes:

- (1) No commission has been paid to any Directors.
- (2) The service contract with Managing/Whole time Directors are normally for a period of five years.
- (3) Presently, the Company does not have any stock option scheme.

5. GENERAL BODY MEETINGS

The details of Annual General Meetings held in the last three years are given below:

Annual General Meeting	Day & Date	Time	Venue
15 th Meeting	Thursday 27 th Sept. 2007	11.00 a.m.	E-3, RIICO Industrial Area, Sitapura, Sanganer, Jaipur
16 th Meeting	Tuesday 30 th Sept. 2008	11.00 a.m.	E-3, RIICO Industrial Area, Sitapura, Sanganer, Jaipur
17 th Meeting	Wednesday 30 th Sept. 2009	10.00 a.m.	G1/150 Garment Zone E.P.I.P. Sitapura, Sanganer, Jaipur

6. DISCLOSURES

- a. Materially related transactions with related parties, i.e., Promoters, Directors or Management, their subsidiaries or relatives conflicting with the Company's interest: Details of related party transactions during the year have been set out under Note 14 of Schedule 18 of the Annual Accounts.
- b. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other Statutory Authorities on matters related to Capital Market.
- c. A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

7. MEANS OF COMMUNICATION

- a. In compliance with the requirements of Listing Agreement, the Company regularly intimates Unaudited as well as Audited Financial results to the Stock Exchanges immediately after they are taken on record by the Board of Directors. The Annual, Half yearly and Quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and published in newspaper(s) in compliance of the provisions of the Listing Agreement.
- b. Management Discussion & Analysis Report forms part of the Report of Directors.

8. GENERAL SHAREHOLDER'S INFORMATION:

(a) **Date of Book Closure:** 23.09.2010 to 30.09.2010

(b) Date and Venue of AGM:

Date : 30.09.2010

Day : Thursday

Time : 10.00 A.M.

Venue of AGM : G-1/150, Garments Zone, EPIP
RIICO Industrial Area, Sitapura,
Sanganer, Jaipur

(c) Financial Calendar (tentative and subject to change) :

Financial reporting for the first quarter ending June 30, 2010: July 2009

Financial reporting for the second quarter ending Sep. 30, 2010: Oct. 2009

Financial reporting for the third quarter ending Dec. 31, 2010: Jan. 2011

Financial reporting for the year ending March 31, 2011: May 2011

Annual General Meeting for the year ending March 31, 2011: Sept. 2011

(d) **Dividend:** No dividend being recommended by the Board of Directors during the year.

(e) Listing of Equity Shares in Stock Exchanges:

Jaipur, Ahmedabad and Delh

(Trading permitted at BSE INDONEXT w.e.f. 17th January 2007.)

(f) Demat ISIN Exchange Number in NSDL & CDSL for Equity Shares

ISIN No. INE227F01010

(g) Stock Exchange Code:

Jaipur Stock Exchange 787
 Ahmedabad Stock Exchange 37621
 Delhi Stock Exchange 9458

(h) Registrar and Share Transfer Agent:

Beetal Financial & Computer Services (P) Ltd.
 Beetal House, 3rd Floor, 99, Madangir,
 Behind Local Shopping Center,
 Near Dada Harsukhdas Mandir,
 New Delhi – 110 062
 Tel : (011) 2996 1281/82
 Fax : (011) 2996 1284

(i) Shareholding Pattern as on 31st March 2010

S.No.	Category	No. of Share holders	No. of Shares	% to Total
1.	Promoter and Promoter Group	7	1719600	42.14
2.	NRI	14	80408	1.97
3.	Resident Individuals	1081	1710698	41.92
4.	Bodies Corporate	80	543829	13.33
5.	Clearing Member	12	25965	0.64
	Total	1194	4080500	100

Note: The Board of Directors has reissued the forfeited 7,82,300 equity shares in the board of director meeting dt. 30.03.2009 after complying all the provisions of the Listing Agreement.

(k) Distribution of Shareholding as on 31st March 2010

SHARE HOLDING OF NOMINAL VALUE OF RS.	NO. OF SHARE-HOLDERS	% TO TOTAL	NO. OF SHARES	AMOUNT IN RS.	% TO TOTAL
UP TO 5000	617	52.68	1,45,943	14,59,430.00	3.5766
5001 TO 10000	371	31.07	3,36,304	33,83,040.00	8.2417
10001 TO 20000	89	7.45	1,52,852	15,28,520.00	3.7459
20001 TO 30000	35	2.93	87,569	8,75,690.00	2.1480
30001 TO 40000	4	0.34	14,167	1,41,670.00	0.3472
40001 TO 50000	14	1.17	83,516	8,35,160.00	1.5566
50001 TO 100000	23	1.93	1,80,954	18,09,540.00	4.4346
100001 AND ABOVE	41	3.43	30,99,195	3,09,91,950.00	75.9514
TOTAL	1194	100.00	40,80,500	4,08,05,000.00	100.0000

(l) Dematerialisation of Shares as on 31.03.2010

Number of Shares dematerialized : 2770175

% of shares dematerialized : 67.89 %

The Company has entered into agreements with both NSDL and CDSL whereby shareholders have an option to dematerialize their shares with either of the depositories.

(m) Registered Office:

M.K. Exim (India) Limited
G-1/150, Garments Zone, EPIP,
RIICO Industrial Area,
Sitapura, Sanganer, Jaipur
Phone: 91-141-2777501
Fax: 91-141-2777502
E-mail: mkexim@hotmail.com
Website: www.mkexim.com

9. CODE OF CONDUCT:

The Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The said Code has been communicated to the Directors and members of the Senior Management. The Code has also been posted on the Company's website – www.mkexim.com.

10. COMPLIANCE CERTIFICATE OF THE AUDITORS:

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to the Directors' Report.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges alongwith the Annual Report of the Company.

11. NON-MANDATORY REQUIREMENTS:

The Company at present has not adopted the non-mandatory requirements in regard to sending half yearly financial results to the Shareholders at the residence.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board members and Senior Management Personnel have affirmed compliance with M.K.- Code of Conduct for the year ended March 31, 2010.

By order of the Board

Sd/-
(K.L. Khanchandani)
Managing Director

Place: Jaipur
Date: 1st Sept., 2010

AUDITORS' CERTIFICATE ON CLAUSE 49 COMPLIANCE

To the Members of
M.K. Exim (India) Limited
Jaipur.

We have examined the compliance of the conditions of Corporate Governance by M.K. Exim (India) Limited for the year ended 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further 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.

For Vimal Agrawal & Associates,
Chartered Accountants

Sd/-
(Vimal Agrawal)
Partner
Membership No. 71627.

Place: JAIPUR
Date: 30th May, 2010

AUDITOR'S REPORT

1. We have audited the attached Balance Sheet of M.K. Exim (INDIA) LIMITED as at 31st March 2010 the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed there to. 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 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 paragraphs 4 and 5 of the said Order.
4. 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account 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 and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except.

- I AS-28, for "Impairment of Assets", in respect of impairment loss of Garment manufacturing unit, impairment loss, remains unascertained.
- II. AS-15, for Employees Benefits (Revised 2005), in respect of Provision for Gratuity. The Provision for Gratuity provided by the Company is inadequate and its effect on liabilities and profit of the Company is unascertainable. Further, requisite disclosures are not made in respect of retirement benefits.
- (e) On the basis of written representations received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
- (i) Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (I) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010; and
- (ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For VIMAL AGRAWAL & ASSOCIATES

Chartered Accountants

(FRN: 004187C)

sd/-

(V. K. Agrawal)

Partner

M. No. 71627

Place: Jaipur

Date: 30th May, 2010

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNT OF M.K. EXIM (INDIA) LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2010

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management at the end of the year, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the Company has not disposed off substantial part of the plant and machinery. According to the information and explanation given to us, we are of the opinion that the sale of said part of plant and machinery has not affected the going concern status of the Company.
2. (a) The inventory has been physically verified during the year by the management.
(b) The procedure of physical verification of inventories followed by the management is adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventory.
3. (a) The Company has granted interest free unsecured loan to one party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 66,800/- and the year end balance of loan given to such party was Rs. 66,800/-.
(b) No terms and conditions have been stipulated for loans granted to the party listed in the register maintained under section 301 of the Companies Act, 1956.
(c) According to the information and explanations given to us, no stipulation has been made for the repayment of principal amount in respect of loans given to the parties listed in the register maintained under section 301 of the Companies Act, 1956.
(d) The Company has taken interest free unsecured loans from three parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 4, 63,10,410/- and the year-end balance of loans taken from such parties was Rs. 2,77,54,332/-
(e) In our opinion, other terms and conditions on which loans have been taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, *prima facie*, prejudicial to the interest of the Company.
(f) According to the information and explanations given to us, no stipulation has been made for the repayment of principal amount in respect of loans taken from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us,

- there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard of purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956, have been so entered.
 - (b) According to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. Five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the provisions of section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
 7. In our opinion and according to the information and explanations given to us the internal audit system needs augmentation.
 8. We have been explained that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 for the period under review for the products of the Company.
 9. (a) The Company is irregular in depositing with the appropriate authorities undisputed statutory dues including Investor Education Protection Fund, Provident Fund Dues, Employees State Insurance dues, Income Tax Deducted at source, Income Tax Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it and there have been significant delays in a large number of cases.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty were in arrears as at the end of the financial year for a period of more than six months from the date they became payable.
 - (C) According to the information and explanations given to us and records of Company, the following are the disputed statutory dues on account of income tax, which have not been deposited with appropriate authorities:

S.No.	Nature of Dues	Amount(Rs.)	Period	Forum where dispute is pending
1.	Income Tax Demand	1,33,938/-	A.Y.2002-03	Income tax Appellate Tribunal

10. The Company does not have accumulated losses as at the end of the year. The Company has not incurred any cash losses during the current financial year. The Company has not incurred cash losses during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.
12. According to the information and explanations given to us, the Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures & other securities.
13. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
14. Clause (xiii) is not applicable as this clause is applicable to nidhi/mutual benefit fund/societies.
15. Clause (xiv) is not applicable as this clause is applicable to Company dealing/trading in shares, securities and other investments.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short term basis have been used for long term investment.
18. According to the information and explanation given to us, the Company has not made any preferential allotment of share; hence this clause is not applicable.
19. According to the information and explanation given to us, the Company has not issued debentures; hence this clause is not applicable.
20. According to the information and explanation given to us, the Company has not raised any money by public issue during the year; hence this clause is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For VIMAL AGRAWAL & ASSOCIATES
Chartered Accountants
(FRN: 004187C)
Sd/-
(V. K. Agrawal)
Partner
M. No. 71627

Place : Jaipur
Dated: 30th May, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	SCH. NO.	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS	
I. SOURCES OF FUNDS				
1 SHARE HOLDERS FUND				
a)	Share Capital	1	40805000	36893500
	Pending allotment		0	4693800
b)	Reserve & Surplus	2	91295823	84891310
2 LOAN FUNDS :				
a)	Secured Loans	3	16371883	1133129
b)	Unsecured Loans	4	28187532	42762715
	Deferred Tax Liability		744542	7747410
			<u>177404780</u>	<u>178121864</u>
II. APPLICATION OF FUNDS				
1 FIXED ASSETS				
a)	Gross Block	5	46524825	82487178
	Less : Depreciation		21000139	32462870
	Net Block		25524686	50024308
	Investments	6	1000	1000
2 CURRENT ASSETS, LOANS AND ADVANCES				
a)	Inventories	7	13319172	13335847
b)	Sundry Debtors	8	56525157	66810443
c)	Cash & Bank Balances	9	1354678	1322599
d)	Loans & Advances	10	99769765	65092023
			170968772	146560912
	Less : Current Liabilities and Provision	11	19089678	18464356
	Misc. Expenditure		0	0
			151879094	128096556
			0	0
	NOTES ON ACCOUNTS	18	<u>177404780</u>	<u>178121864</u>

As per our separate report of even date

For Vimal Agrawal & Associates
Chartered AccountantsSd/-
(V.K. AGRAWAL)
PARTNER

FOR M.K.EXIM (INDIA) LIMITED

Sd/-
(DAYARAM KHANCHANDANI)
CHAIRMANSd/-
(KANHAIYA LAL KHANCHANDANI)
MANAGING DIRECTOERPlace : JAIPUR
Date : 30th May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	SCH. NO.	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
INCOME			
Sales-Export		25470737	10909764
Sales- Domestic		133940	652672
Other Income	12	6362871	16217289
Increase (Decrease) in stock	13	339918	(2743765)
TOTAL 'A'		32307466	25035960
EXPENDITURE			
Raw material Consumed	14	356593	2792479
Purchases of Trading Goods		9046334	1272023
Purchase of Grey Fabrics		5625720	5513471
Manufacturing Expenses	15	1950385	2531652
Administrative, Selling & Other Expenses	16	12560378	5128595
Interest	17	1902026	2420802
Depreciation	5	2091681	3554830
Loss on Sale of Fixed Assets		155005	8314103
TOTAL 'B'		33688122	31527955
Profit/(Loss) Before Tax (A-B)		(1380656)	(6491995)
Less : Provision for Tax		0.00	0.00
Less : Deferred Tax Liability (Reversed)		7002869	(923377)
Less: Provision for Fringe Benefit Tax		0	104000
Profit/(Loss) After Tax		5622213	(5672618)
Add: Profit Brought Forward from last year		83332597	89005215
Profit (Loss) carried to Balance Sheet		88954810	83332597
Basic Earning Per Share before and after extraordinary items		(0.34)	(1.72)
Diluted Earning Per Share before and after extraordinary items		(0.34)	(1.39)

As per our separate report of even date

FOR M.K.EXIM (INDIA) LIMITED

For Vimal Agrawal & Associates
Chartered AccountantsSd/-
(V.K. AGARWAL)
PARTNERSd/-
(DAYARAM KHANCHANDANI)
CHAIRMANSd/-
(KANHAIYA LAL KHANCHANDANI)
MANAGING DIRECTORPlace : JAIPUR
Date : 30th May, 2010

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS.
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL 6000000 Equity Share of Rs. 10/- each	60000000	60000000
ISSUED, SUBSCRIBED & PAID-UP CAPITAL		
Issued Capital 4280000 Equity Shares of Rs. 10/- each	42800000	42800000
Subscribed & paidup Capital 4080500 Equity Shares of Rs. 10/- each fully paid	40805000	32982000
Add: Forfeited Shares Account	0	3911500
	40805000	36893500
SCHEDULE - 2		
RESERVE & SURPLUS		
Profit and (Loss) Account		
Opening Balance	83332597	89005215
Addition During the Year	5622213	(5672818)
	88954810	83332597
Share Premium Account	782300	0
State Investment Subsidy	1558713	1558713
	91295823	84891310
SCHEDULE - 3		
SECURED LOANS		
(A) WORKING CAPITAL LOAN		
From State Bank of Bikaner & Jaipur	16371883	1133129
	16371883	1133129

NOTES :-

1 Working Capital loans from State Bank of Bikaner & Jaipur is secured by way of first charge over all the current assets, loans & advanced and investments and second charge over Land, Building and Plant & Machinery of the company.

SCHEDULE - 4**UNSECURED LOANS**

From Corporates	500000	500000
From Bank	0	403563
From Directors / Ex Directors	27667532	41859152
	28167532	42762715

SCHEDULE - 5
FIXED ASSETS

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

S. NO	PARTICULARS	RATE OF DEP.	AS AT 01.04.2009	GROSS BLOCK ADDITION / (DELETION)	DEPRECIATION				NET BLOCK		
					AS ON 31.03.10	UPTO 31.03.2009	ADJUSTMENT ON SALE OF ASSETS	DURING THE YEAR	UPTO 31.03.2010	AS ON 31.03.09	AS ON 31.03.10
1	LAND		5248390	0	0	0	0	0	5248390	5248390	
2	SITE DEVELOPMENT	3.34%	128586	0	48893	0	4295	53188	79693	75398	
3	BUILDING	3.34%	28640307	(20486143)	8491371	(5650459)	272349	2913261	20148936	5240903	
4	PLANT & MACHINERY	4.75%	32977794	(9538458)	16453746	(4736458)	1113368	12830656	16524048	10608680	
5	FURNITURE & FIXTURES	6.33%	4168885	219800	4388685	1704248	263890	1968138	2464637	2420547	
6	VEHICLES	9.50%	4477907	(618910)	3858997	2405599	366605	2398299	2072308	1480898	
7	MISC. FIXED ASSETS	4.75%	5525099	(4584409)	940690	2067688	44683	494507	2857411	446183	
8	COMPUTER	16.21%	341427	24550	365977	0	26491	342090	29828	23887	
9	OFFICE EQUIPMENT	4.75%	978783	(978783)	0	(375726)	0	0	803057	0	
	TOTAL		82487178	(35962353)	46524825	32462870	(13554412)	2091681	21000139	50024308	25524686
	Previous Year		109596222	(27109945)	82487178	35635442	(8727402)	3554830	32462870	73960780	50024308

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE-6		
INVESTMENTS		
Investment in Government Securities (Unquoted)		
National Saving Certificate	1000	1000
	1000	1000

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE - 7		
INVENTORIES		
Electrical goods		
Raw Material	99190	99190
Consumables	6970258	7326851
Packing Material	72887	72887
Work in Progress	22300	22300
Finished Goods	5850374	5510456
	304163	304163
	13319172	13335847

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE 8		
SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Debts (Outstanding for a Period exceeding Six months)		
Others	50914859	65967681
	5610298	842762
	56525157	66810443

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand		
Balance with Scheduled Bank	1327348	1293065
In Current Account	27330	29533
	1354678	1322599

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE 10		
LOANS & ADVANCES		
Advances (Recoverable in Cash or in kind or for value to be received or for pending adjustments)	76539738	64039308
Security and other deposits	543103	563839
Claim Receivable for loss by Fire	22357283	-
Tax Deducted at Source	221158	383061
Centvat Receivable	105815	105815
Vat Tax Receivable	2667	0
	99769765	65092023
SCHEDULE 11		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
For Goods	4189137	4061448
For Expenses	5011714	6009886
For Capital Goods	374763	399395
Tax deducted at source payable	35607	1847
Statutory Dues	89052	715557
Provision for Fringe Benefit Tax	1394	105835
Credit Balance with Schedule Bank	76035	76035
CST Payable	0.00	143048
VAT Payable	0	299098
Service Tax Payable	4120	4120
Security Receivable	0	10359
Advance from Customers	0	23173
Gratuity Provision	1807857	1614557
Advance Received for Sale of Building	7500000	5000000
	19089678	18464356
SCHEDULE 12		
OTHER INCOME		
Rent	59859	60000
Drawback	2249209	-
Interest	19578	151116
Dividend	0	1500
Exchange Rate Difference	0	10389432
Cash Discount	42629	11341
DEPB	3991596	4859742
Export Incentive/sale of licences	0	744156
Round off	0	2
	6362871	16217289

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE 13		
INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished Goods	304163	304163
Work in Process	5850374	5510456
Electrical Item	99190	99190
	<u>6253727</u>	<u>5913809</u>
Less : Opening Stock :		
Work in Process	5510456	7129132
Electric Items	99190	126830
Finished Goods	304163	1401613
	<u>5913809</u>	<u>8657575</u>
Increase (Decrease) in Inventories	<u>339918</u>	<u>(2743765)</u>

SCHEDULE 14
RAW MATERIAL CONSUMED

Opening Stock	733643	10192217
Add : Purchases	0	0
	<u>733643</u>	<u>10192217</u>
Less : Closing Stock	377050	7399738
	<u>356593</u>	<u>2792479</u>

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	AS AT 31.03.2010 RS.	AS AT 31.03.2009 RS
SCHEDULE 15		
MANUFACTURING EXPENSES		
Processing Charges	1643558	1643204
Carriage & Cartage	8010	29756
Wages	0	251571
Power & Fuel	298817	455396
Stores & Spares (Consumables)	0	145944
Misc. Manufacturing Exp.	0	5781
	1950385	2531652

SCHEDULE 16**ADMINISTRATIVE, SELLING & OTHER EXPENSES**

Exchange Rate Difference	7137791	-
Salary	1073000	1490088
Directors Remuneration	972000	972000
Contribution to Provident fund	63211	128377
Contribution to ESI Fund	8766	26876
Bank Charges	259776	266276
Freight Charges	606518	357941
Gratuity	193300	103420
Rent	38500	24500
Packing Material Consumed	104820	126262
Postage Expenses	40385	48069
Car Expenses	368509	294155
Ins. & Council Charges	33507	46171
Sunday Bal. W/O	2652	52266
Telephone Charges	513872	476942
Repairs & Maintenance		
Plant & Machinery	7000	0
Building	168626	-
Others	13579	63256
Travelling Expenses		
Directors	192430	1801
Others	0	93477
Auditors Remuneration	93200	25844
Miscellaneous Expenses	668936	530874
	12560378	5128595

SCHEDULE 17**INTEREST**

Term Loan of RIICO	0	59752
Bank Borrowing	1892595	1772583
Suppliers	0	387245
Others	9431	201222
	1902026	2420802

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

SCHEDULE 18
NOTES ON ACCOUNTS1. **SIGNIFICANT ACCOUNTING POLICIES :**(i) **Basis of Accounting**

The accounts of the Company are prepared under the historical cost convention on accrual basis and in conformity with accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211(3C) of the Companies Act, 1956. For recognition of Income & Expenses, accrual basis of accounting is followed.

(ii) **Fixed Assets and Depreciation**

Fixed Assets are stated at cost, including attributable cost of bringing the assets to its working condition for the intended use. Depreciation is provided from the date, the assets are installed and put to use on straight line method at the rates and in accordance with schedule XIV of the Companies Act, 1956.

(iii) **Foreign Currency Transaction**

(a) All Foreign currency transaction are recorded at the rates prevailing on the date of the transaction.

(b) Foreign Currency transaction remaining unsettled at the Balance Sheet date are translated at the exchange rate prevailing at the Balance Sheet date or at the rate which is likely to be realised in certain specific cases.

(c) The exchange difference on settlements/conversion are credited/charged to profit and Loss Account.

(d) The Company has not entered into any forward exchange contract during the period.

(iv) **Investments**

Investments are valued at cost

(v) **Inventories:**

(a) Raw Materials, Packing Materials and Consumables are valued at the lower of Cost, computed on a FIFO basis and estimated net realisable value.

(b) Finished goods and Work in Process are valued at the lower of cost, computed on a weighted average basis and estimated net realisable value. Finished goods and work in progress include cost of conversion and other costs incurred in bringing the inventories to their present location and conditions.

(vi) **Revenue Recognition**

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

- (a) The company follows merchantile system of accounting and recognizes significant items of income & expenditure on accrual basis.
- (b) DEPB is recognised when there is significant certainty regarding the ultimate collection of the relevent export proceeds.
- (vii) **Retirement Benefits:**
- (a) Contribution to Provident Fund and Employees State Insurance is accounted for on accrual basis.
- (b) Gratuity liability is provided for on estimated basis for all employees under the "Payment of Gratuity Act, 1972"
- (viii) **Borrowing Cost**
Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying assets is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
- (ix) **Income Tax**
- (a) Income Tax comprises Current Tax and Deferred Tax . Current Tax is the amount of tax payable as determined in accordance with provision of Income Tax Act, 1961
- (b) Deferred Income Tax is provided on all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial purpose.
- (c) Deferred Tax Assets are recognised on unabsorbed depreciation only to the extent that there is virtual certainty supported by convincing evidence and on other , to the extent that there is reasonable certainty of their realisation.
- (d) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date.

2 **Contingent Liabilities**

	Year Ended 31.03.2010	Year Ended 31.03.2009
(i) Claims against the Company not acknowledge as debts	NIL	NIL
(ii) Disputed Income Tax Liability Pending in Appeals	133938.00	133938.00

3 **Impairment of Assets**

The Company have discontinued the operation of its Garment Manufacturing Plant. In accordance with the Accounting Standard - 28 " Impairment of Assets " issued by the Institute of Chartered Accountants of India, the Company has not calculated the impairment loss, if any, on account of unavailability of information of recoverable amount of Garment Manufacturing Plant.

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

4 Details of dues to Micro, Small and Medium Enterprises MSMED Act, 2006 :-

	31st March'10	31st March'09
The principal amount (interest) remaining to single supplier as at the end of each accounting year	0.00	0.00
The amount of interest paid by the buyer in terms of section 23, of the MSMED Act, 2006 along with the amount of the payment made to single supplier beyond the appointed day during each accounting year	0.00	240963.00
the amount of interest accrued and remaining unpaid at the end of the each accounting year	0.00	0.00

5 In view of non availability of relevant information with the company, the total outstanding dues to small Scale Industrial undertakings cannot be ascertained, therefore the same are not disclosed.

6 Trade Advances amounting to Rs. 114.81 Lacs (Previous Year 241.52 Lacs) which are long overdue were given out of business expediency and the same in the opinion of the management are good and recoverable. The same are subject to confirmation.

7 Debtors amounting to Rs. 201.50 lacs (Previous Year 201.50 Lacs) which are long overdue were given out of business expediency and the same in the opinion of the management are good and recoverable. The same are subject to confirmation.

8 The company is having discussion for sale of land and Building of company situated at G-1-150 industrial area, Jaipur. The Company has also received Rs. 75 lacs as advance for sale of property, however no agreement is executed by the Company in this regard.

9 In accordance with AS-22 "Accounting for Taxes on Income", issued by the Institute of Chartered Accountants of India, the company has created deferred tax assets during the year.

10 The breakup of Net Deferred Assets/(Liabilities) are @30.90% as under :

	(Rs.in Lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Timing Difference between Book & Tax Value of Fixed Assets	(14.88)	(85.09)
Gratuity Provision	5.29	4.99
Expenses Disallowed under section 43B of Income tax Act, 1956	-	2.42
Carried Forward Unabsorbed Depreciation Expenses Disallowed for not depositing TDS	2.15	0.20
	<u>(7.44)</u>	<u>(77.48)</u>

11 **Segment Reporting**

(i) Segments have been identified in line with the Accounting Standard-17- "Segment Reporting" issued by the Institute of Chartered Accountants of India.

(ii) The Business Segment has been considered as the primary segment for disclosure. The segments have been identified taking into account the nature of products, the different risks and returns and internal reporting system. The Geographical Segment based on location of its customers have been considered as secondary segment for disclosure.

(iii) The segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

(iv) Information about primary business segments.

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

	Finish fabric & Dress Material		Electric Cables & Other Elect. Items		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Revenue	319.56	275.67	0.00	0.00	319.56	275.67
Results	(13.81)	(64.92)	0.00	0.00	(13.81)	(64.92)
Less :						
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00
Defferend tax liability (70.03) Created/(Reverse)		(9.23)	0.00	0.00	(70.03)	(9.23)
Profit After Tax	(13.81)	(56.73)	0.00	0.00	(13.81)	(56.73)
Segment Assets	1895.24	1896.15	69.70	69.70	1964.94	1965.85
Segment Liabilities	643.94	701.80	0.00	0.00	643.94	701.80
Capital Expenditure	2.44	7.37	0.00	0.00	2.44	7.37
Non Cash Expenses Other than Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation	20.92	35.55	0.00	0.00	20.92	35.55

(V) Information about secondary business segment :

	<u>Current Year</u>	<u>Previous Year</u>
Export	254.71	109.09
Domestic	1.22	4.64
TOTAL	<u>255.93</u>	<u>113.73</u>

12 Earning Per Share		Year Ended 31.03.2010	Year Ended 31.03.2009
Basic			
(i) Net Profit after tax available for Equity Share holders	A	(1380656)	(5672618)
(ii) Weighted average of Number of equity share outstanding during the year	B	4080500	3298200
(iii) Basic and Diluted earning per equity share of Rs. 10/- each	A/B	(0.34)	(1.72)

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

Diluted

(i)	Net Profit after tax available for Equity Share holders	A	(1380656)	(5672618)
(ii)	Weighted average of Number of equity share outstanding during the year	B	4080500	3298200
	Add : Potential equity share :- Share	C	0	782300
	Weighted average of Number of equity share outstanding during for diluted EPS	G=B+C	4080500	4080500
(iii)	Diluted earning per equity share of Rs. 10/- each		(0.34)	(1.39)

13 Balance in Personal Accounts are subject to confirmation

14 **RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, issued by the Institute of Accountant of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below :

(i) List of related parties and relationships :

S. No.	NAME OF RELATED PARTY	RELATIONSHIP
1	M/s. M.K. Ingots Casting Pvt. Ltd.	Associate Company
2	Mr. Dayaram Khanchandani :	Key Management Personnel
3	Mr. Kanhaiya Lal Khanchandani :	Key Management Personnel
4	Mrs. Pushpa Khanchandani	Key Management Personnel
5	Mr. Shyam Khanchandani :	Relative of Key Management Personnel
6	Mr. Ashok Patni	Key Management Personnel
7	M/s. M.K. Traders	Proprietorship firm of Key Management Personnel
8	M/s. Square Textiles L.L.C.	Relative Concern Key Management Personnel
9	M/s. K.V. Exports	Proprietorship Concern Key Management Personnel
10	M/s. M.K. Textiles	Relative Concern Key Management Personnel
11	M/s Symphony Jewels Pvt. Ltd.	Associate Company
12	Mr. Murli Menghani	Key Management Personnel

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

Details of transaction with related parties and the status of outstanding balances at the year end.

1	Key Management Personal	Current Year	Previous Year
		31.03.2010	31.03.2009
	Remuneration	972000	972000
	Rent	-	-
	Outstanding Payables at the end	1808653	1060732
	Receivables at the end	-	-
	Brokerage	-	-
	Unsecured Loans		
	Balance at the beginning	41859152	48121934
	Taken during the Year	9035000	33727023
	Paid during the year	23206620	39989805
	Balance at the end	27687532	41859152
2	Relative of Key Management Personal	Current Year	Previous Year
		31.03.2010	31.03.2009
		Amt. (Rs.)	Amt. (Rs.)
(a)	Sale of Finished Goods	25270548	95515051
	Purchase of Ready made garments	0	0
	Debit Balance Outstanding at the end	26704087	12419714
(b)	Festival Sampling & Designing		
	Expenses Credit Balance		
	Outstanding at the end	0	116945.00
3	Associate Company		
	Loans & Advances		
	Balance at the beginning	66800	(227800)
	Given during the year	0	1450000
	Received during the year	0	1611000
	Balance at the end	66800	66800
15	Payment to Auditors	31.03.2010	31.03.2009
		Rs.	Rs.
(a)	As Auditors :		
	Statutory Audit	93200.00	-
	Tax Audit	-	-
(b)	As Advisers, in respect of		
	(i) Taxation matters	44800.00	15731
	(ii) Company law matters	0	0
	(iii) Other Services	6,618.00	10113
		144418.00	25644
16	Remuneration paid to Managing Director & Directors		
	Salary	953280	943920
	Contribution to Provident Fund	18720	28080
		972000	972000

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

17 Capacity

	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Fabric Mtrs	Readymade Garments & Pcs	Fabric Mtrs	Readymade Garments & Pcs
Licensed capacity	N.A.	N.A.	N.A.	N.A.
Installed capacity	N.A.	N.A.	N.A.	N.A.

18 Production

Production: Finished Fabric (i) Finish Fabric Finish Fabric -Outside (ii) Readymade Garments (iii) Electrical Cables (iv) Gray Fabrics	Unit	Year Ended 31.03.2010	Year Ended 31.03.2009
		Mtrs.	0
	Mtrs.	187672	131374
	Pcs.	0	0
	Rolls (Nos.)	-	-
	Mtrs.	0	0

19 Raw Material Consumed

	Unit	Qty.	Year Ended 31.03.2010		Year Ended 31.03.2009	
			Amount Rs.	Unit	Qty.	Amount Rs.
Yarn	Kgs.		0	0.00	0	0
Fabric	Mtrs		-	-	-	-
			0	-	0	0

20 Purchases of Trading Goods

	Unit	Qty.	Year Ended 31.03.2010		Year Ended 31.03.2009	
			Amount Rs.	Unit	Qty.	Amount Rs.
Dress Materials	Pcs.	61488	5825720	Pcs.	3884	1272023
Electrical Items	Pcs.	-	-	Pcs.	-	-
Yarn	Kgs	-	-	Kgs	-	-
Fabric	Mtrs.	211185	9046334	Mtrs.	-	5513471
			14872054			6785494

21 Sales:

	Unit	Qty.	Year Ended 31.03.2010		Year Ended 31.03.2009	
			Amount Rs.	Qty.	Amount Rs.	
Finished Fabric	Mtrs.	187672	10681131.00	150185	9551505	
Semi Finished Fabric	Mtrs.	-	-	-	-	
Dress Material	Pcs.	61488	14789608.00	3884	1358259	
Electric Items	Pcs	-	-	292	27640	
Yarn	Kgs	2445	122270.00	21857	437148	
Readymade	Pcs	-	-	-	-	
Child	Kgs	1167	11670.00	0	0	
mw stock	Mtrs.	-	-	16158	161575	
			25604677	-	26311	
					11562438	

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

22	<u>Closing Stock:</u>		Year Ended 31.03.2010		Year Ended 31.03.2009	
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.	Amount Rs.
	Finished Fabric	Mtrs.	0	0	0	0
	Readymade	Pcs	20787	304163	20787	304163
	Electrical Items	Pcs	743	99190	743	99190
	TOTAL			403353		403353
23	<u>Opening Stock:</u>		Year Ended 31.03.2010		Year Ended 31.03.2009	
	Unit	Qty.	Amount Rs.	Qty.	Amount Rs.	Amount Rs.
	Electrical Items		743	99190	1035	126830
	Finished Fabric	Mtrs.	0	0	14690	982425
	Readymade Garments	Pcs.	20787	304163	20787	304163
				403353		1413418
24	<u>Foreign Exchange Earnings & Expenditure</u>		Year Ended 31.03.2010		Year Ended 31.03.2009	
			Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
	Foreign Exchange Earning Export		25470737		10909764	
	Foreign Exchange Expenditure		0		0	
25	<u>Value of Imported and Indigenous Raw Material & Stores and Spares consumed :</u>					
	Year Ended 31.03.2010		Year Ended 31.03.2009			
	Imported Rs.	Indigenous Rs.	Imported Rs.	Indigenous Rs.		
	Raw Material Consumed	-	0	-	7129132	
	Storage & Spares consumed	-	0	-	145044	

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

- 26 Figures for the previous year have been re-grouped / re-arranged wherever considered necessary to make them comparable with those of current year.
- 27 Figures have been rounded off to the nearest rupees.
- 28 Additional information under Part IV of Schedule VI is as under :

I Registration Details :

Registration No. 071111 State Code 17
 Balance Sheet Date: 31 03 2010

II Capital Raised during the year (Amount in Rs. Thousands)

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

III Position of Mobilisation and Development of Funds (Amount in Rs. Thousands)

Total Liabilities 177405	Total Assets 177405
Sources of Funds :	
Paid Up Capital 40805	Reserves and Surplus 91296
Secured Loans 16372	Unsecured Loans 28188
	Deferred Tax Liability 745
Application of Funds :	
Net Fixed Assets 25525	Investments 1
Net Current Assets 151879	Misc. Expenditure NIL
Accumulated Losses NIL	

SCHEDULE TO THE ACCOUNTING YEAR 2009-2010

IV Performance of Company (Amount in Rs. Thousands)

Turnover

31968

Total Expenditure

33349

Profit / (Loss) Before Tax

(1381)

Profit / (Loss) After Tax

(8384)

Earning per share in Rs.

(0.34)

Dividend

NIL

V Generic Names of Principal Product of Company (as per monetary terms)

Item Code No. (ITC Code No.)

: 55141100

Product Description

: Fabric

Item Code No. (ITC Code No.)

: 62082900

Product Description

: Readymade Garments

Item Code No. (ITC Code No.)

: 740800

Product Description

: Electric Cables

As per our separate report of even date

For Vimal Agarwal & Association
Chartered AccountantsSd/-
(V.K. AGRAWAL)
PartnerPlace : JAIPUR
Date : 30th May 2010

For M.K. EXIM (INDIA) LTD.

Sd/-
(DAYARAM KHANCHANDANI)
CHAIRMANSd/-
(KANHAIYALAL KHANCHANDANI)
MANAGING DIRECTOR

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2010**

CASH FLOW FROM OPERATIVE ACTIVITES (A)	Year Ended 31.3.10	Year ended 31.3.09
Net Profit After tax	(13.81)	(56.73)
Adjustments for:		
Prior period Income tax edjestment	0.00	0.00
Income Tax of Previous Year	0.00	0.00
Profit on Sale of Fixed Assets	0.00	0.00
Profit On sale of Share	0.00	0.00
Provision for Fringe Bebefit Tax	0.00	1.04
Income Tax Provision	0.00	0.00
Deferred Tax Liability	(70.03)	(9.23)
Depreciation	20.92	35.55
Interest Expenses	19.02	2.42
Interest Income	0.00	0.00
Loss on Sale of Fix Assets	1.55	83.14
Dividend Income	0.00	(0.02)
	(43.90)	56.17
Operating Profit before working capital changes		
Adjustment for:		
Decrease in Inventories	0.17	57.32
Decrease Sundry Debtors & Other receivable	102.85	487.32
Increase in Current liabilities	6.26	31.61
Increase in Loans & Advances	(346.78)	(260.70)
Cash Generated From Operation activites	(281.40)	(371.72)
Interest paid	(19.02)	(2.42)
Tax Paid	0.00	0.00
Fringe Benefit Tax	0.00	(1.34)
Net Cash Flow from Operating Activities	(300.42)	367.96
CASH FLOW FROM INVESTING ACTIVITIES (B)		
Purchases of Fixed Assets	(2.44)	(7.37)
Loss of Fixed Assets	295.63	0.00
Sale of Fixed Assets	0.90	128.05
Interest Income	0.00	0.00
Dividend Income	0.00	0.02
Net Cash used in Investing Activities	294.09	120.70

CASH FLOW FROM FINANCING ACTIVITIES (C)

Dec/Dec in Secured Loans	152.39	(408.12)
Dec in Unsecured Loan	(145.75)	(145.41)
Share application Money	0.00	46.94
Net Cash From Financing Activities	6.64	(506.59)
Net Increase (Decrease) in cash & cash equivalents (A+B+C)	0.31	(17.93)
Opening cash and cash equivalents	13.24	31.17
Closing cash and cash equivalents	13.55	13.24

As per our separate report of even date

For Vimal Agrawal & Associates
Chartered Accountant

For M.K. EXIM (INDIA) LTD.

Sd/-
(V.K. Arrawal)
PARTNERSd/-
(DAYARAM KHANCHANDANI)
CHAIRMANSd/-
(KANHAIYALAL KHANCHANDANI)
MANAGING DIRECTORPlace : JAIPUR
Date : 30th May 2010



BOOK POST

PRINTED MATTERS

TO

If undelivered please return to

M. K. Exim (India) Limited

Regd. Office :

G1/150, Garment Zone, E.P.I.P.

RiICO Industrial Area, Sitapura, Sanganer, Jaipur

