
NOTICE

NOTICE is hereby given that the **21st** Annual General Meeting of the Members of **ANJANI FABRICS LIMITED** will be held at the Registered Office of the Company at **Survey No.170, Opp. Advance Petrochem Limited, Pirana Road, Piplej, Ahmedabad-382405** on **Wednesday, 30th September, 2009** at **10.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt audited Balance Sheet as at 31st March, 2009, Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint Director in place of Mr. Mukesh H. Agarwal, who retires by rotation and being eligible offers him-self for reappointment.
3. To appoint M/S. NAHTA JAIN & ASSOCIATES, CHARTERED ACCOUNTANTS, AHMEDABAD as Statutory Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting, to audit accounts of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification, the following resolution as ORDINARY RESOLUTION:

"RESOLVED THAT Mr. Devendrakumar B. Nathani who was appointed as an additional director of the Company by the Board of Director with effect from 31.08.2009 and holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office will be liable to retire by rotation."

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.

DATE: 01.09.2009

[RADHESHYAM T. AGARWAL]

Chairman

NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. A proxy in order to be effective must be received by the company at its registered office not less than 48 hours before the time scheduled for holding the meeting.
2. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.

3. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 25.09.2009 to 30.09.2009 (both days inclusive) for the purpose of Section 154 of the Companies Act, 1956.
5. Pinnacle Shares Registry Private Limited, Near Ashoka Mills, Naroda Road, Ahmedabad-380025 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
6. The relevant Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.

EXPLANATORY STATEMENT

[Pursuant to the Provisions of Section 173 (2) of the Companies Act, 1956]

ITEM NO. 4 OF THE NOTICE:-

Mr. Devendrakumar B. Nathani was appointed as additional director of the Company with effect from 31.08.2009 holds office up to the date of forthcoming Annual General Meeting. He is well qualified person and having very vast experience in the field of marketing so it is in the interest of the Company to appoint him as a director of the Company. The board recommends for his appointment.

The Directors recommend the aforesaid resolution for adoption by the members.

None of the Directors are in any way concerned or interested except Mr. Devendrakumar B. Nathani in the aforesaid resolution.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.
DATE: 01.09.2009

[RADHESHYAM T. AGARWAL]
Chairman

DIRECTORS' REPORT

The Shareholders,
ANJANI FABRICS LIMITED
Ahmedabad.

Your Directors have great pleasure in presenting the 21st Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on 31st March 2009.

FINANCIAL RESULTS:

Particulars	(Amount in Lacs)	
	Financial Year 2008-09	Financial Year 2007-08
Sales	16907.60	8704.47
Depreciation	464.88	376.02
Profit/(Loss) before Taxation	367.76	337.11
Provision for taxation current year	150.00	120.00
Profit/(Loss) after Tax	234.42	218.72
Add. Balance Brought forward from Previous year	818.00	599.28
Amount available for Appropriation	1052.42	818.00
Less: Proposed Dividend on Equity Shares	Nil	Nil
Less: Dividend Tax	Nil	Nil
Balance transferred to Balance Sheet	1052.42	818.00

OPERATIONS:

During the year under review, the Company's total sales was Rs. 16907.60 lacs as against the previous year sales of Rs. 8704.47 lacs. The Company has earned net profit of Rs.234.42 lacs as against the previous net profit of Rs. 218.72 lacs after providing depreciation of Rs. 464.88 lacs and provision for taxation (current year) of Rs. 150.00 lacs for the financial year ended on 31st March, 2009.

OUTLOOK FOR THE CURRENT YEAR 2009-10

Yours Directors and top management have taken all measures to improve upon the performance of the Company by increasing revenues in finance and securities market as well as infrastructure activities. The Company is also in the process of implementing various cost effective measures to improve the operating margins. The management of the Company is planning to introduce new system of work control for effective results and also initiate a special Customer Relationship Module (CRM). For this, a special Business Process Department shall be set up.

DIVIDEND:

The Directors regret their inability to recommend any dividend for the year in order to conserve the resources of the company.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS:

Mr. Mukesh H. Agarwal, Director of the Company who retires by rotation at the ensuing Annual General Meeting, being eligible and offers him-self for re-appointment.

Mr. Devendrakumar B. Nathani was appointed as Additional Director of the Company with effect from 31.08.2009 is eligible for re-appointment as director of the Company at the forthcoming Annual General Meeting.

Mr. Krishnakant B. Goyal and Mahavev M. Kharwal have resigned from the Board w.e.f. 29.11.2008 and 31.07.2009 respectively. The Board takes on record the valuable contributions made by them.

AUDITORS:

Auditors of the Company, M/S. NAHTA JAIN & ASSOCIATES, CHARTERED ACCOUNTANTS, AHMEDABAD retires at the ensuing Annual General Meeting of the Company and are eligible for re-appointment. The Shareholders are requested to appoint the auditors and fix their remuneration.

AUDITORS' REPORT:

The observations made by the Auditors' in their Auditors' report and the notes appearing in the accounts with regard to it are self-explanatory and do not requires further clarification by the Board.

ADDITIONAL DISCLOSURES:

In line with the requirements of the Listing Agreement with the Stock Exchanges and Accounting Standard of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the notes on accounts for the year under review in respect of Related Party Transactions, Deferred Tax Liability, etc.

CORPORATE GOVERNANCE REPORT:

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matters is given hereunder.

a)	Conservation of energy	:	Rs. 146479172/-
b)	Technology absorption, research & development	:	Rs. 828468/-
c)	FOREIGN EXCHANGE EARNINGS AND OUTGO:		
	Foreign Exchange Earnings during the year	:	Rs. 3058938/-
	Foreign Exchange Outgo during the year	:	Rs. 24415894/-

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting 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;
- iv) the Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors acknowledge their valuable contribution and appreciate the co-operation received from the bankers, customers and financial institutions for their continued assistance and support extended to the Company.

Your Directors also express their appreciation to all the employees of the Company for their sustained contribution throughout the period.

Yours Directors wish to thank the shareholders for their continued support, encouragement and the confidence reposed in the Management.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.

DATE: 01.09.2009

[RADHESHYAM T. AGARWAL]

Chairman

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2009**1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at AFL is predicated by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

Actual management of the Company vests with a team of senior executives, led by the Managing Director. They are vested with operational and financial powers through a well-structured process of delegation. The management team functions within the framework laid out by the Board and are accountable to the Board through the Managing Director for all their actions.

The Code therefore endeavours to address the following deliverables:

- o Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the Company's affairs;
- o Ensure that the decision making process is transparent and documentary evidence traceable through the minutes of the meetings of the Board/ Committee/ Executive Committees thereof;
- o Ensure that executive action at the operating level is exercised within a framework of checks and balances but without debilitating the creative processes that need to be encouraged in the organization;
- o Ensure the fullest commitment of the management and the Board to world class operating practices;
- o Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there by ensuring high accountability;
- o Ensure that the extent to which the information is disclosed to present and potential investors is maximized;

It is evident that real onus of achieving the desired level of Corporate Governance, lies in the proactive initiatives taken to achieve desired results and not in the external measures like breadth and depth of a code or stringency of enforcement of norms.

2. BOARD OF DIRECTORS

The Board of AFL provides leadership and strategic guideline; objectively reviews management decisions and exercises control over the Company, while remaining at all times trustees of shareholders. The Board is accountable at all to the shareholders for creating, protecting and enhancing wealth and resources of the Company and reporting to them on the performance in a timely and transparent manner.

Scheduling and selection of agenda

In terms of the Corporate Governance code, Board Meetings are scheduled with proper notice and the agenda for each meeting, along with explanatory notes are distributed in advance to the Board Members. Every Board Member is free to suggest the inclusion of items on the Agenda. Additionally, while approving the 'Delegation of operational and financial powers' the Board has mandated the management to bring to its attention various operational powers exercised by the management from time to time for ratification or information. This information is also placed with the Board appropriately.

Frequency

The Board meetings are held at least four times in a year, with a maximum time gap of four months between any two meetings.

Chairman

Shri Radheshyam T. Agarwal, Chairman of the Company, ensure that the Board meetings are conducted in a manner, which secures the effective participation of all directors and encourages all to make an effective contribution. He makes certain that all directors receive adequate information well in time and that the directors look beyond their duties and except full share of the responsibilities of Governance.

3. BOARD STRUCTURE

The Board of Directors is having an appropriate mix of executive and non-executive independent directors as on 31st March, 2009. The Board of Directors is consisting of 4 (four) Directors. The Chairman manages the day to day affairs of the Company. The Board comprises of Executive and Non-Executive Directors, with considerable experiences in their respective fields. AFL did not have any pecuniary relationship of transactions with the non-executive directors during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Composition of the Board of Directors:

Directors	No. of Directors	Percentage of total No. of Directors
Executive	2	50
Non-Executive Director	2	50
Total	4	100

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2008-09 the Board met 26 times on 01.04.2008, 15.04.2008, 30.04.2008, 15.05.2008, 31.05.2008, 30.06.2008, 12.07.2008, 31.07.2008, 14.08.2008, 30.08.2008, 15.09.2008, 30.09.2008, 07.10.2008, 15.10.2008, 31.10.2008, 24.11.2008, 29.11.2008, 15.12.2008, 31.12.2008, 15.01.2009, 31.01.2009, 06.02.2009, 28.02.2009, 12.03.2009, 14.03.2009, 31.03.2009 the maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2008-09

Name of the Director & (DIN)	Designation/ Category	No. of Board Meetings		Last AGM attendance	No. of other Directorship & Committee Member/ Chairmanship in other Listed Companies		
		Held	Attended		Directorship	Committee Membership	Committee Chairmanship
Rambhagat Agarwal	MD/Executive Director	26	26	Yes	--	--	--
Radheshyam Agarwal	Executive Director	26	26	Yes	--	--	--
*Mahadev Kharwal	Non-Executive/ Independent Director	26	26	Yes	--	--	--
*Krishnakant Goyal	Non-Executive/ Independent Director	26	17	Yes	2	--	--
Mukesh Agarwal	Non-Executive/ Independent Director	26	26	Yes	--	--	--

* Ceased to be a Director w.e.f. 31.07.2009 and 29.11.2008 respectively.

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

4. AUDIT COMMITTEE

The Company has a qualified & independent Audit Committee with Members of the Committee being majority of non-executive directors namely Shri Mukesh Agarwal, Shri Mahadev Kharwal and Shri Radheshyam Agarwal at all of whom two members are independent. Mr. Mukesh Agarwal is Chairman of the Committee and he is an Independent Director. The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956 and listing agreement.

Role/ Functions of the Committee:

- o Reviewing with management the annual financial statements before submission to the Board.
- o Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- o Review of policies relating to risk management - operational and financial.
- o Reviewing with the management, external and internal auditors and the adequacy of the internal control system.
- o Discussion with internal auditors of any significant finding and follow-up thereon.

Powers of the Committee:

- * To investigate any activity within its terms of reference.
- * To secure attendance of and seek any information from any employee including representative of the prime shareholders (subject to their internal approvals).
- * Compliance with accounting standards.
- * To obtain outside legal or other professional advice, if necessary.
- * To secure attendance of outsiders with relevant expertise, if it considers necessary.
- * Compliance with Stock Exchange and legal requirements concerning financial statements.

Attendance at the Audit Committee Meetings- 2009

During the year the Audit Committee met 4 times on 30.04.2008, 31.07.2008, 31.10.2008, 31.01.2009 attendance of the members as under:

Name	Designation	No. of Meeting attended	
		Held	Attended
Shri Mukesh Agarwal	Non-Executive/ Independent Director	4	4
Shri Mahadev Kharwal	Non-Executive/ Independent Director	4	4
Shri Radheshyam Agarwal	Executive Director	4	4

5. REMUNERATION AND COMPENSATION COMMITTEE

The Remuneration Committee consists of only Non-executive Directors which evaluates and finalizes among other things, compensation and benefits of the Executive Directors. The Committee consists by Shri Mukesh Agarwal, Shri Mahadev Kharwal and Shri Radheshyam Agarwal at all of whom two members are independent. Mr. Mukesh Agarwal is Chairman of the Committee.

6. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee consists of 3 directors namely Shri Radheshyam Agarwal, Shri Mukesh Agarwal and Shri Mahadev Kharwal. Shri Mukesh Agarwal is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. The Chairman of the Company has been authorized by the Board to approve such transfers within the time stipulated under the Listing Agreement. Further the complaints of the above nature are promptly attended by the Compliance Officer.

There is no pending, unsolved complaint of Shareholders of the Company and no pending Share Transfer.

Shri Radheshyam T. Agarwal is a Compliance Officer of the Company.

Shareholders desiring to communicate with the Company on any of the matters relating to the shares, may visit in personal or write to the Company.

7. SHARE TRANSFER SYSTEMS

All the shares received are processed by the Registrar and Share Transfer Agent of the Company. Share transfers are registered and returned within maximum of 30 days from the date of lodgment if documents are complete in all respects, subject to exercise of option under compulsory transfer cum-demat- procedure; share certificates are either demated or returned within the time limit as prescribed by the authorities.

8. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Pinnacle Shares Registry Private Limited having its Registered Office at Near Asoka Mills, Naroda Road, Ahmedabad- 380 025 is the Registrar & Share Transfer Agent for physical and demated shares.

Address of the Correspondence:**Regd. Office:-**

Survey No.170, Opp. Advance Petrochem Limited, Pirana Road, Piplej, Ahmedabad- 382405

Investors Correspondence/ Complaints to be address to:**SHRI RADHESHYAM T. AGARWAL**

Compliance Officer

E-mail: anjani.fabrics@gmail.com

or

PINNACLE SHARES REGISTRY PRIVATE LIMITED

The Registrar & Share Transfer Agent, Ahmedabad.

Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2009 as under:

Sr. No.	Nature of Complaints	Numbers of Complaints			
		Pending as on 01.04.08	Received	Resolved	Pending as on 31.03.09
1	Non receipt of dividend/ annual report	NIL	NIL	NIL	NIL
2	Complaints relating to dematerialization of shares	NIL	NIL	NIL	NIL
3	Complaints relating to transfer of securities/ issue of duplicate certificate.	NIL	1	1	NIL
4	Others	NIL	1	1	NIL
	Total	NIL	2	2	NIL

9. GENERAL BODY MEETINGS

Location and time for last 3 years Annual General Meetings:

Financial Year	AGM	Location	Date	Time A.M./ P.M.
2007-08	20th	Survey No.170, Opp. Advance Petrochem Limited, Pirana Road, Piplej, Ahmedabad-382405	25.09.2008	09.00 A.M.
2006-07	19th	2/1, 2nd Floor, Chitra Ami Apartment, Neat Times of India, Ashram Road, Ahmedabad-380009	29.09.2007	09.30 A.M.
2005-06	18th	252, New Cloth Market, Ahmedabad-380002	30.09.2006	09.00 A.M.

One Extra Ordinary General Meeting was held on 03.03.2009 in respect to preferential allotment of 3250000 equity shares of Rs.10/- each at a premium of Rs. 2.75 per share to the promoters and non-promoters of the Company during financial year 2008-09.

10. RESOLUTION CARRIED OUT THROUGH POSTAL BALLOT

The Company has not passed any Special Resolution through postal ballot during the year and at the forthcoming Annual General Meeting, no resolution is proposed to be passed through Postal Ballot.

11. DISCLOSURES

- o There are no materially significant related partly transactions i.e. transactions of the Company of material natures, with its promoters, the directors or the managements, their subsidiaries or relatives etc., that may have potential conflict with interest of the Company at large.
- o No penalties or strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markers, during the last three years.
- o The Company has complied with various rules and regulations prescribed by the Stock Exchange and SEBI during the last three years. No penalties or strictures have been imposed by them on the Company.

12. CATEGORIES OF SHAREOWNERS- 31-03-2009

Category	No. of Shares Held	Voting Strength (%)
Promoters	4150944	43.69
Resident Individuals	2540666	26.75
Financial Institutions/ Banks	--	--
Bodies Corporate	2807489	29.55
NRIs/ OCBs	901	00.01
Others	--	--
Total	9500000	100

13. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009

Share Balance	Holders	% of Total	Total Shares	% of Total
1 - 500	2612	82.66	727145	7.65
501 - 1000	337	10.66	277508	2.92
1001 - 2000	108	3.42	172586	1.82
2001 - 3000	25	0.79	65485	0.69
3001 - 4000	7	0.22	25570	0.27
4001 - 5000	15	0.47	70511	0.74
5001 - 10000	12	0.38	88394	0.93
10001 - And above	44	1.39	8072801	84.98
TOTAL	3160	100.00	9500000	100.00

14. MEANS OF COMMUNICATION

The Company has submitted its quarterly, half yearly and yearly financial results to the Stock Exchanges as well as published in leading Newspapers normally in leading English and in Vernacular daily Newspapers immediately after its approval by the Board. The Company did not send the half yearly report to the Shareholders of the Company.

15. LISTING ON STOCK EXCHANGES

The Shares of the Company are listed at **Ahmedabad Stock Exchange Limited (ASE)** and **Bombay Stock Exchange Limited (BSE)**.

16. STOCK CODE AND DEMAT ISIN NO.

Stock Exchange	Scrip Code	Demat ISIN No.
BSE - Mumbai	521131	INE-363 D 01018
ASE - Ahmedabad	004350	

17. STOCK MARKET DATA

Monthly high and low of closing quotations of shares traded on the Bombay Stock Exchange Limited, Mumbai.

Month	Highest (Rs)	Lowest (Rs)
April, 2008	22.99	13.35
May, 2008	24.90	18.05
June, 2008	19.90	14.10
July, 2008	16.00	14.00
August, 2008	17.64	13.90
September, 2008	16.00	13.00
October, 2008	13.30	10.25
November., 2008	11.02	9.60
December, 2008	9.98	8.18
January, 2009	9.30	8.48
February, 2009	9.75	8.00
March, 2009	9.87	8.94

18. GENERAL SHAREHOLDERS INFORMATION

Corporate Identity No. (CIN)	L17119GJ1988PLC011120
Date of Incorporation	16th August, 1988
Date and time of Annual General Meeting	Wednesday, 30th September, 2009 at 10.00 A.M.
Venue of Annual General Meeting	Survey No.170, Opp. Advance Petrochem Limited, Pirana Road, Piplej, Ahmedabad- 382405, Gujarat
Dates of Book Closure	25.09.2009 to 30.09.2009 (both days inclusive)

Financial Year Calendar (tentative and subject to change) (01.04.2009 to 31.03.2010)

Financial reporting for the first quarter ending on 30th June, 2009	Last week of July, 2009
Financial reporting for the Half year ending on 30th September, 2009	Last week of October, 2009
Financial reporting for the Third quarter ending on 31st December, 2009	Last week of January, 2010
Financial reporting for the year ending on 31st March, 2010	Last week of April, 2010
Annual General Meeting for the year ending on 31st March, 2010	Last week of September 2010

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.
DATE: 01.09.2009

[RADHESHYAM T. AGARWAL]
Chairman

Certification on Corporate Governance:

To the members of Anjani Fabrics Limited

We have examined the compliance of conditions of Corporate Governance by **Anjani Fabrics Limited** for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance conditions of Corporate Governance. It is neither an audit nor an expression of 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 above mentioned Listing Agreement.

We have been explained that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliances 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 Nahta Jain & Associates
Chartered Accountants

(GAURAV NAHTA)
Partner
M.No.116735

Place : Ahmedabad
Date : 01/09/2009

Certification by CEO and CFO of the Company

The Board of Director
Anjani Fabrics Limited
Ahmedabad.

I, Radheshyam Agarwal, CEO, CFO and Chairman of Anjani Fabrics Limited to the best of my knowledge and belief certify that:

1. I have reviewed the Balance Sheet, Profit & Loss Account and its schedules & notes on accounts as well as the Cash Flow Statement and Directors' Report for the year ended 31st March, 2009 and that to the best of my knowledge and belief.
 - * these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - * 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.
2. I also certify that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps. I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee:
 - * significant changes in internal control, if any, over financial reporting during the year;
 - * significant changes, if any, in accounting policies during the year and that the financial statements; and
 - * instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or any employee having a significant role in the company's internal control system.
5. I further declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended on 31st March, 2009.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.
DATE: 01.09.2009

[RADHESHYAM T. AGARWAL]
Chairman

AUDITORS' REPORT

The Members

M/S. ANJANI FABRICS LIMITED

Ahmedabad

1. We have audited the attached Balance Sheet of ANJANI FABRICS LIMITED at 31st March 2009 and the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 sub-section (4A) of Section 227 of the Companies act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - ii) In our opinion proper books of accounts as required by the law have been kept by the company so far as its appears from our examination of the books;
 - iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with such books of accounts of the Company;
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account "Except in case of retirement benefits as refer to in Note No. 2(vii) in Schedule "R" as the Company follows "pay as you go basis" comply with the accounting standards referred to in Sec. 211(3) of the Companies Act, 1956.
 - v) On the basis of representations received from the Directors of the company, we report that, no director is disqualified as on 31-3-2009 from being appointed as a director of the company under the clause (g) of sub section (1) of section 274 of the companies Act 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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.
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
 - b) In the case of Profit & Loss Account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

As per our Report of Even Date
For and on Behalf of
Nahta Jain & Associates
Chartered Accountants

(GAURAV NAHTA)

Partner

M.No.116735

Place : Ahmedabad

Date : 01/09/2009

Annexure to Auditor's Report (Referred to in our report of even Date)

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- c) The company has not disposed off any substantial fixed Assets during the year; hence the going concern status does not affect.
- ii) a) Physical verification of Inventory has been conducted by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company has taken unsecured loan of Rs.9,49,12,769/- from sixteen company in the register maintained under section 301 of the Companies Act, 1956. The company has not granted any loan, secured loan or unsecured loan to companies, firm or other parties in the register maintained under section 301 of the companies Act, 1956.
- b) In our opinion, the rate of interest wherever applicable and other terms & conditions on which loans have been accepted from firm and other parties covered in the register maintained under section 301 are not prejudicial to the interest of the company.
- c) The payment of principal and interest is regular wherever applicable.
- d) There has been no overdue amount during the year.
- iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases 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 weaknesses in internal controls.
- v) a) The transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Company Act, 1956 and exceeding the value of rupees 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.
- vi) The Company has not accepted any deposit from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We are informed that the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 are not required for the company.
- ix) a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were in arrears, as 31st March 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, no statutory dues have not been deposited on account of dispute.
- x) In our opinion, the company does not have any accumulated losses and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or banks. As there are no debentures, the question of repayment does not arise.
- xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the company has given guarantee for loans taken by others from banks or financial institutions are not prima-facie prejudicial to the interest of Company.
- xvi) In our opinion and according to the information and explanations given to us, the term loans availed by the company were, prima facie, applied by the company during the year for the purposes for which the loans were obtained.
- xvii) According to the information and explanation 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. No Long term funds have been used to finance short term assets except permanent working capital.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies Act, 1956. The company has not issued shares to parties covered in the register maintained under section 301 of the companies Act, 1956
- xix) The company has not issued any debentures during the year and therefore clause 4(xix) of the companies (Auditor's Report) order, 2003 is not applicable.
- xx) The Company has raised money by making private placement of shares totally to 3250000 during the year.
- xxi) According to the information and explanations give to us, no fraud on or by the company has been noticed or reported during the course of our audit.

As per our Report of Even Date
For and on Behalf of
Nahta Jain & Associates
Chartered Accountants

(GAURAV NAHTA)

Partner

M.No.116735

Place : Ahmedabad

Date : 01/09/2009

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<u>SOURCES OF FUNDS:</u>			
<u>Shareholder's funds :</u>			
Share Capital	A	95000000	62500000
Reserve & Surplus	B	128718729	96338847
<u>LOAN FUNDS :</u>			
Secured Loans	C	456315251	247182542
Unsecured Loans	D	94912769	51544957
Deffered Tax Liability		7138188	8995902
		<u>782084937</u>	<u>466562248</u>
<u>APPLICATIONS OF FUNDS :</u>			
Fixed Assets	E	244676790	235950301
Investments	F	500100	100
Current Assets, Loans & Advances			
Current Assets	G	778247033	449937484
Loans & Advances		21118468	20497995
		799365501	470435479
Less: Current Liabilities & Provisions	H	262541402	239949553
Net Current Assets		536824099	230485926
Priliminary Exps.		83948	125921
		<u>782084937</u>	<u>466562248</u>
Notes of Accounts	R		

AS PER OUR REPORT OF EVEN DATE,

For and on behalf of
Nahta Jain & Associates
Chartered Accountants,

On Behalf of Board
RAMBHAGAT R. AGARWAL
RADHESHYAM T. AGARWAL
MUKESH H. AGARWAL
DEVENDRAKUMAR B. NATHANI

Place : Ahmedabad

Date : 01.09.2009

(Gaurav Nahta)
Partner
M. NO. 116735

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<u>INCOME :</u>			
Sales	I	1690759554	870447093
Other Income	J	1919458	2727630
Variation in stock	K	126344844	83342758
		1819023856	956517481
<u>EXPENDITURE :</u>			
Cost of Material Used	L	1349470941	622162077
Manufacturing Expenses	M	293509980	212094534
Administrative Expenses	N	13255037	8622173
Payment & Prov. To Employee's	O	21676468	16374519
Selling & distribution Exp.	P	10129507	7219339
Financial Charges	Q	47718385	18731556
Depreciation	E	46487718	37602182
		1782248036	922806380
Profit/(Loss) for the year before Tax		36775820	33711101
Less : Provision for Taxation			
Current Tax		15000000	12000000
Fringe Benefit Tax		437711	275000
Deferred Tax Liability		-1857714	-194271
		23195823	21630372
Add.: Excess Prov. of I. T. w/back		246559	241726
Less : Prior Period Adjustment(net)		0	0
Profit After Tax		23442382	21872098
Add: Balance Brought forward from Previous Year		81800097	59927999
Amount Available for Appropriation		105242479	81800097
APPROPRIATION			
Less : Proposed Dividend on Equity Shares		Nil	Nil
Dividend Tax		Nil	Nil
Balance transferred to Balance Sheet		105242479	81800097
Significant Accounting Policies and Notes on Accounts	R		

AS PER OUR REPORT OF EVEN DATE,

**For and on behalf of
Nahta Jain & Associates
Chartered Accountants,**

**On Behalf of Board
RAMBHAGAT R. AGARWAL
RADHESHYAM T. AGARWAL
MUKESH H. AGARWAL
DEVENDRAKUMAR B. NATHANI**

Place : Ahmedabad

Date : 01.09.2009

**(Gaurav Nahta)
Partner
M. NO. 116735**

SCHEDULE "A" SHARES CAPITAL

	CURRENT YEAR	PREVIOUS YEAR
Authorised Share Capital 10000000 (Prev. Yr. 10000000) Equity Shares of Rs. 10/- each (Prev. Yr. Rs. 10/- each)	100000000	100000000
Issued Subscribed & Paidup Share Capital 9500000 (Prev. Yr. 6250000) Equity Shares of Rs. 10/- each fully Paidup (Prev. Yr. Rs. 10/- each)	95000000	62500000
	95000000	62500000

SCHEDULE "B" OF RESERVE & SURPLUS

Profit & Loss A/c	10524279	8180097
Less: Transferred to Deferred tax liability	0	0
Capital Reserve Account	6109750	6109750
Share Premium	17366500	8429000
	128718729	96338847

SCHEDULE "C" OF SECURED LOANS**BANK OF BARODA C/C**

(Cash Credit against Hyp. Of stock of Raw Material work in process Finished Goods & Book Debts)	147372092	133786397
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BANK OF INDIA C/C

(Cash Credit against Hyp. Of stock of Raw Material work in process Finished Goods & Book Debts)	114254564	0
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BANK OF BARODA Term Loan Under

Technical Upgradation Fund Scheme	111609725	109748828
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(Secured by Hyp. Of Plant & Machineries)

BANK OF BARODA Corporate Loan	29056506	0
Star Channel Bank of India	49592378	0

Further Secured By :

(i) Personal Guarantee of Directors of the Company

(ii) Equitable Mortgage on Factory land
and building and Hyp. Of Movable assets
of the Company viz. Book debts and inventories.

Other Loans :

ICICI Bank	1808930	2472484
(Hypo. Of vehicle)		
Reliance Capital	945190	889133
(Hypo. Of vehicle)		
H.D.F.C. Bank	1675866	285700
(Hypo. Of vehicle)		
	456315251	247182542

SCHEDULE "D" OF UNSECURED LOANS

Sundry Deposits	94912769	51544957
	94912769	51544957

SCHEDULE "F" OF INVESTMENTS**TRADE INVESTMENT****(A) UNQUOTED**

ICICI Mutual Fund	500000	0
1 (1) Share of Rs. 100/- each of Social Co-op	100	100
Bank Ltd.		
TOTAL (A+B)	500100	100

SCHEDULE "G" OF CURRENT ASSETS, LOANS & ADVANCES**A. CURRENT ASSETS****1. Inventories**

(As valued and certified by Management)

Finished Goods	176864432	86736099
Work-in-progress Own	84590628	48684092
Work-in-progress Job	1359027	1049052
Raw Material	116345735	122355192
Colour Chemicals	20410845	13003551
Packing Material	397569	396109
Coal	1520630	1111323
Stores & spare Parts	3386223	3874117
	404875089	277209535

2. Debtors

(Unsecured considered goods)

More than Six Months	20477510	13640987
other debts	335423395	154009107
	355900905	167650094

3. Cash & Bank Balance

Cash in hand	1927350	378199
Bank balance in Current Account	1983724	215451
Bank of Baroda margin money	11271132	4486205
UBI FDR	80000	0
Bank of India margin money	2208833	0
	17471039	5077855

TOTAL A**778247033 449937484****B. LOANS & ADVANCES**Sundry Advances (Recoverable in cash or
kind or for value to be received)

Advance to Suppliers of Goods & Services

& Employees and other receivable	14112166	12524166
Security Deposits	1657709	1636542
Income Tax & Tds	5348593	6289459
DEPB Licence	0	47828

TOTAL B**21118468 20497995****TOTAL A + B****799365501 470435479****SCHEDULE "H" OF CURRENT LIABILITIES & PROVISIONS****A. CURRENT LIABILITIES**

Creditors for grey and colour chemicals	201313612	183613810
Creditors for stores and spares	20970613	25887043
Creditors for process and other expenses	24813691	18120700
TOTAL (A)	247097916	227621553

B. Provisions

Provision For Fringe Benefit Tax	437711	275000
Provision For Income Tax	15000000	12000000
Provision For Wealth Tax	5775	53000
TOTAL (B)	15443486	12328000
TOTAL (A + B)	262541402	239949553

SCHEDULE "I" OF SALES

Export Sales	3621503	0
Sales (Less Returns/Trade Discount)	1429425162	550197972
Job Sales	200563773	312059382
Traded Goods Grey Sales	57149116	8189739
	1690759554	870447093

SCHEDULE " J " OF OTHER INCOME

Interest on Fixed Deposit	814200	101810
Duty Drawback	309338	0
Excise Refund	0	2500000
Exchange Fluctuation	595920	125820
ISO Benefit	200000	0
	<u>1919458</u>	<u>2727630</u>

SCHEDULE " K " OF VARIATION IN STOCK

Stock at Close		
Finished Goods	176864432	86736099
Work-in-progress Own	84590628	48684092
Work-in-progress Job	1359027	1049052
	<u>262814087</u>	<u>136469243</u>
Stock at Commencement		
Finished Goods	86736099	24705405
Work-in-progress Own	48684092	26827443
Work-in-progress Job	1049052	1593637
	<u>136469243</u>	<u>53126485</u>
Increase / Decrease in stock	<u>126344844</u>	<u>83342758</u>

SCHEDULE " L " OF COST OF MATERIAL USED

Printed Purchase	240861080	131991245
Raw Material (Grey) Consumed :		
Opening Stock	122355192	70169067
Add: Purchase	903950431	400829381
Custom Duty & Clearing & Forwarding	1507762	2633314
Add: Grey Dalali	1418673	1670392
	<u>1029232058</u>	<u>475302154</u>
Less: Closing Stock	<u>116345735</u>	<u>122355192</u>
	<u>912886323</u>	<u>352946962</u>
Colour Chemical Consumed :		
Opening Stock	13003551	6656685
Add: Purchase	205988433	142102255
Add: Custom Duty & Premium	628707	3022484
Add: Clearing & Forwarding	94379	513257
Less: Resale & Return Goods	<u>3580687</u>	<u>2067260</u>
	<u>216134383</u>	<u>150227421</u>
Less: Closing Stock	<u>20410845</u>	<u>13003551</u>
	<u>195723538</u>	<u>137223870</u>
TOTAL	<u>1349470841</u>	<u>622162077</u>

SCHEDULE " M " OF MANUFACTURING EXPENSES

Process Charges	63400606	48493960
Power & Fuel Consumed	146479172	100441710
Excise Duty	0	2067903
Freight & Octroi Cartage	10936927	6911311
Design Expenses	172290	72424
Stores & Spares and Repairs	55157360	46487748
Factory Expenses	535315	105502
Testing charges	656178	42746
Packing Material & Expenses	15343581	7111075
Gujarat Pollution Control Board	828551	360155
	<u>293509980</u>	<u>212094534</u>

SCHEDULE " N " OF ADMINISTRATIVE EXPENSES

Postage & Telephone Expenses	2540066	1254421
Printing & Stationery	1285671	970983
Rent, Rate & Taxes	1761951	1059437
Insurance Charges	979743	836636
Consulting & Professional Charges	2213745	1130559
Auditors Remuneration	193025	196630
Advertisement	34482	15774
Charity & Donation	4101	75000
Education Fee	180151	337058
Electric Expenses	462735	322399
Office & General Expenses	316272	265635
Vehicle Expenses	1362831	1094180
Legal Expenses	8830	840
Misc. Expenses	244649	156493
Watch & Ward Expenses	0	17628
Computer Expenses	848704	260267
Ocean Freight	99884	0
Loss on sale of Fixed Assets	0	53256
Service Tax Expenses	670249	332014
Wealth Tax & Professional Tax	5775	54000
EPCG Licence	0	146990
Preliminary Exp.	41973	41973
	<u>13255037</u>	<u>8622173</u>

SCHEDULE "O" PAYMENTS & PROV. TO EMPLOYEE'S

Salary	17943887	14399139
Bonus	681500	387970
Staff welfare	487479	253344
P.F.	969859	519739
E.S.I.	359178	0
Labour compensation	0	200374
Wages	1234565	613953
	<u>21676468</u>	<u>16374519</u>

SCHEDULE "P" SELLING & DISTRIBUTION EXPS.

Claim Vatav Incentive (Net)	2526915	2298545
Brokerage & Commission Dalali	4110753	1933827
Sales Promotion Expenses	1444718	120000
Travelling Expenses	1149373	890916
Sales Tax Expenses	872887	1841395
Sample Putha Expenses	24861	134656
	<u>10129507</u>	<u>7219339</u>

SCHEDULE " Q " OF FINANCIAL CHARGES

Bank Commission & Charges	7701463	1044521
Bank Interest & Other Interest(net)	40016922	17687035
	<u>47718385</u>	<u>18731556</u>

SCHEDULE "E" OF FIXED ASSETS

NO.	NAME OF THE ASSETS	%	GROSS BLOCK					DEPRECIATION BLOCK				NET BLOCK	
			AS ON 1.04.08	ADDITION	DUTY	DEDUCTION	TOTAL	AS ON 1.04.08	FOR THE YEAR	ADJUSTED	AS ON 31.03.09	AS ON 31.03.09	AS ON 31.03.08
1	PLANT & MACHINERY	20.87%	265191192	39684468	0	8686342	296189318	103111725	36934769	0	140046494	156142824	162079467
2	FACTORY BUILDING	10%	59180112	10428103	0	0	69608215	12574539	4747458	0	17321997	52286218	46605573
3	ELECTRIC INSULATION	13.91%	3970928	1753029	0	0	5723957	921330	464840	0	1386170	4337787	3049598
4	AIR CONDITION	13.91%	837308	431805	0	0	1269113	186186	130921	0	317107	952006	651122
5	COMPUTER	40%	1870617	788886	0	0	2659503	915250	559395	0	1474645	1184858	955367
6	CYCLE	20%	15455	0	0	0	15455	12740	543	0	13283	2172	2715
7	FURNITURE	18.10%	2494824	905469	0	0	3400293	612818	374678	0	987496	2412797	1882006
8	TELEPHONE & FAX	13.91%	377218	151220	0	0	528438	93031	48979	0	142010	386428	284187
9	MOTOR CAR	25.89%	8835095	543208	0	0	9378303	3034043	1513612	0	4547655	4830648	5801052
10	METADOR	30.00%	2546371	1083379	0	0	3629750	1700302	532760	0	2233062	1396688	846069
11	OFFICE EQUIPMENT	13.91%	606599	155639	0	0	764238	218131	61520	0	279651	484587	390468
12	H.T.LINE	13.91%	1887331	0	0	0	1887331	886952	139152	0	1026104	861227	1000379
13	TUBEWELL	5%	1056347	0	0	0	1056347	289614	38337	0	327951	728396	766733
14	PIPE INSULATION	13.91%	3734810	2392355	0	0	6127165	1434794	347663	0	1782457	4344708	2300016
15	SCOOTER	25.89%	459001	203779	0	0	662780	186940	88511	0	275451	387329	272061
16	WATER POLLUTION	20.87%	3796258	0	0	0	3796258	2415313	288203	0	2703516	1092742	1380945
17	ROAD	5%	707442	0	0	0	707442	93128	30716	0	123844	583598	614314
18	ZEROX	13.91%	165000	40000	0	0	205000	38050	23223	0	61273	143727	126950
19	WEIGHT BRIDGE	13.91%	515093	0	0	0	515093	138252	52419	0	190671	324422	376841
20	LIFT	13.91%	1168157	0	0	0	1168157	377219	110019	0	487238	680919	790938
21	W.I.P.												
	FACTORY BUILDING		738272	1056196		738272	1056196	0	0	0	0	1056196	738272
	PLANT & MACHINERY		5035228	10056513	0	5035228	10056513	0	0	0	0	10056513	5035228
	Current Year		365190658	69674049	0	14459842	420404865	129240357	46487718	0	175728075	244676790	244676790
	Previous Year		268994023	100150469	0	3953834	365190658	92577873	37602182	939698	129240357	235950301	244676790

SCHEDULE "R" NOTES ON ACCOUNTS**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****A. Significant Accounting Policies****Accounting Convention**

The financial statements are prepared under the historical cost convention on the "Accrual Concept" of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable and with the relevant provisions of the Companies Act, 1956.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

Fixed Assets

The Gross Block of Fixed Assets are shown at the cost which includes taxes, duties (Net of Cenvat) and other identifiable direct expenses and interest on borrowings attributable to acquisition of Fixed Assets upto the date of Commissioning of the assets.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charges on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same has been allocated to the respective fixed assets on completion of construction / erection of the capital project / fixed assets.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as "Capital Work in Progress."

Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Depreciation

The company has provided depreciation on fixed assets by written Down valued at the rates specified in schedule XIV of The Companies Act, 1956. However depreciation is taken for the whole month in which assets is installed.

Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the month of such addition / deletion as the case may be.

Investments

Long term investments are stated at cost. Current investments are stated at lower of cost and market

price. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Inventories

- 1) Grey Cloth, Colour & chemical, packing material are valued at cost.
- 2) Semi finish goods are valued at estimated cost as per 'Full absorption basis' in accordance with the revised Accounting Standard - 2.
- 3) Finished goods are valued at cost or net realizable value, whichever is less.

Due consideration is given to the saleability of the stock and no obsolete or unserviceable /damaged items included therein except at their net realizable value.

Revenue Recognition

Sales are recognized when goods are supplied. Sales are net of trade discounts, rebates and vat. It does not include interdivisional sales.

Revenue in respect of other item is recognized when no significant uncertainty as to its determination or realization exists.

Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Employee Benefits

Short -term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services.

Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

B. Notes on Accounts

1. Quantitative Information

- a) Class of Goods Manufactured
- Fabric
 - Printing & Dying Grey Cotton & MM Fabrics
- b) Licensed /Installed Capacity

Sr. No.	Particular	Unit	2008-09	2007-08
i)	Licensed Capacity		N.A.	N.A.
ii)	Installed Capacity (As certified by the Management)		Not Ascertained	Not Ascertained

- c) Information about Production, Turnover and Stock of Finished Goods

- 1) Production

Sr. No	Particulars	2008-09 Quantity (Mtr/Kg)	2007-08 Quantity (Mtr/Kg)
i)	Grey	28531004	12137532

*After adjustment of shrinkage of 2,21,525 Meters (Previous Year 1,63,344 Meters)

- 2) Sales

Sr. No.	Particulars	2008-09		2007-08	
		Quantity (Mtr/Kg)	Value Rs.	Quantity (Mtr/Kg)	Value Rs.
i)	Finished Cloth	31944351	1429425162	13602941	549966364
ii)	Grey Cloth	2049689	57149116	237595	8189739
iii)	Job Charges	-----	200563773	-----	312059382

- 3) Purchases

Particulars	2008-09		2007-08	
	Quantity (Mtr/Kg)	Value Rs.	Quantity (Mtr/Kg)	Value Rs.
Grey Cloth	2049689	55164523	237595	7994786

- 4) Closing Stock

Particulars	2008-09		2007-08	
	Quantity (Mtr/Kg)	Value Rs.	Quantity (Mtr/Kg)	Value Rs.
Finished Goods	3691196	176864432	2096527	86736099
Semi Finished Goods	2216532	84590628	1621153	48684092
Grey	4088469	116345735	3912795	122355192

d) Details of Raw Material Consumed

Sr. No.	Particulars	2008-09		2007-08	
		Quantity (Mtr/Kg)	Value Rs.	Quantity (Mtr/Kg)	Value Rs.
i)	Grey Consumed.	28752519	912886323	12153866	352946962
ii)	Colour Chemicals	-----	195723538	-----	137223870

e) Imported and indigenous Raw-Materials, Stores and Spare parts and Components consumed during the year:

Sr. No.	Particulars	2008-09		2007-08	
		Indigenous	Imported	Indigenous	Imported
1)	RAW MATERIALS				
i)	Grey	11742958	901143365		352946962
	% Consumption	1.29 %	98.71 %		
2)	STORES & SPARES				
	Stores & Spares				
	% Consumption	43538982	11618378	33079367	13408381
		78.94 %	21.06 %	71.16 %	28.84 %
3)	COLOUR & CHEMICALS				
	Colour & Chemicals	192622343	3101195	127225356	9998514
		98.42 %	1.58 %	92.71 %	7.29 %

f) CIF Value of Imports during the year Rs. 2,69,63,508/- (Previous Year Rs. 4,54,89,121.)

g) Expenditure in foreign currency, remittance in foreign currency and earnings in foreign currency during the year Rs. 2,44,15,894 (Previous Year Rs. 3,86,50,187)

g) Value of Export (FOB) Rs. 30,58,938 (Previous Year Rs. Nil)

2. The Profit and Loss Account includes:

(i) Auditors Remuneration

Particulars	2008-09	2007-08
For Audit	140300	140450
For Tax aUDIT	52725	56180
TOTAL	193025	196630

3. DEFERRED TAX

Major components of deferred tax are:

Particulars	As at March 31, 2009	As at March 31, 2008
Deferred Tax Liability		
Depreciation	7138188	8995902
Deferred Tax Assets		
Disallowance under the Income Tax Act, 1961		
Deferred Tax Liability (Net)	7138188	8995902

4. Micro & Small Enterprises Dues

As per information given to us there were no amount overdue and remaining outstanding to Small scale and/or ancillary Industrial suppliers on account of principal and/or interest as at the close of the year. Based on the information available with Company, there are no dues outstanding to Micro and Small Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 for more than 45 days as at March 31, 2009.

5. Figures have been rounded off to nearest rupees.
6. Balances of Sundry Creditors, Debtors, Loans & Advance and Receivables are subject to confirmation.
7. Previous year's figures have been regrouped/rearranged wherever necessary so as to make them comparable with the figures of the current year.
8. Provision for income-tax is based on the taxable profits of the company in accordance with the Income - tax Act, 1961.
9. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs.42,61,843/- (Previous year Rs. 29,00,000/-).
10. Contingent Liability on account duty saved due to import against EPCG license is Rs.72,24,340/- (Previous Year Rs.49,61,554/-), which has to be met by fulfilling an export obligation of Rs. 5,77,94,739/- (Previous Year Rs. 3,86,96,177/-) in eight years.
11. Amount of borrowing cost capitalized as per "Accounting Standard-16", during the year was Rs.8,84,138/- (Previous Year Rs. 3,89,891/-)
12. There are no separate reportable segments as per Accounting Standard 17 as the entire operations of the Company relate to one segments, viz. the Textile.
13. There is no lease transaction during the year as per "Accounting Standard - 19".
14. As required by "Accounting Standard -20" the basic Earning Per Share (EPS) is Rs.3.66 arrived at by dividing the Profit After Tax (PAT) by the total number of shares issued and subscribed as at the end of the year.
15. Disclosures in respect of related parties as defined in Accounting Standard 18, with whom transactions have taken place during the year are given below:-
 - (a) Associate Bodies Corporate : Nandini Processors Pvt. Ltd.
 - (b) Associate Concerns : Kirti Overseas
in which directors or their relatives are interested : Anurag Fabrics
 - (c) Directors and their relatives : Radheyshyam Tilokchand Agarwal
Rambhagat Radheshyam Agarwal.

Following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Associates Companies	Directors' & Relatives	Concerns in which Directors are interested
1. Sales & other Inc.	2,64,24,249	NIL	11,83,59,180
2. Purchase & other Ser.	11,74,65,672	NIL	15,06,75,426
3. Remuneration	NIL	11,27,000	NIL
4. Purchase of Assets	NIL	NIL	NIL
5. Deposit Received	5,40,75,000	2,00,000	NIL
6. Deposit Paid	10,20,59,755	NIL	16,82,45,875
7. Interest Recd.	NIL	NIL	NIL
8. Interest Paid	12,26,660	12,378	NIL
9. Rent Paid	NIL	2,40,000	NIL
10. Investment in Equity	NIL	NIL	NIL
11. Balance outstanding	Dr./Cr. (Net)	5,75,81,001 (CR.)	

The particulars given above have been identified on the basis of information available with the company.

16. Earning Per Share (EPS):

Particulars	2008-09	2007-08
Profit after tax as per profit & loss Account	2,34,42,382	2,18,72,098
Average number of Equity Shares (Face value Rs. 10/- each)	64,10,274	59,19,549
Basic and Diluted EPS	Rs. 3.66	Rs. 3.69

17. Schedule A to R form integral part of Balance Sheet and Profit and Loss Account and are duly authenticated.

AS PER OUR REPORT OF EVEN DATE,

For and on behalf of
Nahta Jain & Associates
Chartered Accountants,

On Behalf of Board
RAMBHAGAT R. AGARWAL
RADHESHYAM T. AGARWAL
MUKESH H. AGARWAL
DEVENDRAKUMAR B. NATHANI

Place : Ahmedabad
Date : 01.09.2009

(Gaurav Nahta)
Partner
M. NO. 116735

ADDITIONAL INFORMATION PURSUANT TO PART-IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No.	11120
State Code	04
Balance Sheet Date	31/03/2009

II. Capital Raised During the Year**(Amount Rs.)**

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	3,25,00,000

III. Position of Mobilisation and Deployment of Funds**(Amount Rs.)**

Total Liabilities	782084937
Total Assets	782084937
Sources of Funds	
Paid -up capital	95000000
Share Application Money	NIL
Reserves & Surplus	128718729
Secured Loans	456315251
Unsecured Loans	94912769
Deferred Tax Liability	7138188
Application of Funds	
Net Fixed Assets	244676790
Investments	500100
Net Current Assets	536824099
Accumulated Losses	NIL

IV. Performance of the Company (Rs. In Thousand)

Turnover & Other Income	1819023856
Total Expenditure	1782248036
Profit/Loss Before Tax	36775820
Profit/Loss after Tax	23442382
Earning Per Share in Rs.	3.66
Dividend Rate % (Annualised)	

V. Generic Names of Principal Products / Services of the Company (As per monetary terms)

Product Description	
1) Fabrics	55164

A CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2009			
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS	36775820	33711101	
ADJUSTMENT FOR:			
DEPRECIATION	46487718	37602182	
PRELIMINARY EXPENSES	41973	41973	
INTEREST RECEIVED	(814200)	(101810)	
LOSS ON SALE OF FIXED ASSETS		53256	
LOSS ON SALE OF SHARES			
PROFIT ON SALE OF FIXED ASSETS			
PROFIT ON SALE OF SHARES			
DIVIDEND RECEIVED			
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	82491311	71306702	
TRADE AND OTHER RECEIVABLE	(188250811)	(7535415)	
INVENTORIES	(127665554)	(139949238)	
LOANS AND ADVANCES	4728120	8113254	
TRADE PAYABLES	7154138	53941380	
CASH IN FLOW FROM OPERATIONS	(221542796)	(14123317)	
CASH IN FLOW BEFORE EXTRAORDINARY ITEMS	(221542796)	(14123317)	
DIRECT TAX PAID	(5348593)	(6289459)	
EXTRA ORDINARY ITEMS (PRIOR PERIOD ADJUSTMENT)	246559	241726	
NET CASH IN FLOW FROM OPERATING ACTIVITIES	(226644830)	(20171050)	
B. CASH OUT FLOW FROM INVESTING ACTIVITIES			
SALE OF FIXED ASSETS		260000	
INTEREST RECEIVED	814200	101810	
PURCHASES OF FIXED ASSETS	(55214207)	(97449588)	
PURCHASES OF INVESTMENTS		(500000)	
DIVIDEND RECEIVED			
NET CASH OUT FLOW FROM INVESTING ACTIVITIES	(54900007)	(97087778)	
C. CASH IN FLOW FROM FINANCING ACTIVITIES:			
PROCEEDS OF PUBLIC ISSUE	41437500	7256700	
INCREASE IN SECURED LOANS	209132709	79329302	
INCREASE IN UNSECURED LOANS	43367812	33552042	
PRELIMINARY EXP.			
PUBLIC ISSUE EXPENSES			
NET CASH IN FLOW FROM FINANCING ACTIVITIES	293938021	120138044	
NET INCREASE IN CASH AND CASH EQUIVALENT	12393184	2879216	
NET CASH AND CASH EQUIVALENT	5077855	2789243	
(OPENING CASH BALANCE)			
NET CASH AND CASH EQUIVALENT	17471039	5077855	
(CLOSING CASH BALANCE)			

AUDITORS REPORT

We have verified the attached Cash Flow Statement of ANJANI FABRICS LIMITED derived from the audited financial statements and the books and records maintained by the company for the year ended 31st March, 2009 and found the same in agreement therewith.

FOR, NAHTA JAIN & ASSOCIATES
Chartered Accountants,

Place : Ahmedabad,
Date : 01-09-2009

(Gaurav Nahta)
Partner
M.No.116735