



SWASTI VINAYAKA SYNTHETICS LIMITED

31ST ANNUAL REPORT 2012-13



Lord Ganesh Temple - Tarapur Plant

Swasti Vinayaka's Corporate Philosophy

*As a responsible member
of the society,*

Swasti Vinayaka is committed to:

*Providing the highest quality products
at the lowest possible price to its
valued customer.*

*Maintaining steady growth in
revenues and profits.*

*Providing continuing employment to
associates and reasonable returns to
shareholders.*

■ **BOARD OF DIRECTORS:**

Ramprasad Poddar
Chairman

Rajesh Kumar Poddar
Managing Director

Dinesh Kumar Poddar
Sanjiv Vishwanath Rungta

Nirmal Kumar Jain

Piyush Shah

Rakesh Garodia

Directors

■ **REGISTERED OFFICE:**

J-15, M.I.D.C., Tarapur, Boisar,
Dist. Thane, Maharashtra – 401506.

■ **CORPORATE OFFICE:**

306, Tantia Jogani Industrial Estate,
J.R. Boricha Marg, Lower Parel,
Mumbai – 400011.

Tel.: 022-4344 3555

Website : www.swastivinayaka.com

E-mail : contact@swastivinayaka.com
investors@svgcl.com

■ **BANKERS:**

HDFC Bank Ltd.

■ **AUDITORS:**

Sanjay Raja Jain & Co.,
Chartered Accountants.

■ **SOLICITORS AND LEGAL ADVISORS:**

Kanga & Company

■ **WORKS:**

J-15, M.I.D.C., Tarapur,
Boisar, Dist. Thane,
Maharashtra – 401506.

3-5, Dewan & Sons Industrial
Complex, Village Aliyali, Palghar,
Dist. Thane, Maharashtra – 401404.



Swasti Vinayaka Synthetics Limited
31ST ANNUAL REPORT 2012- 2013

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31st ANNUAL GENERAL MEETING

Date : 28th September, 2013

Time : 11.00 A.M.

Venue : J-15, M.I.D.C., Tarapur, Boisar,
Dist. Thane, Maharashtra – 401506.

REGISTRARS & TRANSFER AGENTS:

Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (E),
Mumbai – 400 072.

Tel No. : 022 - 4043 0200

Fax No. : 022 – 2847 5207

E-Mail : investor@bigshareonline.com

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 31st Annual General Meeting of the Members of Swasti Vinayaka Synthetics Limited will be held on Saturday, September 28, 2013 at 11.00 A.M. at the Registered Office of the Company at J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra – 401506 to transact the following Business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date together with the Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Ramprasad Poddar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Piyush Shah, who retires by rotation and being eligible, offers himself for reappointment
5. To appoint auditors and to fix their remuneration.

By the Order of the Board
For **Swasti Vinayaka Synthetics Ltd.**

Ramprasad Poddar
(Chairman)

Registered Office:

J-15, M.I.D.C., Tarapur,
Boisar, Dist. Thane,
Maharashtra – 401506.

Place: Mumbai

Date: 30th May, 2013

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 PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and Share Transfer Books will remain closed from Saturday, 21st September, 2013 to Saturday, 28th September, 2013 (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
 - a) Whose name appears as Beneficial Owners as at the end of business hours on 20th September, 2013 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. in respect of the shares held in electronic form.
 - b) Whose names appears as Members in the Register of Members of the Company after giving effect to valid transfers in physical form lodged with the Company or Registrar and Share Transfer Agents on or before 20th September, 2013.

By the Order of the Board
For **Swasti Vinayaka Synthetics Ltd.**

Ramprasad Poddar
(Chairman)

Registered Office:

J-15, M.I.D.C., Tarapur,
Boisar, Dist. Thane,
Maharashtra – 401506.

Place: Mumbai

Date: 30th May, 2013

DIRECTOR'S REPORT

To
The Members,

We are delighted to present the 31st Annual Report on our business and operations for the year ended 31st March, 2013.

1. FINANCIAL RESULTS HIGHLIGHTS:

(Rs. In Lacs)

SR. NO.	PARTICULARS	31.03.2013	31.03.2012
1.	Revenue		
	i. From Operations	1610.42	1617.50
	ii. Other Income	3.168	21.58
	Total	1613.58	1639.08
2.	Less: Expenses		
	i. Employee Benefit Expenses	72.02	76.67
	ii. Financial Cost	24.88	43.00
	iii. Depreciation	35.92	35.69
	iv. Other Expenses	1362.43	1413.16
	Total	1495.25	1568.52
3.	Profit Before Tax (1-2)	118.33	70.56
4.	Less: Tax Expense		
	i. Current Year	39.8	19.00
	ii. Earlier Years Tax	(0.00603)	(3.16)
	iii. Deferred Tax	1.92	-
5.	Profit After Tax (3-4)	80.45	54.72
6.	Prior Year Adjustment	-	7.93
7.	Net Profit	80.45	62.65
8.	Balance Carried from previous year	(21.45)	(43.42)
9.	Amount Available for appropriation	59.00	19.22
10.	Appropriations:		
	i. Dividends	35.00	35.00
	ii. Tax on Dividends	5.95	5.68
	iii. Transfer to Reserve	15.00	-
11.	Balance Carried to Balance Sheet	3.05	(21.45)
12.	Basic and diluted EPS (Rs)	0.11	0.09

2. DIVIDEND:

We are pleased to announce that your Board of Directors has recommended dividend of 0.05 paise per equity share of Re. 1/- each (5%) aggregating Rs. 35.00 Lacs for the year ended on 31st March, 2013.

3. OPERATIONS OF THE COMPANY:

In FY 2012-13, supported by our strong distinct product offering in textiles, our total income during the year under review is Rs. 1613.58 Lacs as compared to last year Rs. 1639.08 Lacs. The Profit before Tax for the current year is Rs. 118.33 Lacs as compared to the last year Profit before Tax of Rs. 70.56 Lacs. The Profit after Tax (PAT) increased to Rs. 80.45 Lacs from Rs. 54.72 Lacs in the previous year, at a growth rate of 47.01%.

However, taking into consideration the overall performance of the Company vis-à-vis the industry the Company has made good progress. Your Directors' assure you consistent and better growth rate in future.

Your Company focuses on enhancing shareholder value and looks beyond immediate opportunities by building its businesses with long-term relevance.

4. DIRECTORS:

Mr. Ramprasad Poddar and Mr. Piyush Shah shall retire by rotation and being eligible, have offered themselves for re-appointment. Attention of the members' is invited to the relevant item in the notice of the Annual General Meeting.

5. DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors state that: -

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year covered under this Report and of the profits of the Company for the year.
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared the annual accounts on a going concern basis.

6. FIXED DEPOSITS:

The Company has not accepted/ renewed any Fixed Deposits from the Public within the meaning of section 58A of the Companies Act, 1956.

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

Information in accordance with the provisions of Sections 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this report.

8. CORPORATE GOVERNANCE:

A separate section on Corporate Governance forming a part of the Directors' Report and a Certificate from the Practicing Company Secretary confirming Compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Bombay Stock Exchange is included in the Annual Report.

Your company has been practicing the principle of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

9. MANAGEMENT DISCUSSION AND ANALYSIS:

a. Corporate Overview:

Swasti Vinayaka Synthetics Limited (SVSL) is a leading textile and branded apparel company having its corporate office in Mumbai.

SVSL was originally incorporated as a private limited company in the year 1981 with the name "Rajesh Synthetics Ltd". It changed its name to "Swasti Vinayaka Synthetics Ltd" on 10th September, 1999. Progressively, it went on to build its own brand "Vinayaka".

b. Overview of the Economy:

After a good year 2011-12 during which the economies across the world showed the signs of recovery, F Y 2012-13 witnessed a turbulent business environment that moderated growth.

The year started with optimism but as it progressed, there were challenges with inflation, decelerating growth and worsening investment climate which adversely impacted consumer sentiments. The global economic environment was confronted with geo-political instability, Eurozone sovereign debt crisis, fluctuating global commodity prices, etc.

Global growth is projected to be 3.5% for the current year 2013. US economy is expected to continue its slow recovery, whilst the Eurozone grapples with its debt crisis.

Notwithstanding the current economic environment, there are strong reasons to be bullish on the country's long term growth potential. Favorable demographics, a large growing middle class with increasing disposal incomes support a strong consumption story.

c. Industry Structure and Developments:

The Textile Industry is one of the most important sectors in the Indian Economy and the second largest generator of employment after Agriculture. It contributes more than 4% to the GDP and 17% to the country's export earnings. The Textile sector provides employment to over 3.5 crore people.

The Government proposes to increase the investment in this sector to generate more employment through various schemes viz. Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS), Integrated Skill Development Scheme (ISDS), and Technology Mission on Technical Textiles (TMTT). The allocation for this sector during the 12th Five Year Plan is proposed to be increased to around Rs. 49,650 crore as against an allocation of Rs. 14,000 crore during the 11th Five Year Plan.

d. Business Overview:

The Company deals in Textiles Fabrics, Readymade Garments and Yarn Doubling. SVSL has a very strong presence in India which can fetch viable business opportunities in the Company's business segment. The Company has launched aggressive marketing schemes and introduced variety of cotton and P/C shirting fabrics to cater to the demand of the RMG and Corporate sector. Trent Ltd., Pantaloon Retail Ltd., Reliance Industries Ltd., The Bombay Dyeing Ltd., Tata Power Ltd., Arvind Lifestyle Brands Ltd. etc. are regular customers of the Company. There is great potential in the Company to increase its market share in this segment as our relationship and understanding with the customers is very strong.

e. Opportunities and Threats:

India has averted the effects of the global slumps and continues to grow. The Improved performance of the capital markets along with robust and stable economic growth has given a push to the new opportunities. However, due to sheer unpredictable nature of markets, it makes investments a risky business.

Your Company is well poised to seize opportunities available to the textile and apparel sector on account of its brands resilience, strong domain expertise, state-of-the-art production facilities, emphasis on product innovation and growth potential in smaller towns & cities. There are challenges, which in the short term, will moderate growth – inflation, high interest rates, depreciating rupee, delays in policy initiatives to boost investments and capital flows. These are likely to affect your Company's performance.

Your Company is continuously improving its designing skills and introducing high end fabric by combination of various fibers to have an edge over its competitors. It will continue to stress on improving quality standards, reducing lead time in supplying orders, competitive pricing of product and more stress on product innovation and designing to meet the new set of challenges.

f. Internal Control systems and their Adequacy:

The Company maintains the system of internal controls designed to provide high degree of assurance regarding the effectiveness and efficiency of operations, reliability of financial controls and compliance with laws and regulations. Transactions are authorized, recorded and correctly reported. There are clear demarcation of roles and responsibilities at various levels of operations. The Internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Company has a robust Management Information System which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

g. Cautionary Statement:

The Information and opinion expressed in this report may contain certain forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in this report. This should be read in conjunction with the Company's financial statements.

10. LISTING ARRANGEMENT:

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being actively traded. The Company has paid Listing Fees for the year 2012-2013.

11. AUDITORS:

M/s. Sanjay Raja Jain & Co. Chartered Accountants, Mumbai, Firm Registration No. 120132W who are Statutory Auditors of the Company hold office till the conclusion of this Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the financial year 2013-14. M/s. Sanjay Raja Jain. Chartered Accountants, Mumbai have, under section 224(1B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

12. EMPLOYEES:

There are no employees drawing remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

13. ACKNOWLEDGEMENTS:

We record our gratitude to the Banks and others for their assistance and co-operation during the year. We also wish to place on record our appreciation for the dedicated services of the employees of the Company for their enormous personal efforts. The Directors' would also like to thank the esteemed investors for their continuous support and confidence reposed in the management.

By Order of the Board
For **Swasti Vinayaka Synthetics Ltd.**

Ramprasad Poddar
(Chairman)

Registered Office:

J-15, M.I.D.C., Tarapur,
Boisar, Dist. Thane,
Maharashtra – 401506.

Place: Mumbai

Date : 30th May, 2013

ANNEXURE TO DIRECTOR'S REPORT

(Form- A) (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

PART 'A'

POWER & FUEL CONSUMPTION

	2012-2013	2011-2012
(1)		
A Purchased		
Unit (KWH)	702745	803365
Total Amount (Rs. Lacs)	33.74	32.06
Rate per unit (Rs.)	4.80	3.99
B OWN GENERATION		
Through Diesel Generator:		
Units (KWH)	-	-
Units per Ltr. Of Diesel Oil	-	-
Cost per unit (Rs.)	-	-
(2) COAL		
Quantity (Kgs)	-	-
Total Cost (Rs. In Lacs)	-	-
Average rate per Kg (Rs.).	-	-
(3) GAS		
Quantity (Kgs)	-	-
Total Cost (Rs. In Lacs)	-	-
Average rate per Kg. (Rs.)	-	-
(4) DIESEL OIL		
Quantity (Ltrs)	-	802
Total Cost (Rs. Lacs)	-	0.36
Average Rate per Ltr. (Rs)	-	44.55

PART 'B'

CONSUMPTION PER UNIT OF PRODUCTION ENERGY

ENERGY

FABRICS PROCESSING (PER METER)

	Current Year	Previous Year
Electricity (Kwh)	0.54	0.60
Coal (Kgs.)	-	-

A. CONSERVATION OF ENERGY:

The Company's operation involves low energy Consumption. Nevertheless energy Conservation measures have already been taken wherever possible. Efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION:

1. TECHNOLOGY ABSORPTION

The Company's present manufacturing activities are such that the same do not require any specialized Technology, since in India technical know- how for Textiles Industries has been standardized and is being used in the industry. Besides, the Promoters of the Company are engaged in Textile business since last 3 decades and the business is inherited. In view of the above, the question of technical absorption and adaption does not arise.

2. RESEARCH & DEVELOPMENT:

At present the Company does not have separate division for carrying out Research and Development work. No expenditure has therefore been earmarked for this activity.

FOR AND ON BEHALF OF THE COMPANY

RAMPRASAD PODDAR

(Chairman)

PLACE : MUMBAI

DATE : 30.05.13

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company is committed to good Corporate Governance. The Company fully realizes the rights of the shareholders to information on the performance of the Company. Any corporate strategy needs to be dynamic, vibrant and responsive to the changing economic scenario and flexible to adopt the environmental and fiscal fluctuations. Your Company believes that Corporate Governance is powerful medium to sub serve the long-term interest of all the shareholders, creditors, customers, employees and other stakeholders. Corporate Governance strengthens Investors and Creditors trust and ensures a long-term partnership that helps in fulfilling our quest for achieving significant growth and profits. Your Company is committed to benchmarking itself with good governance and operates with transparency, professionalism, good conduct and value based systems. Accordingly, timely, accurate disclosure of information regarding the financial position, ownership and governance of the Company forms an important part of Corporate Governance.

2. BOARD OF DIRECTORS:

Your Company is managed and controlled by the professional Board of Directors. The Board is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and to separate the functions of governance and management. As on March 31, 2013, the Board of Directors comprises of 7 Directors, of which 2 Directors are Non – Executive, 1 Managing Director and 4 are Independent Directors. The Chairman is non- executive and a promoter of the Company. Your Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Company is in compliance with the clause 49 of the listing Agreement pertaining to compositions of Directors. The Board periodically evaluates the need for change in its composition and size.

(A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2013

Composition and category of directors; attendance of each director at the Board Meetings and the last AGM; number of other companies on the Board or Committees of which, a director is a Director; and number of Board Meetings, dates on which held, are as under:

Directors Category	No. of other Directorship		No. of other Committee positions	
	Public	Private	Member	Chairman
Ramprasad Poddar Promoter Non-Executive	3	6	-	2
Rajesh Kumar Poddar Promoter Executive	2	5	5	-
Dinesh Kumar Poddar Promoter Non-Executive	3	6	4	1
Rakesh Nathmal Garodia Independent	4	3	-	-
Nirmal Jain Independent	2	1	1	-
Piyush Shah Independent	2	1	3	3
Sanjiv Vishwanath Rungta Independent	2	1	2	2

(B) BOARD PROCEDURE:

The Board meets at regular intervals to discuss and decide on business strategies/policies and financial performance of the Company. The Board of the Company met 6 (Six) times during the year ended 31.03.2013 and the gap between two meetings did not exceed four months. The dates of those meetings were May 26, 2012, July 26, 2012, October 27, 2012, November 30, 2012, December 05, 2012, and January 24, 2013. Notice and Agenda were circulated in advance of each meeting of the Board. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board. The Chairman briefed the Board at every meeting on the overall performance of the Company.

Board Business:

The Board mainly deliberated on the following subjects:

- Strategy and Business Plans
- Operations and Capital Expenditures
- Finance and Banking operations
- Adoption of Quarterly/Half yearly/ Annual Results
- Compliance with Statutory/ Regulatory requirements and review of major Legal Issues
- Significant Labour Issues
- Board Remuneration policy
- Recommendation of Dividend.
- Convening of Annual General Meeting of Shareholders
- Significant developments in Human Resource and Industrial Relations
- Risk Evaluation and Control.
- Fatal Accidents and other dangerous occurrences.

(C) ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on September 22 nd , 2012	Remarks
Ramprasad Poddar	6	✓	-
Dinesh Kumar Poddar	6	✓	-
Rajesh Kumar Poddar	6	✓	-
Rakesh Nathmal Garodia	4	x	-
Nirmal Jain	4	x	-
Piyush Shah	4	x	-
Sanjiv Vishwanath Rungta	4	x	-

(D) DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT:

The brief particulars of the Director being re-appointed as Director retiring by rotation and new appointment of director at the ensuing Annual General Meeting are as under:

- (i) Mr. Ramprasad Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Ramprasad Poddar is one of the promoters of the Swasti Vinayaka Group and highly experienced in diverse activities. He is 77 years old and is B. Com by qualification. He is a key person in the group Company business like finance, investment in share market, gems and jewellery, artefact, textile garment and retail activities. His continuation will be an asset to the company.

- (ii) Mr. Piyush Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Piyush Shah, 38 years old is having more than 20 years of experience in the field of stock market and finance. His continuation on the Board will be beneficial and an asset to the Company.

3. COMMITTEES OF THE BOARD:

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and need a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Board Committees play an important role in overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals, takes necessary steps to perform their duties entrusted by the Board. To ensure good governance, the Minutes of the meetings are placed before the Board for their review.

The Board of Directors has Constituted Three committees of the Board – (i) The Audit Committee (ii) Remuneration Committee and (iii) The Share Transfer and Investors Grievance Redressal Committee.

i) AUDIT COMMITTEE:

The Audit Committee of the Board of Directors (“the Audit Committee”) is entrusted with the responsibility to supervise the Company’s internal controls and financial reporting process. The composition, quorum, powers, role, scope, etc., are in accordance with Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the Listing Agreement. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance.

Terms of Reference of Audit Committee:

The Audit Committee inter-alia performs the following functions:

- approving Annual Internal Audit Plan
- Review of Financial Reporting System
- Internal Controls System
- discussion on quarterly, half-yearly and annual financial results
- interaction with Statutory & Internal Auditors,
- recommendation for the appointment of Statutory Auditors and fixing their remuneration
- appointment and remuneration of Internal Auditors
- Review of Business Risk Management Plan
- Review of Management Discussions & Analysis,
- Review of Internal Audit Reports
- Review of significant related party transactions.

The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Financial Results as required by the Clause 41 of the Listing Agreement entered with Stock Exchanges.

Composition

The Audit Committee consists of 3 (Three) Independent Directors and 1 (one) Non-Executive Director. Mr. Sanjiv Rungta is the Chairman of the Audit Committee. The members of the committee have requisite experience in corporate management, finance, Accounts and corporate laws. The Audit committee held four meetings during the year and the time gap between any two meetings did not exceed Four months.

The composition of the Audit Committee and the attendance of the directors in the meetings is as under:

Name of the Members	Member/ Chairman	Category	No. of meetings attended
Mr. Sanjiv Rungta	Chairman	Independent	4
Mr. Nirmal Jain	Member	Independent	4
Mr. Dinesh Poddar	Member	Non – Executive	4
Mr. Piyush Shah	Member	Independent	4

During the year ended March 31, 2013; Four Audit Committee Meetings were held on May 26, 2012, July 26, 2012, October 27, 2012 and January 24, 2013 and there was no time gap of more than four months between any two meetings. All the member’s have attended the meeting of the Audit Committee.

ii) REMUNERATION COMMITTEE:

Terms of Reference:

To evaluate and recommend the composition of Board of Directors, appointment of managerial personnel and consider the remuneration payable to them and review thereof from time to time. Major points of review and consideration are as follows:

- To review, assess and recommend the appointment of Managing/ whole time directors.
- To periodically review the remuneration package of Managing/ whole time directors and next level and recommend suitable revision to the Board.
- To seek financial position of the Company.
- Trends in the Industry.
- Interest of the company and shareholders.

The Remuneration Committee shall determine on behalf of the Board and on behalf of the shareholders, specific remuneration packages for Managing Directors and Whole time directors.

Composition:

The Remuneration Committee consists of 2 (Two) Independent Directors and 1 (One) Non-Executive Director. Mr. Nirmal Jain is the Chairman of the Remuneration Committee.

The Composition of the Committee is as follows:

1. Mr. Nirmal Jain - Chairman
2. Mr. Dinesh Poddar - Member
3. Mr. Rakesh Garodia - Member

The Board of Directors decides the remuneration payable to the Managing/Whole-time Directors. The break up of the remuneration paid to Managing Director is as follows:

Sr. No.	Name of Directors	Salary	Benefits	Total
1.	Rajesh Poddar	5,61,000	244042	805042

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent.

(iii) Investors' and shareholders Grievance & Share Transfer Committee:

The "Investors Grievance & Share Transfer Committee" of the Board, looks into various issues relating to investor grievances and to deal with matters relating to transfers/transmissions of shares, and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet, non-receipt of dividends declared, issue of duplicate share certificates, etc.

Terms of Reference:

The Board has clearly defined the terms of reference for this committee, which generally meets once a month. The committee looks into the matters of Shareholder/Investors grievance along with other matters listed below:

- approval of transfer of shares/ debentures and issue of duplicate / split/ consolidation/ sub – division of shares/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

Composition:

The present composition of committee is as follows:

1. Mr. Ramprasad Poddar - Chairman
2. Mr. Dinesh Poddar - Member
3. Mr. Rajesh Kumar Poddar - Member

The Company's shares are compulsory traded in the dematerialized form and have to be delivered in the dematerialized form at Stock Exchanges. To expedite transfers in the physical segment, Mr. N T Hegde, CEO, is acting as Compliance Officer.

All the complaints received are replied to the satisfaction of the shareholders. There are no pending complaints requiring intervention of the committee. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

4. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time	Details of Special Resolution passed
31.03.2012	22.09.2012	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra - 401506	11.00 A.M.	No Special Resolution was passed at the meeting
31.03.2011	24.09.2011	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra - 401506	11.00 A.M.	Re- appointment of Mr. Rajesh Poddar as the Managing Director of the Company for three years w.e.f 1 st January, 2011
31.12.2010	25.09.2010	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra - 401506	11.00 A.M.	No Special Resolution was passed at the meeting

No postal Ballot was conducted in the year 2012-13. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

5. DISCLOSURE:

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year.

The disclosure of related party transactions as required by the accounting standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. Z of notes on the annual accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

There was no material non-compliance by the Company and no penalties or strictures imposed on the Company by the stock exchanges, SEBI or statutory authorities on any matter related to Capital Markets during last three years.

6. MEANS OF COMMUNICATIONS:

The quarterly, half yearly and annual results are communicated to the Mumbai Stock Exchanges where the Company's shares are listed as soon as the same are approved and taken on record by the Board of Directors of the Company. Further the results are published in widely circulating national and local dailies. The quarterly & half-yearly results are not sent individually to the shareholders.

7. GENERAL SHAREHOLDERS INFORMATION:

a. Annual General Meeting 2013

DAY AND DATE	Saturday, 28 th September, 2013
TIME	11.00 A.M.
VENUE (at the registered office of the Company)	J-15, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra - 401506
BOOK CLOSURE DATE FOR DIVIDEND	21 st September, 2013 to 28 th September, 2013 (both days inclusive)
LAST DATE OF RECEIPT OF PROXY FORMS	26 th September, 2013

b. Tentative Calendar for the Financial Year ending March 31, 2013

	Financial Calendar (2012-13)	Result to be tabled & adopted in the month of
i)	First Quarter ended June 30, 2013	July, 2013
ii)	Half Yearly / Second Quarter ended September 30, 2013	October, 2013
iii)	Third Quarter / Nine Months ended December 31, 2013	January, 2014
iv)	Yearly Audited / Fourth Quarter ended March 31, 2014	May, 2014

- c. Date of Book Closure : Saturday 21st September, 2013 to Saturday 28th September, 2013 (Both days inclusive)
- d. Dividend payment date : Within 30 days of AGM; if approved by the Shareholders of the Company.
- e. Listing at stock Exchanges : The Stock Exchange, Mumbai
- f. Stock Code : Physical Segment – BSE: 510245
NSDL/CDSL-ISIN: INE 804A01025
- g. Stock Market Data : The monthly high and low prices during the year at BSE is as follows:

Months	Mumbai Stock Exchange	
	High	Low
April, 2012	7.23	2.04
May, 2012	8.67	6.23
June, 2012	6.11	4.17
July, 2012	4.16	2.96
August, 2012	2.98	2.46
September, 2012	4.07	2.69
October, 2012	3.54	2.58
November, 2012	2.75	2.31
December, 2012	2.66	2.20
January, 2013	2.51	1.90
February, 2013	2.37	1.71
March, 2013	2.44	1.80

h. Share Holding Pattern as on 31.03.2013:

Category	No. of Shares	%
Promoters	35700000	51.00
Corporate Bodies	4055573	5.79
NRI / OCB's	24561	0.04
Indian Public	30219866	43.17
TOTAL	70000000	100.00

* Out of these, 65730770 (93.90%) shares are in Dematerialised and balance 4269230 (6.10%) shares are lying in physical form as on 31.03.2013.

i. **SHARE TRANSFER SYSTEM:**

Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India (SEBI). Big Shares Services Private Limited handles both Demat and Physical Shares Transfers.

The shareholder's / Investors Grievance Committee meets periodically to consider the transfer and other proposals and attend to shareholders grievances.

The Share Transfers, which are received in physical form, are processed and the share certificates are returned within 15 days from the date of receipt, subject to Documents being valid and complete in all respects. There are no such instances pending with the Company at the year-end.

j. **DISTRIBUTION OF SHARE HOLDING AS ON 31.03.2013:**

NO. OF SHARE HELD	NO. OF SHARE HOLDERS	%	TOTAL HOLDING IN RUPEES	%
1 TO 5,000	8050	89.38	10291812	14.70
5001 TO 10,000	485	5.38	3801232	5.43
10,001 TO 20,000	209	2.32	3099155	4.43
20,001 TO 30,000	92	1.02	2334876	3.33
30,001 TO 40,000	29	0.32	1020409	1.46
40,001 TO 50,000	33	0.37	1542240	2.20
50,001 TO 1,00,000	46	0.51	3168344	4.53
100,001 AND ABOVE	63	0.70	44741932	63.92
TOTAL	9007	100.00	70000000	100.00

k. **REGISTRAR AND SHARE**

TRANSFER AGENT : Bigshares Services Private Limited, E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai -400 072
Phone No.: 40430200.

l. **COMPLIANCE OFFICER** : Mr. Nagabhushan Hegde, 306, Tantia Jogani Industrial Estate, J. R. Boricha Marg, Lower Parel, Mumbai – 400 011.
Phone No.: 43443555.

- m. PLANT LOCATION : J-15, M.I.D.C, Tarapur, Boisar
Dist. Thane - 401 506
&
3-5, Dewan & Sons Ind. Complex,
Village Aliyali, Palghar, Dist.
Thane, Maharashtra-401 404.
- n. CORPORATE OFFICE : 306, Tantia Jogani Industrial Estate
(ADDRESS FOR : J. R. Boricha Marg, Lower Parel,
CORROSPONDENCE) Mumbai – 400 011.

CERTIFICATE REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of
SWASTI VINAYAKA SYNTHETICS LIMITED
J-15, M.I.D.C, Tarapur,
Boisar, Dist. Thane - 401 506

We have reviewed the compliance of conditions of Corporate Governance by **SWASTI VINAYAKA SYNTHETICS LIMITED**, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Mumbai Stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 explanations 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 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 **SANDEEP DAR & CO.**
Company Secretary in Practice

Place: Mumbai
Date : 30th May, 2013

S/d
Proprietor
C. P. No. 1571

INDEPENDENT AUDITOR'S REPORT

To the Members of
Swasti Vinayaka Synthetics Limited.

Report on Financial Statements

We have audited the accompanying financial statements of **Swasti Vinayaka Synthetics Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- In the case of the Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - 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;
 - 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
 - The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 120132W

SANJAY RAJA JAIN
(PARTNER)

Membership No. 108513

Place : Mumbai.
Date : 30th May, 2013

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and asset sold do not affect its going concern.
2. a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured taken or granted by the Company from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 :
 - a. The Company has taken loans from 2 (Two) (P.Y. Two) parties covered in the register maintained U/s. 301 of the Companies Act, 1956 aggregating to Rs. 32,41,327/- (P.Y. Rs. 4,03,88,119/-) during the year and year end balance is Rs. 23,720/- (Previous Year 1,17,42,494/-) and maximum amount involved during the year is Rs. 1,17,82,494/- (P.Y. Rs.2,40,19,211/-)
 - b. The company has not granted loan to parties covered in the register maintained U/s. 301 of the Companies Act, 1956.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, wherever applicable and other Terms and Conditions are not prima facie prejudicial to the interest of the Company.
 - d. There is no overdue amount in respect of loans given/ taken by the Company and as same is repayable on demand.
4. 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 for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in 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 in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000/- (Rupees Five Lakhs only) in respect of any party during the year have been made at price, which are reasonable having regard to prevailing market price at the relevant time.
6. As explain to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Rules framed there under.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. According to information and explanations provided to us, the company is not required to maintain cost record U/s. 209(1)(d) of the Companies Act, 1956.
9. a) According to the information and explanation given to us, and records being made available to us, there are no undisputed statutory dues except for income tax for the assessment year 2006-2007 for which appeal has been filed with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
- b) In our opinion and according to the information and explanations given to us, there are no any other disputed statutory dues pending before any Authority.
10. The Company has accumulated losses and has not incurred cash loss during the financial year covered by our audit
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.

14. The Company has maintained proper records of transaction and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the company in its own name.
15. According to information and explanation given to us and to the best of knowledge, the Company has given guarantees for loans taken by others from banks or financial institutions. We are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to information and explanation given to us, the Company has not received any Term Loan during the year.
17. According to the information and explanation given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not raised funds from Short Term sources and utilized the same towards Long Term investments.
18. During the year, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained U/s. 301 of the Companies Act, 1956.
19. According to information and explanation given to us, the Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **SANJAY RAJA JAIN & CO.**
CHARTERED ACCOUNTANTS
Firm Reg. No. 120132W

Place : Mumbai.
Date : 30th May, 2013

SANJAY RAJA JAIN
(PARTNER)
Membership No. 108513

BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT 31.03.2013	AS AT 31.03.2012
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS FUNDS</u>			
(a) SHARE CAPITAL	A	70,000,000	70,000,000
(b) RESERVES AND SURPLUS	B	17,432,303	22,168,739
(c) MONEY REC. AGST. SHARE WARRANTS		-	-
		87,432,303	92,168,739
<u>SHARE APPLICATION MONEY PENDING</u>			
<u>ALLOTMENT</u>			
<u>NON-CURRENT LIABILITIES</u>			
(a) LONG TERM BORROWINGS	C	413,340	1,471,634
(b) DEFERRED TAX LIABILITIES (NET)		8,028,312	-
(c) OTHER LONG-TERM LIABILITIES	D	24,030,940	24,134,096
(d) LONG-TERM PROVISIONS-TAXATION		-	-
		32,472,592	25,605,730
<u>CURRENT LIABILITIES</u>			
(a) SHORT TERM BORROWINGS	E	15,178,123	19,806,204
(b) TRADE PAYABLES	F	4,529,922	15,333,251
(c) OTHER CURRENT LIABILITIES	G	4,058,875	3,914,102
(d) SHORT TERM PROVISIONS	H	4,380,258	4,184,109
		28,147,177	43,237,665
TOTAL		148,052,073	161,012,134
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
(a) FIXED ASSETS			
(i) TANGIBLE ASSTS	I	52,584,309	59,578,932
(ii) INTANGIBLE ASSETS	J	5,445,070	5,445,070
(iii) CAPITAL WORK-IN-PROGRESS		-	-
(iv) INTANGIBLE ASSETS UNDER DEV.		-	-
(b) NON-CURRENT INVESTMENTS	K	88,356	88,356
(c) DEFERRED TAX ASSETS (NET)		-	-
(d) LONG-TERM LOANS AND ADVANCES	L	22,492,708	23,186,508
(e) OTHER NON-CURRENT ASSETS		-	-
		80,610,442	88,298,866
<u>CURRENT ASSETS</u>			
(a) CURRENT INVESTMENTS		-	-
(b) INVENTORIES	M	34,935,618	39,026,331
(c) TRADE RECEIVABLES	N	23,801,475	25,787,323
(d) CASH AND CASH EQUIVALENTS	O	1,478,661	1,521,053
(e) SHORT-TERM LOANS AND ADVANCES	P	7,115,155	6,244,625
(f) OTHER CURRENT ASSETS	Q	110,721	133,936
		67,441,630	72,713,268
TOTAL		148,052,073	161,012,134
Notes To Balance Sheet And Profit And Loss Account		Z	
As per our attached report of even date			
For SANJAY RAJA JAIN & CO.			
Chartered Accountants			
(Firm Registration No.120132W)			
SANJAY RAJA JAIN	RAMPRASAD PODDAR	RAJESH KUMAR PODDAR	DINESH KUMAR PODDAR
Partner	Chairman	Managing Director	Director
Mem. No.108513			
Mumbai, Dated : 30.05.2013			

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-03-2013

(Amount in Rs.)

PARTICULARS	NOTE NO.	CURRENT YEAR	PERVIOUS YEAR
REVENUE FROM OPERATIONS			
REVENUE FROM OPERATIONS	R	161,042,460	161,749,504
OTHER INCOME	S	316,895	2,158,436
TOTAL REVENUE		161,359,355	163,907,939
EXPENSES:			
COST OF MATERIAL CONSUMED	T	6,228,266	7,802,544
PURCHASE OF STOCK-IN-TRADE	U	93,149,872	91,612,144
CHANGES IN INVENTORIES OF FINISHED GOODS	V	4,809,469	13,467,904
WORK-IN-PROGRESS AND STOCK -IN-TRADE			
EMPLOYEE BENEFITS EXPENSES	W	7,202,384	7,666,633
FINANCE COSTS	X	2,488,480	4,299,986
DEPRECIATION AND AMORTIZATION EXPENSE		3,592,824	3,569,343
OTHER EXPENSES	Y	32,056,161	28,433,249
TOTAL EXPENSES		149,527,456	156,851,803
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		11,831,898	7,056,137
EXCEPTIONAL ITEMS		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		11,831,898	7,056,137
EXTRAORDINARY ITEMS		-	-
PRIOR YEAR ADJUSTMENTS			793,065
PROFIT BEFORE TAX		11,831,898	7,849,202
TAX EXPENSE			
CURRENT TAX		3,980,000	1,900,000
EARLIER YEARS TAX		(603)	(316,326)
DEFERRED TAX		192,786	-
PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		8,045,287	6,265,528
PROFIT (LOSS) FROM DISCONTINUING OPERATIONS		-	-
TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
PROFIT (LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX)		-	-
PROFIT (LOSS) FOR THE YEAR		8,045,287	6,265,528
EARNING PER EQUITY SHARE			
BASIC / DILUTED		0.11	0.09
NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT		Z	
As per our attached report of even date			
For SANJAY RAJA JAIN & CO.			
Chartered Accountants			
(Firm Registration No.120132W)			
SANJAY RAJA JAIN	RAMPRASAD PODDAR	RAJESH KUMAR PODDAR	DINESH KUMAR PODDAR
Partner	Chairman	Managing Director	Director
Mem. No.108513			
Mumbai, Dated : 30.05.2013			

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
A SHARE CAPITAL:		
(1) AUTHORISED:	80,000,000	80,000,000
8,00,00,000(LAST YEAR 8,00,00,000) EQUITY SHARES OF Rs.1/-EACH		
(2) ISSUED, SUBSCRIBED & PAID UP		
SHARES AT THE BEGINNING OF THE ACCOUNTING PERIOD 70000000 (L.Y.70000000) EQUITY SHARES OF RS.1/- EACH	70,000,000	70,000,000
ADDITIONS DURING THE YEAR NIL (L.Y. NIL) EQUITY SHARES OF RS.1/- EACH	-	-
SHARES AT THE END OF THE ACCOUNTING PERIOD 70000000 (L.Y.70000000) EQUITY SHARES OF RS.1/- EACH	<u>70,000,000</u>	<u>70,000,000</u>
Detail of Holding more than 5%		
Swasti Vinayaka Investch Pvt. Ltd.	18670000 26.67%	18670000 26.67%
B RESERVE & SURPLUS:		
1 GENERAL RESERVE		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	11,000,000	11,000,000
ADDITIONS DURING THE YEAR	<u>(6,721,098)</u>	<u>-</u>
AT THE END OF THE ACCOUNTING PERIOD	<u>4,278,902</u>	<u>11,000,000</u>
2 SECURITIES PREMIUM ACCOUNT		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	2,327,362	2,327,362
ADDITIONS DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	<u>2,327,362</u>	<u>2,327,362</u>
3 CAPITAL RESERVE		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	30,150	30,150
ADDITIONS DURING THE YEAR	-	-
AT THE END OF THE ACCOUNTING PERIOD	<u>30,150</u>	<u>30,150</u>
4 REVALUATION RESERVE		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	10,956,182	11,421,982
DEDUCTION DURING THE YEAR	<u>465,800</u>	<u>465,800</u>
AT THE END OF THE ACCOUNTING PERIOD	<u>10,490,382</u>	<u>10,956,182</u>
5 SURPLUS		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	(2,144,955)	(4,342,695)
ADDITIONS DURING THE YEAR (BALANCE IN STATEMENT OF PROFIT & LOSS A/C)	8,045,287	6,265,528
ALLOCATIONS AND APPROPRIATIONS		
DIVIDEND	(3,500,000)	(3,500,000)
TAX ON DIVIDEND	(594,825)	(567,788)
BONUS SHARES ISSUED	-	-
TRANSFER TO/FROM RESERVES	<u>(1,500,000)</u>	<u>-</u>
AT THE END OF THE ACCOUNTING PERIOD	<u>305,507</u>	<u>(2,144,955)</u>
GRAND TOTAL	<u>17,432,303</u>	<u>22,168,739</u>

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
<u>MONEY RECEIVED AGAINST SHARE WARRANTS</u>	-	-
<u>SHARE APPLICATION MONEY PENDING ALLOTMENT</u>	-	-
C <u>LONG TERM BORROWINGS</u>		
1 <u>SECURED TERM LOANS FROM BANKS</u>	-	409,219
IS SECURED BY FIRST CHARGE ON ASSETS PROCURED THROUGH BANK FINANCE, EQUITABLE MORTGAGE ON GALAS, EXCLUSIVE HYPOTHICATION CHARGE ON MOVABLE FIXED ASSETS OF THE COMPANY (PRESENT AND FUTURE) & PERSONAL GUARANTEE OF THE THREE DIRECTORS		
<u>SECURED TERM LOANS FROM BANKS</u>	413,340	1,062,415
IS SECURED BY HYPOTHICATION OF MOTOR CAR & PERSONAL GUARANTEE OF THE THREE DIRECTORS AND GUARNANTED BY THE DIRECTORS OF THE CO.		
	<u>413,340</u>	<u>1,471,634</u>
NATURE OF SECURITY		
Secured against property in the name of company; group companies and personal guarantee of directors.		
Terms of Payment		
1 Term loan amounting Rs.NIL (March 31.2012 Rs.214454.74) Repayable in 70 monthly instalments commencing from dec.06, last instalment due in Sept.12. Rate of Interest 11% at the end of the Year (Previous Year 11% p.a.)		
2 Term loan amounting Rs.NIL (March 31.2012 Rs.4512890.8) Repayable in 72 monthly instalments commencing from Oct.06, last instalment due in Sept.12. Rate of Interest 11% at the end of the Year (Previous Year 11% p.a.)		
3 Term loan amounting Rs.NIL (March 31.2012 Rs.467131.82) Repayable in 59 monthly instalments commencing from Nov.07, last instalment due in Sep.12. Rate of Interest 13.25% at the end of the Year (Previous Year 13.25% p.a.)		
4 Term loan amounting Rs.NIL (March 31.2012 Rs.480081.08) Repayable in 59 monthly instalments commencing from Dec.07, last instalment due in Oct.12. Rate of Interest 13.25% at the end of the Year (Previous Year 13.25% p.a.)		
5 Vehicle loan amounting Rs.160908 (March 31.2012 Rs.318273) Repayable in 54 monthly instalments commencing from July 09, last instalment due in Feb.14. Rate of Interest 11.52% at the end of the Year (Previous Year 11.52% p.a.)		
6 Vehicle loan amounting Rs.82233 (March 31.2012 Rs.261381) Repayable in 59 monthly instalments commencing from Sept 08, last instalment due in Aug.13 Rate of Interest 13.68% at the end of the Year (Previous Year 13.68% p.a.)		
7 Vehicle loan amounting Rs 404630 (March 31.2012 Rs.539686) Repayable in 59 monthly instalments commencing from Oct 10, last instalment due in Sep 15 . Ratre of Interest 10.25% at the end of the Year (Previous Year 10.25% p.a.)		
8 Vehicle loan amounting Rs 412651 (March 31.2012 Rs.546749) Repayable in 59 monthly instalments commencing from Nov 10 last instalment due in Oct 15 Rate of Interest 9.68% at the end of the Year (Previous Year 9.68% p.a.)		

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
2 UNSECURED LONG TERM BORROWINGS:	-	-
	-	-
	-	-
GRAND TOTAL	<u>413,340</u>	<u>1,471,634</u>
D OTHER LONG-TERM LIABILITIES:	24,030,940	24,134,096
SECURITY DEPOSITS FROM DEALERS, AGENT, WAREHOUSING ETC.	<u>24,030,940</u>	<u>24,134,096</u>
LONG-TERM PROVISIONS:	-	-
	-	-
	-	-
CURRENT LIABILITIES		
E SHORT-TERM BORROWINGS:		
SECURED	15,109,123	8,082,921
IS SECURED BY HYPOTHECATION OF RECEIVABLES, STOCK IN TRADE, BOOK- DEBTS, OTHER CURRENT ASSETS & MOTOR CAR PERSONAL GUARANTEE OF THE DIRECTORS AND EQUITABLE MORTGAGE OF THIRD PARTY IMMOVABLE ASSETS		
UNSECURED	69,000	11,723,283
	<u>15,178,123</u>	<u>19,806,204</u>
F TRADE PAYABLES		
SUNDRY CREDITORS	3,681,919	14,078,320
ADVANCE FROM PARTIES-INTEREST FREE	-	-
OTHER	848,003	1,254,931
	<u>4,529,922</u>	<u>15,333,251</u>
G OTHER CURRENT LIABILITIES		
1 CURRENT MATURITIES OF LONG TERM DEBTS		
2 INTEREST ACCRUED BUT NOT DUE ON BORROWINGS		
3 TEMPORARY BOOK OVERDRAFT (HDFC BANK A/C NO. 01438640000227)	1,563,763	1,697,503
4 UNPAID DIVIDENDS	1,146,345	999,777
5 TDS & OTHER TAXES PAYABLE	1,348,767	1,216,822
6 CURRENT YEAR,S TAXES PAYABLE(NET OF ADVANCE TAX)	-	-
	<u>4,058,875</u>	<u>3,914,102</u>

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS		AS AT 31.03.2013	AS AT 31.03.2012								
H	SHORT-TERM PROVISIONS										
	(a) PROVISIONS FOR EMPLOYEE BENEFITS	285,433	116,321								
	(b) PROVISION FOR DIVIDEND & DIVIDEND TAX	4,094,825	4,067,788								
		<u>4,380,258</u>	<u>4,184,109</u>								
SCHEDULE :- I											
FIXED ASSTES											
PARTICULARS	GROSS BLOCK					DEPRECIATION BLOCK				NET BLOCK	
	RATE	AS ON 1-4-2012	ADDITION DURING THE YEAR	SALE/ TRANSFER DURING THE YEAR	AS ON 31-03-2013	AS ON 1-4-2012	PROVIDED DURING THE YEAR	ADJ. DURING YEAR	AS ON 31-03-2013	AS ON 31-03-2013	AS ON 31-03-2012
FREEHOLD LAND	-	1,673,885	-	-	1,673,885	-	-	-	-	1,673,885	1,673,885
LEASE HOLD LAND	-	1,082,514	-	-	1,082,514	143,905	12,784	-	156,689	925,825	938,609
FACTORY BLDG.	3.34%	38,356,944	-	-	38,356,944	16,797,997	1,281,122	-	18,079,118	20,277,827	21,558,948
OFFICE PREMISES	1.63%	5,136,224	-	-	5,136,224	1,807,995	83,720	-	1,891,716	3,244,508	3,328,229
RESIDENTIAL FLATS	1.63%	152,132	-	-	152,132	62,768	2,480	-	65,248	86,884	89,364
PLANT & MACHINERY	4.75%	84,263,680	-	4,022,504	80,241,176	65,644,146	1,283,415	1,037,504	65,890,057	14,351,118	18,619,533
FURNITURE & FIXTURE	6.33%	23,667,135	49,000	-	23,716,135	15,697,270	717,604	-	16,414,874	7,301,261	7,969,865
COMPUTER & PERIPHERALS	16.21%	4,007,431	-	-	4,007,431	3,601,523	146,492	-	3,748,015	259,416	405,908
OFFICE & FACT. EQUIPT	4.75%	1,657,395	-	-	1,657,395	1,515,653	7,332	-	1,522,985	134,410	141,742
ELECTRICAL INSTALLATION	4.75%	4,080,922	-	-	4,080,922	2,481,818	100,189	-	2,582,007	1,498,915	1,599,104
VECHICLES	9.50%	4,457,743	-	-	4,457,743	1,203,998	423,486	-	1,627,484	2,830,259	3,253,745
CWIP- FURNITURE & FIXTURE	-	-	-	-	-	-	-	-	-	-	-
TOTAL		168,536,005	49,000	4,022,504	164,562,501	108,957,073	4,058,624	1,037,504	111,978,192	52,584,309	59,578,932
PREVIOUS YEAR		167,718,765	2,209,998	1,392,758	168,536,005	106,007,756	4,035,143	1,166,593	108,957,073	59,578,932	61,711,009
J	INTANGIBLE ASSETS										
	GOODWILL						5,445,070				5,445,070
							<u>5,445,070</u>				<u>5,445,070</u>
K	NON CURRENT INVESTMENT:										
	INVESTMENT IN SHARES										
	QUOTED								-		-
	UNQUOTED						88,356				88,356
							<u>88,356</u>				<u>88,356</u>
L	LONG TERM LOANS AND ADVANCES:										
	SECURITY DEPOSITS						22,492,708				23,186,508
	(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)						<u>22,492,708</u>				<u>23,186,508</u>

NOTES TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2013

(Amount in Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
M		
<u>INVENTORIES:</u>		
(AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)		
1 RAW MATERIALS;	7,632,294	6,945,756
2 WORK IN PROCESS;	2,148,846	177,441
3 FINISHED GOODS;	23,569,331	30,350,205
4 PACKING MATERIAL	299,804	309,472
5 STORES, SPARES & LOOSE TOOLS;	1,285,343	1,243,458
6 OTHERS;	-	-
	<u>34,935,618</u>	<u>39,026,331</u>
N		
<u>TRADE RECEIVABLES:</u>		
(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
(1) DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE	15,598,848	15,164,559
(2) OTHER DEBTS	8,202,627	10,622,764
	<u>23,801,475</u>	<u>25,787,323</u>
O		
<u>CASH & CASH EQUIVALENTS :</u>		
(a) BALANCE WITH BANKS		
<u>IN FIXED DEPOSITS</u>		
EARMARKED BALANCES WITH BANKS	-	-
HELD AS MARGIN MONEY AGAINST BORROWINGS, AND OTHER COMMITMENTS.		
MATURITY WITH MORE THAN 12 MONTHS	-	-
OTHERS	-	-
<u>IN CURRENT ACCOUNTS:</u>	1,286,360	1,230,341
(b) CHEQUES, DRAFTS ON HAND		
(c) CASH ON HAND	192,300	290,712
	<u>1,478,661</u>	<u>1,521,053</u>
P		
<u>SHORT TERM LOANS & ADVANCES:</u>		
(UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)		
ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
(1) ADVANCE TO PARTIES	2,369,743	2,539,451
(2) RECEIVABLE FROM REVENUE AUTHORITIES	3,776,147	1,252,179
(3) CURRENT YEARS TAXES RECOVERABLE (NET OF LIABILITY)	969,266	2,452,995
	<u>7,115,155</u>	<u>6,244,625</u>
Q		
<u>OTHER CURRENT ASSETS:</u>		
PREPAID EXPENSES	110,721	133,936
	<u>110,721</u>	<u>133,936</u>

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013

(Amount in Rs.)

PARTICULARS	CURRENT YEAR (Rs.)	PERVIOUS YEAR (Rs.)
R		
<u>REVENUE FROM OPERATIONS</u>		
a SALE OF PRODUCTS	103,373,663	107,559,111
b SALE OF SERVICES	57,686,110	54,336,775
c OTHER OPERATING REVENUES	-	-
	<u>161,059,773</u>	<u>161,895,886</u>
d LESS: EXCISE DUTY	17,313	146,382
NET REVENUE FROM OPERATIONS	<u>161,042,460</u>	<u>161,749,504</u>
S		
<u>OTHER INCOME:</u>		
INTEREST INCOME	151,229	1,290,544
DIVIDEND INCOME	-	-
PROFIT ON SALE OF INVESTMENT	-	738,130
OTHER NON-OPERATING INCOME	165,665	129,762
	<u>316,895</u>	<u>2,158,436</u>
T		
<u>COST OF MATERIALS CONSUMED:</u>		
PURCHASES RAW-MATERIALS AND PACKING MATERIALS	6,914,804	2,286,203
ADD: OPENING BALANCE OF STOCK	6,945,756	12,462,097
	<u>13,860,560</u>	<u>14,748,300</u>
LESS: CLOSING BALANCE OF STOCK	7,632,294	6,945,756
CONSUMPTION OF MATERIALS	<u>6,228,266</u>	<u>7,802,544</u>
U		
<u>PURCHASES OF CLOTH/READY MADE GARMENT</u>		
TRADED GOODS	91,134,405	90,377,302
GREY PURCHASE	1,998,484	1,224,068
OTHER	16,983	10,774
TOTAL PURCHASES	<u>93,149,872</u>	<u>91,612,144</u>
V		
<u>CHANGES IN INVENTORIES</u>		
<u>FINISHED GOODS</u>		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	30,350,205	42,680,841
AT THE END OF THE ACCOUNTING PERIOD	<u>23,569,331</u>	<u>30,350,205</u>
	<u>6,780,874</u>	<u>12,330,636</u>
<u>WORK-IN-PROGRESS</u>		
AT THE BEGINNING OF THE ACCOUNTING PERIOD	177,441	1,314,709
AT THE END OF THE ACCOUNTING PERIOD	<u>2,148,846</u>	<u>177,441</u>
	<u>(1,971,406)</u>	<u>1,137,268</u>
GRAND TOTAL	<u>4,809,469</u>	<u>13,467,904</u>

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013

(Amount in Rs.)

PARTICULARS	CURRENT YEAR (Rs.)	PERVIOUS YEAR (Rs.)
W		
<u>EMPLOYEE BENEFITS EXPENSE</u>		
SALARY AND WAGES	3,268,212	3,342,339
DIRECTOR'S REMUNERATIONS/PERQUISITES	805,042	1,475,950
<u>CONTRIBUTION TO PROVIDENT AND OTHER FUNDS</u>		
CONTRIBUTION TO PROVIDENT FUND	138,085	163,757
CONTRIBUTION TO EMPLOYEES STATE INS.FUND	22,214	29,477
CONTRIBUTION TO OTHER FUNDS	20,077	23,661
SERVICE CHARGES	1,533,712	1,233,438
WORKERS AND STAFF WELFARE	354,440	324,773
BONUS / EXGRATIA	514,408	523,655
LEAVE ENCASHMENT	240,251	342,834
GRATUITY	305,943	206,749
	<u>7,202,384</u>	<u>7,666,633</u>
X		
<u>FINANCIAL COSTS:</u>		
a <u>INTEREST EXPENSE</u>		
INTEREST TO BANK	1,731,836	2,146,698
INTEREST PAID ON UNSECURED LOAN	451,866	1,696,054
INTEREST TO BANK ON VEHICLE LOAN	149,685	222,209
b BANK CHARGES / COMMISSION	155,093	235,025
c OTHER BORROWING COSTS	-	-
	<u>2,488,480</u>	<u>4,299,986</u>
Y		
<u>OTHER EXPENSES:</u>		
A <u>MANUFACTURING EXPENSE :</u>		
<u>CONSUMPTION OF STORES AND SPARE PARTS</u>		
OPENING STOCK	1,243,458	1,153,463
ADD: PURCHASES	1,080,244	1,283,548
TOTAL	<u>2,323,702</u>	<u>2,437,011</u>
LESS:CLOSING STOCK	<u>1,285,343</u>	<u>1,243,458</u>
	1,038,359	1,193,553
<u>CONSUMPTION OF PACKING MATERIAL</u>		
OPENING STOCK	309,472	311,578
ADD: PURCHASES	1,011,790	1,076,036
TOTAL	<u>1,321,262</u>	<u>1,387,614</u>
LESS: CLOSING STOCK	<u>299,804</u>	<u>309,472</u>
	1,021,458	1,078,142
OTHER JOB CHARGES	4,857,383	2,717,585
POWER & FUEL	5,000,803	4,570,535
REPAIR TO MACHINERY	10,211,249	9,749,445
REPAIR TO BUILDING	1,147,299	336,751
	<u>23,276,551</u>	<u>19,646,011</u>

NOTES TO AND FORMING PART OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-03-2013

(Amount in Rs.)

PARTICULARS	CURRENT YEAR (Rs.)	PERVIOUS YEAR (Rs.)
B ADMINISTRATIVE EXPENSE		
DONATION	600,000	600,000
SUBSCRIPTION/MEMBERSHIP FEES	10,524	15,603
RENT	315,412	347,802
RATE & TAXES	896,703	493,158
GENERAL EXPENSES	524,089	733,810
INSURANCE	923,250	883,051
LEGAL & PROFESSIONAL EXPENSES	950,715	1,085,340
PAYMENT TO THE AUDITORS	103,500	103,500
POSTAGE & COURIER EXP.	163,175	131,991
PRINTING & STATIONERY	195,882	234,158
TRAVELLING & CONVEYANCE EXP	405,856	531,854
REPAIR & MAINTENANCE OTHERS	1,053,205	563,886
SECURITY CHARGES	434,363	722,948
TELEPHONE EXP.	520,092	524,102
	<u>7,096,766</u>	<u>6,971,203</u>
SELLING & DISTRIBUTION EXPENSE		
ADVERTISEMENT / PUBLICITY	589,022	475,054
SALES PROMOTION	29,703	3,476
TRANSPORTATION EXPENSES	520,482	281,102
SALES DISCOUNT	93,218	151,487
STITCHING CHARGES	2,096	2,710
STALL/EXHIBITION CHARGES	47,500	137,125
PENALTIES	500	-
COMMISSION & BROKRAGE	349,823	597,721
STAMP DUTY CHARGES	-	55,860
SOFTWARE DEVELOPMENT EXPENSES	50,500	111,500
	<u>1,682,844</u>	<u>1,816,035</u>
GRAND TOTAL	<u>32,056,161</u>	<u>28,433,249</u>

SCHEDULE – Z

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

1. The Company Income Tax assessment completed up to assessment Year 2008-09.
2. Capital commitment (net off advances) not acknowledged as debt Rs NIL (Previous Year NIL)
3. Significant accounting policies followed by the Company are as stated in the statement annexed to this Schedule.
4. Contingent liability not provided for - In respect of disputed electricity charges Rs. 51.89 lacs (Previous Year 45.93 Lacs).
5. Break-up of the Auditor's Remuneration is as follows:

	Current Year	Previous Year
	Rs.	Rs.
a) Statutory Audit Fees	85,000	85,000
b) Tax / MVAT Audit Fees	18,500	18,500
c) Reimbursement of out of Pocket Expenses	0	0
	<u>1,03,500</u>	<u>1,03,500</u>

6. Pursuant to Accounting Standard – 18 “ Related Party Disclosure “ issued by the Institute of Chartered Accountants of India, the following transactions were carried out with the related parties :-

SR.	NAME OF RELATED PARTY	RELATIONSHIP	DESCRIPTION OF TRANSACTIONS	PAYMENTS (Rs.)	RECEIPTS (Rs.)
1	SWASTI VINAYAKA INVESTECH PVT. LTD.	COMMON DIRECTOR	COMPENSATION		60,000
2	ASHIRWAD SHELTERS PVT. LTD.	COMMON DIRECTOR	COMPENSATION	9,00,000	60,000
			RENT (PROPERTY TAX)	19,33,098	
3	SWASTI VINAYAKA REALESTATE DEVELOPMENT PVT. LTD.	COMMON DIRECTOR	COMPENSATION		60,000
4	SWASTI VINAYAKA ART & HERITAGE CORPORATION LTD.	COMMON DIRECTOR	INTEREST	4,51,866	
			WATER & ELECTRICITY CHARGES	2,76,185	
			SALES PROMOTION	30,000	
			LOAN GIVEN / RECEIVED (NET)	147,00,000	31,00,000
			COMPENSATION		18,19,680
5	IVY LEAGUE FASHIONS PVT. LTD.	COMMON DIRECTOR	COMPENSATION		60,000
			PURCHASE-FABRIC/ GARMENT	159,04,469	
6	ELAN REALTORS INDIA PVT. LTD.	COMMON DIRECTOR	LOAN (NET)	1,36,818	1,41,327
			BROKERAGE PAID	49,500	
7	RAJESH KUMAR PODDAR	MANAGING DIRECTOR	REMUNERATION PERQUISITES	5,61,000 2,44,042	

7. The Company is in the process of determining dues of small scale industries / undertakings exceeding Rs.1 Lac, which is outstanding for more than 30 days.
8. a] In the opinion of the Board of Directors, the Current Assets, Loans and Advances are of the value stated, if realized in the ordinary course of business.
- b] Balances appearing under the head Sundry Debtors, Sundry Creditors, Loans & Advances, and Deposits are subject to confirmation and reconciliation.
9. Earnings Per Share (Accounting Standard 20) is calculated as under :

	Current Year	Previous Year
	Rs.	Rs.
Profit / Loss Attributed to Equity Shareholders (in Rs.)		
- Including Extra Ordinary Items	80,45,287	62,65,528
- Excluding Extra Ordinary Items	-	54,72,463
No. of Equity Shares	70,000,000	70,000,000
Face value of each Equity Share	Rs. 1/-	Rs. 1/-
Basic and Diluted earning per Equity Share		
- Including Extra Ordinary Items	Rs. 0.11	Rs. 0.09
- Excluding Extra Ordinary Items	Rs. 0.11	Rs. 0.08

10. Previous year figures have been regrouped, rearranged wherever necessary, so as to make them comparable with the figures of current year.

11. Additional information required under Schedule - VI of the Companies Act, 1956. (as certified by the Management) is as under :

		<u>CURRENT YEAR</u>	<u>PREVIOUS YEAR</u>
a. CAPACITY & PRODUCTION :			
Licensed Capacity	No.	261 looms	261 looms
Installed Capacity	No.	18 looms	72 looms
Production (Cloth/Garment) :			
Own	Mtrs.	NIL	NIL
Jobwork -Grey	Mtrs.	1,309,965	1,348,388
-Doubling	Kgs.	37,935	80,902
b. Purchase : Cloth/Garment	Rs.	93,149,872	91,612,144
	Mtrs.	704,414	735,767
c. Raw Material Consumed: Yarn	Rs.	6,228,266	7,802,544
	Kgs.	25,201	57,394
d. Income From Operations :			
1 Cloth Sales-Mfd/Trading	Rs.	101,213,390	104,726,387
	Mtrs.	846,212	996,871
2 Readymade Division (Including showroom)	Rs.	2,142,960	2,686,342
	Pcs.	14,227	16,493
3 Weaving Charges	Rs.	12,249,995	12,969,579
	Mtrs.	1,309,965	1,348,388
4 Job Charges(Doubling)	Rs.	657,662	1,593,231
	Kgs.	37,935	80,902
5 Other Services(Net)	Rs.	44,778,453	39,773,965
e. Closing Stock :			
Raw Material	Rs.	7,632,294	6,945,756
	Kgs.	30,134	28,582
Finished Goods :			
Cloth	Rs.	21,982,610	27,099,197
	Mtrs.	312,875	363,832
Readymade Garments	Rs.	1,586,721	3,251,008
	Pcs.	18,695	19,303
f. Opening Stock :			
Raw Material	Rs.	6,945,756	12,462,097
	Kgs.	28,582	66,891
Finished Goods :			
Cloth/Garments	Rs.	27,099,197	38,894,445
	Mtrs.	363,832	529,035
Readymade Garments	Rs.	3,251,008	3,786,396
	Pcs.	19,303	22,168
g. Consumption of Raw Material :			
Indigenous		6,228,266	7,802,544
Percentage		100	100
h. Consumption of Stores & Spares			
Indigenous		1,038,359	1,193,553
Percentage		100	100
i. Income / Expenditure in Foreign Currency		NIL	NIL

ANNEXURE I

STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

1) System of Accounting:

The accounts have been prepared on historical cost basis of accounting. All expenses except commission and incentive on sale and income to the extent considered payable and receivable respectively unless stated otherwise are accounted for on accrual basis.

2) Claims Receivable:

Claims receivable is accounted on cash basis.

3) Dividend Receipts:

Dividend is accounted on cash basis.

4) Fixed Assets and Depreciation:

- I. Fixed Assets: All Fixed Assets are valued at cost (including Revaluation) less depreciation.
- II. Depreciation: Depreciation has been calculated on all the assets of the Company under straight line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956 and leasehold land is being written off over the lease period.

5) Investments :

- I. Unquoted : Investments are valued at cost of acquisition.

6) Inventories:

- I. Yarn, packing materials, stores & spares and stock of unquoted shares (Long Term) are valued at cost (FIFO METHOD).
- II. Stock in trade, readymade garments and goods in process are valued at cost or market value whichever is lower.

7) Employees Benefits:

- I. The Company has taken Group Gratuity Insurance Policy with Life Insurance Corporation of India to secure gratuity liability on retirement of the employees of the Company. The premium payable/refund receivable if any, is accounted on cash basis.
- II. Leave encashment is accounted on accrual basis.

8) Deferred Revenue Expenditure:

Major expenditure on advertisement and publicity are accounted as deferred revenue expenditure and are being written off over a period of 7 years.

9) Income from Operations:

Income from operations include sale of manufactured/traded goods, shares, services, warehouse Compensation.

10) Sales:

Sales represent amount billed for goods sold inclusive of Excise Duty and Sales Tax, but net off trade discounts, returns and allowances.

11) Others:

Other accounting policies not specifically disclosed are in conformity with the normally accepted accounting policies.

12) Impairment:

The management periodically assesses using internal sources whether there is any indication that an asset may be impaired. If an asset is impaired, the group recognizes an impairment loss as the carrying amount of the asset over the recoverable period.

13) Taxation :

Income Tax Expenses comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and Fringe Benefit Tax. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax asset are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

CASH FLOW STATEMENT

(Prepared pursuant to Listing Agreement)

(Amount in Rs.)

	CURRENT YEAR		PREVIOUS YEAR	
	RS.	RS.	RS.	RS.
A. CASH FLOW FROM OPERATIONAL ACTIVITIES				
Net Profit/ (Loss) Before Tax and Extraordinary Items		11,831,898		7,056,137
Adjustment for:				
Depreciation	3,592,824		3,569,343	
Interest Paid/Payable on Loans etc.	2,488,480		4,299,986	
Interest Received/Receivable on Loans	(151,229)		(1,290,544)	
Miscellaneous / Other Expenditure Written Off	-	5,930,074	-	6,578,785
Operating Profit before Working Capital Changes		<u>17,761,973</u>		<u>13,634,922</u>
Trade Receivable	1,985,848		5,599,566	
Inventories	4,090,713		18,896,357	
Trade Payable / Other Current Liabilities	<u>(10,462,407)</u>		<u>433,516</u>	
		<u>(4,385,846)</u>		<u>24,929,439</u>
Cash Generated from Operation		13,376,127		38,564,361
Extra Ordinary Items		-		793,065
Net Cash from Operating Activities	(A)	<u>13,376,127</u>	(A)	<u>39,357,426</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(49,000)		(2,209,998)	
Sales of Fixed Assets	2,985,000		306,935	
Sale of Investment (Net)	-		1,022,500	
Interest on Loans	151,229		1,290,544	
Net Cash used in Investing Activities	(B)	<u>3,087,229</u>	(B)	<u>409,981</u>
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	(4,094,825)		(4,067,788)	
Long Term Borrowings (Net)	(6,383,381)		(9,724,436)	
Short Term Borrowings	593,850		(25,827,085)	
Interest	(2,488,480)		(4,299,986)	
Long Term Loans & Advances	693,800		99,000	
Short Term / Other Current Assets	(847,315)		4,917,012	
Income Tax Paid	<u>(3,979,397)</u>		<u>(1,583,674)</u>	
Net Cash used in Financing Activities	(C)	<u>(16,505,748)</u>	(C)	<u>(40,486,957)</u>
		<u>(42,392)</u>		<u>(719,550)</u>
Net (A+B-C)				
Cash & Cash Equivalent as on 31st March, 2012		1,521,053		2,240,603
Cash & Cash Equivalent as on 31st March, 2013		<u>1,478,661</u>		<u>1,521,053</u>
Net Inflow / (Outflow)		<u>(42,392)</u>		<u>(719,550)</u>
RAMPRASAD PODDAR Chairman Mumbai, Dated : 30.05.2013	RAJESH KUMAR PODDAR Managing Director	DINESH KUMAR PODDAR Director		
AUDITOR'S CERTIFICATE				
We have verified the above Cash Flow of Swasti Vinayaka Synthetics Limited, derived from the Audited Financial Statement and books & records maintained by the company for the year ended 31 st March, 2012 and year ended 31 st March, 2013 and found the same to be drawn in accordance therewith.				
Mumbai, Dated : 30.05.2013	For SANJAY RAJA JAIN & CO. Chartered Accountants (Firm Registration No.120132W)	SANJAY RAJA JAIN Partner Mem. No.108513		

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism.

To,
BIGSHARE SERVICES PVT LTD
E 2/3, ANSA INDUSTRIAL ESTATE
SAKI VIHAR ROAD, SAKINAKA
ANDHERI (E), MUMBAI – 400072
Tel No. 022 – 40430200;
Email id :investor@bigshareonline.com

Unit: **SWASTI VINAYAKA SYNTHETICS LIMITED**

I/We hereby give my/our mandate to credit my/our Dividend on the equity shares held by me/us to my/our bank account through the Electronic Clearing Services. The details of the Bank account are given below.

Registered Folio No	
Name of the first/sole shareholder	
Telephone Number of investor	
Email id of investor	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
Branch Code	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank. (Please attach a blank cancelled cheque, or a photocopy (Xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars)	
Account Type	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold the Company/RTA responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Signature of the Holder(s):

Place : 1.
Date : 2.
3.

Note:

1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. **KINDLY RETURN THE ABOVE DULY ATTESTED BY YOUR BANKERS TOGETHER WITH THE SELF- ATTESTED COPY OF THE PAN CARD.**

E-COMMUNICATION REGISTRATION FORM

(In terms of Circular no. 17/2011 dated 21.04.2011 and 18/2011 issued by the Ministry of Corporate Affairs)

Folio No. / DP ID & Client ID :

Name of first Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Swasti Vinayaka Synthetics Limited agree to receive all communication from the Company in electronic mode henceforth, unless otherwise communicated. Please register my above e-mail id in your records for sending communication through email.

Date: Signature:.....

Important Notes:

- 1) On registration, all the communication will be sent to the e-mail ID registered in the folio.
- 2) Shareholders are requested to keep the Company / Depository Participants informed as and when there is any change in the e-mail address.

SWASTI VINAYAKA SYNTHETICS LIMITED

Registered Office: J-15, M.I.D.C., TARAPUR, BOISAR, DIST. THANE, MAHARASHTRA – 401506

ATTENDANCE SLIP

[TO BE SURRENDERED AT THE TIME OF ENTRY]

Folio No./Client ID No. of Share(s) :.....

Name of the Member/Proxy :.....

I hereby record my presence at the 31st Annual General Meeting of the Company on **Saturday** the **28th September, 2013** at 11.00.a.m. at J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra – 401506 and at any adjournment thereof.

Member's/Proxy's Signature

Notes:

- Members are requested to produce the above attendance slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting.
- Members are informed that no duplicate attendance slip will be issued at the hall.

..... Cut here

SWASTI VINAYAKA SYNTHETICS LIMITED

Registered Office: J-15, M.I.D.C., TARAPUR, BOISAR, DIST. THANE, MAHARASHTRA – 401506

PROXY FORM

I/We of

being a member / member(s) of Swasti Vinayaka Synthetics Limited, hereby appoint

of..... Or failing him/her of

failing him/her of as my/our proxy to vote for me/us and

on my / our behalf at the 31st Annual General Meeting of the Company on **Saturday** the **28th September, 2013** at 11.00.a.m. at J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra – 401506 and at any adjournment thereof.

Signed this Day of2013

Folio No.

Signature (s)

No. of Shares held

Name:

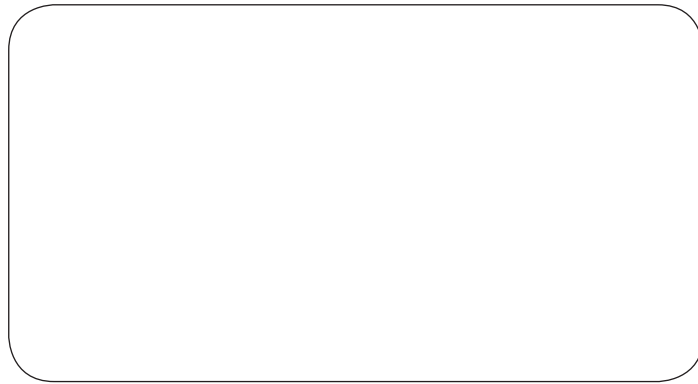
Address:

Affix
Re. One
Revenue
Stamp

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

Book Post

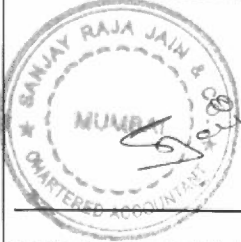
To,



If undelivered, please return to:

Swasti Vinayaka Synthetics Limited
306, Tantia Jogani Industrial Estate, J.R. Boricha Marg,
Lower Parel, Mumbai – 400011.
Tel.: +91(22) 4344 3555 Fax: +91(22) 2307 1511

FORM A

1	Name of the Company:	Swasti Vinayaka Synthetics Ltd.
2	Annual financial statements for the year ended	31st March, 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	<i>Whether appeared first time / repetitive / since how long period N.A</i>
5	<p>To be signed by-</p> <p>Mr. Rajesh Kumar Poddar <i>Managing Director</i></p> <p>Mr. S.C. Desai <i>CFO</i></p> <p>Sanjay Raja Jain & Co. <i>Auditor of the company</i></p> <p>Mr. Sanjiv Rungta <i>Audit Committee Chairman</i></p>	<p>Signature(s)</p> <p><i>For SWASTI VINAYAKA SYNTHETICS LTD.</i> <u>Rajesh Poddar.</u> <i>Managing Director</i></p> <p><i>For SWASTI VINAYAKA SYNTHETICS LTD.</i> <u>[Signature]</u> <i>Director/Authorised Signatory</i></p> <p></p> <p><i>For SWASTI VINAYAKA SYNTHETICS LTD.</i> <u>Rungta S.R.</u> <i>Director/Authorised Signatory</i></p>