



ANJANI SYNTHETICS LIMITED

29th

Annual Report

2012 - 2013



ANJANI SYNTHETICS LIMITED

BOARD OF DIRECTORS :

| | |
|------------------------------|--------------------------------|
| Shri Vasudev S. Agarwal | - Chairman & Managing Director |
| Shri Manoj Lunia | - Director |
| Shri Ajaykumar C. Shah | - Director |
| Shri Mahavirprasad S. Dalmia | - Director |

AUDITORS :

NAHTA JAIN & ASSOCIATES
Chartered Accountants
AHMEDABAD

BANKERS :

PUNJAB NATIONAL BANK

SHARE TRANSFER AGENT :

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
416-420 Devnandan Mall,
Opp. Sanyas Ashram, Ashram Road,
Ahmedabad-380 006

REGISTERED OFFICE :

244, New Cloth Market,
O/s. Raipur Gate, Ahmedabad-380002.

WORKS :

140, Pirana Road,
Piplej, Ahmedabad-382405.

**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ANJANI SYNTHETICS LIMITED WILL BE HELD AT THE FACTORY OF THE COMPANY AT PLOT NO.140, SAIJPUR, GOPALPUR, PIRANA ROAD, PIPLEJ, AHMEDABAD-382405, GUJARAT, INDIA ON FRIDAY, THE 27TH DAY OF SEPTEMBER, 2013 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Manoj Lunia being eligible offers him-self for reappointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT M/s. Nahta Jain & Associates, Chartered Accountants of Ahmedabad [FRN: 106801W] be and are hereby appointed as the Statutory Auditors of the Company for the financial year 2013-14, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of Audit."

**BY ORDER OF THE BOARD
FOR, ANJANI SYNTHETICS LIMITED**

**PLACE : AHMEDABAD
DATE : 28.05.2013**

**[VASUDEV S. AGARWAL]
Chairman and MD**

Regd. Office :

244, New Cloth Market,
O/s. Raipur Gate,
Ahmedabad- 380002, Gujarat, INDIA

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.
4. 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.
5. 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.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.



7. The Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive).
8. SHAREPRO SERVICES (INDIA) PVT. LTD. having its registered office at 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380 006 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.
9. Additional information as required in terms of paragraph VI(A) of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:

Mr. Manoj Lunia is Independent Non-Executive Director of the Company. He is having good experience in the filed of accounts and finance. He has been associated with the Company since 2005. He is Chairman of the Audit Committee, Remuneration Committee and Shareholders Transfer and Grievances Committee of the Company. Mr. Lunia retires by rotation and being eligible offers himself for re-appointment.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. to 1.00 p.m. up to the date of the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Transfer Agents, **SHAREPRO SERVICES (INDIA) PVT. LTD.**
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to **SHAREPRO SERVICES (INDIA) PVT. LTD.** for consolidation into a single folio.

**BY ORDER OF THE BOARD
FOR, ANJANI SYNTHETICS LIMITED**

**PLACE : AHMEDABAD
DATE : 28.05.2013**

**[VASUDEV S. AGARWAL]
Chairman and MD**



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the **Twenty-Ninth** Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on 31st March 2013.

FINANCIAL RESULTS :

(Rupees in Lacs)

| Particulars | Financial Year 2012-13 | Financial Year 2011-12 |
|--------------------------------------------------------------------|---------------------------|---------------------------|
| Revenue from operations (Gross) | 32445.22 | 30009.53 |
| Less: Excise duty | 0.00 | 0.00 |
| Revenue from operations (Net) | 32445.22 | 30009.53 |
| Other income | 57.36 | 19.49 |
| Total Revenue | 32502.58 | 30029.02 |
| Expenses | | |
| (a) Cost of materials consumed | 10813.70 | 14247.92 |
| (b) Purchases of stock-in-trade | 14839.48 | 8015.66 |
| (c) Changes in inventories of FG, WIP & Stock-in-Trade | -1137.88 | -618.81 |
| (d) Employee benefits expense | 309.30 | 312.56 |
| (e) Finance costs | 1012.09 | 1019.12 |
| (f) Depreciation and amortization expense | 201.26 | 224.42 |
| (g) Other expenses | 6071.83 | 6376.49 |
| Total Expenses | 32109.79 | 29577.35 |
| Profit/ (Loss) before tax | 392.79 | 451.67 |
| Tax expense: | | |
| (a) Current tax expense | 133.00 | 151.00 |
| (b) Deferred tax | 0.00 | 0.00 |
| (c) Prior Period Adjustment | - 1.38 | 1.57 |
| Profit / (Loss) for the year | 261.18 | 299.10 |
| Earnings per share (face value Rs.10/-) Basic & Diluted | 2.42 | 2.77 |

OPERATIONS REVIEW:

The Company's total revenue from operations during the financial year ended 31st March 2013 were Rs.32502.58 Lacs as against Rs.30029.02 Lacs of the previous year representing an increase of approximately about 8.24% over the corresponding period of the previous year with total expenses of Rs.32109.79 lacs (previous year of Rs.29577.35 lacs). The Company has made Net Profit of Rs.261.18 Lacs as against Rs.299.10 Lacs of the previous year after considering Depreciation and Provision for Tax and other adjustments representing a decrease of approximately about 12.68% over the corresponding period of the previous year. The EPS of the Company for the year 2012- 2013 is Rs.2.42. The decrease in profitability is mainly due to increase in the input cost especially raw material cost without increase in the selling price owing to market pressures.

DIVIDEND:

No dividend has been recommended in respect of the year ended 31st March, 2013 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

**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:

At the ensuing Annual General Meeting Mr. Manoj Lunia will retire by rotation and being eligible and offers him-self for re-appointment in the term of provision of Articles of Association of the Company.

AUDITORS AND AUDITORS' REPORT:

M/s. Nahta Jain & Associates, Chartered Accountants of Ahmedabad Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Shareholders are requested to appoint the auditors of the Company and fix their remuneration.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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.

INSURANCE:

The Company has made necessary arrangements for adequate insuring of interests in various properties.

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry structures relating to the Company's activity is performing well in economy. The Company has obtained various order (domestic and exports) during the financial year 2012-13. Growth of the Industry is providing the opportunity to overcome the threat of increasing cost and competition for the Industry. The Audit Committee of the Company has regularly reviewed internal Control System of the company.


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. 1559.97 lacs |
| b) Technology absorption, research & development | : Rs. NIL |
| c) FOREIGN EXCHANGE EARNINGS AND OUTGO | : (Rs. in lacs) |
| Foreign Exchange Earnings during the year | : Rs. 1512.89 |
| Foreign Exchange Outgo during the year | : Rs. Nil |

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 unmatched 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.

**BY ORDER OF THE BOARD
FOR, ANJANI SYNTHETICS LIMITED**

**PLACE : AHMEDABAD
DATE : 28.05.2013**

**[VASUDEV S. AGARWAL]
Chairman and MD**

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2013****1. THE CORPORATE GOVERNANCE PHILOSOPHY**

Corporate Governance at **ASL** is 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 **ASL** 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 statements 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.

3. BOARD STRUCTURE

The Board of Directors is having an appropriate mix of executive and non-executive independent directors as on 31st March, 2013. The Board of Directors is consisting of Four Directors. The Managing Director 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. ASL 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 | 02 | 50 |
| Non-Executive Director | 02 | 50 |
| Total | 04 | 100 |

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

During the financial year 2012-13 the Board met 9 (nine) times on 05.04.2012, 14.05.2012, 25.07.2012, 11.08.2012, 13.08.2012, 29.08.2012, 08.11.2012, 30.12.2012, 13.02.2013 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 2012-13:

| Name of the Director & (DIN) | Designation/ Category | No. of Board Meetings | | Last AGM attendance | No. of other Directorship & Committee Member/ Chairmanship in other Companies | | |
|------------------------------------|-------------------------------------|-----------------------|----------|---------------------|-------------------------------------------------------------------------------|----------------------|------------------------|
| | | Held | Attended | | Directorship | Committee Membership | Committee Chairmanship |
| Vasudev Agarwal (01491403) | Chairman & Managing Director | 9 | 9 | Yes | — | — | — |
| Manoj Lunia (00564376) | Non-Executive/ Independent Director | 9 | 9 | Yes | — | — | — |
| Ajaykumar C. Shah (01787925) | Non-Executive/ Independent Director | 9 | 5 | Yes | 01 | — | — |
| Mahavirprasad S. Dalmia (02884037) | Independent Director | 9 | 7 | Yes | — | — | — |

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 Audit Committee of the Company presently comprises of three non-executive directors being Mr. Manoj Lunia, Mr. Ajaykumar C. Shah and Mr. Mahavirprasad S.Dalmia. Mr. Manoj Lunia is Chairman of the Committee. 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 auditors and the adequacy of the internal control system.
- o Discussion with 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- 2013 :

During the year the Audit Committee met 4 times on 14.05.2012, 13.08.2012, 08.11.2012, 13.02.2013 attendance of the members as under:

| Name | No. of Meeting attended | No. of Meeting attended | |
|----------------------|---------------------------------|-------------------------|----------|
| | | Held | Attended |
| Manoj Lunia | Chairman-Non-Executive Director | 04 | 04 |
| Mahavirprasad Dalmia | Non-Executive Director | 04 | 04 |
| Ajaybhai C. Shah | Non-Executive Director | 04 | 03 |

**5. REMUNERATION 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 **Mr. Manoj Lunia, Mr. Ajaybhai C. Shah and Mr. Mahavirprasad S. Dalmia**. **Mr. Manoj Lunia** is Chairman of the Committee.

6. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee consists of 3 directors namely, **Mr. Manoj Lunia, Ajaybhai C. Shah and Mr. Mahavirprasad S. Dalmia**. **Mr. Manoj Lunia** 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 Managing Director 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.

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. Sharepro Services (India) Private Limited having its Office at 416-420, Devnandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad-380 006 is the Registrar & Share Transfer Agent of the Company.

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

244, New Cloth Market, O/s. Raipur Gate,
Ahmedabad – 380006, Gujarat, INDIA

Investors Correspondence/ Complaints to be address to:

Mr. Vasudev Agarwal

Managing Director and Compliance Officer

E-mail: investor@anjanisynthetics.com

Statement of the various complaints received and cleared by the Company during the year ended on 31st March, 2013 as under:

| Sr. No. | Nature of Complaints | Numbers of Complaints | | | |
|---------|--------------------------------------------------------------------------------|------------------------|------------|------------|------------------------|
| | | Pending as on 01.04.12 | Received | Resolved | Pending as on 31.03.13 |
| 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 | Nil | Nil | Nil |
| 4 | Others | Nil | Nil | Nil | Nil |
| | Total | Nil | Nil | Nil | 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. |
|----------------|------|----------------------------------------------------------------------|------------|-----------------|
| 2011-12 | 28th | Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 | 28.09.2012 | 11.00 A.M. |
| 2010-11 | 27th | Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 | 30.09.2011 | 10.00 A.M. |
| 2009-10 | 26th | Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 | 30.09.2010 | 10.00 A.M. |

No Extra-Ordinary General Meeting was held during the financial year 2012-13.

10. RESOLUTION CARRIED OUT THROUGH POSTAL BALLOT :

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

11. DISCLOSURES :

- There are no materially significant related party 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.
- 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.
- 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- 31-03-2013 :

| Category | No. of Shares Held | Voting Strength (%) |
|-----------------------------|--------------------|---------------------|
| Promoters | 6570940 | 60.84 |
| Resident Individuals | 3219263 | 29.81 |
| Financial Intuitions/ Banks | — | — |
| Bodies Corporate | 993750 | 09.20 |
| NRIs/ OCBs | 16049 | 00.15 |
| Directors Relatives | — | — |
| Others | 998 | — |
| Total | 10801000 | 100.00 |

13. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013 :

| Share Balance | Holders | % of Total | Total Shares | % of Total |
|-------------------|-------------|---------------|-----------------|---------------|
| 1 - 500 | 1970 | 77.773 | 272882 | 2.52 |
| 501 - 1000 | 229 | 9.042 | 189083 | 1.75 |
| 1001 - 2000 | 137 | 5.409 | 209108 | 1.93 |
| 2001 - 3000 | 39 | 1.540 | 100306 | 0.92 |
| 3001 - 4000 | 36 | 1.421 | 126482 | 1.17 |
| 4001 - 5000 | 16 | 0.632 | 76281 | 0.71 |
| 5001 - 10000 | 33 | 1.303 | 232548 | 2.15 |
| 10001 - And above | 73 | 2.882 | 9594310 | 88.83 |
| TOTAL | 2533 | 100.00 | 10801000 | 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 **Bombay Stock Exchange Limited (BSE)**.

16. STOCK CODE AND DEMAT ISIN NO.:

| Stock Exchange | Scrip Code | Demat ISIN No. |
|----------------|------------|----------------|
| BSE – Mumbai | 531223 | INE-364D01032 |

17. STOCK MARKET DATA :

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

| Month | High Price (Rs) | Low Price (Rs) |
|-----------------|-----------------|----------------|
| April, 2012 | 11.00 | 6.91 |
| May, 2012 | 7.19 | 5.43 |
| June, 2012 | 6.51 | 5.44 |
| July, 2012 | 6.99 | 5.23 |
| August, 2012 | 7.30 | 5.30 |
| September, 2012 | 6.90 | 5.28 |
| October, 2012 | 6.59 | 5.33 |
| November, 2012 | 6.60 | 5.43 |
| December, 2012 | 6.36 | 5.56 |
| January, 2013 | 6.60 | 5.52 |
| February, 2013 | 6.27 | 5.16 |
| March, 2013 | 5.84 | 4.86 |

18. GENERAL SHAREHOLDERS INFORMATION :

| | | |
|-----------------------------------------|---|--------------------------------------------------------------------------|
| Date of Incorporation | : | 28th June, 1984 |
| Date and time of Annual General Meeting | : | Friday, 27th September, 2013 at 11 A.M. |
| Venue of Annual General Meeting | : | Plot No.140, Saijpur, Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 |
| Dates of Book Closure | : | 23.09.2013 to 27.09.2013 (both days inclusive) |

Financial Year Calendar (tentative and subject to change) (01.04.2013 to 31.03.2014)

| | |
|-------------------------------------------------------------------------|---------------------------------------|
| Financial reporting for the first quarter ending on 30th June, 2013 | Within 45 days from end of quarter |
| Financial reporting for the Half year ending on 30th September, 2013 | Within 45 days from end of quarter |
| Financial reporting for the Third quarter ending on 31st December, 2013 | Within 45 days from end of quarter |
| Financial reporting for the year ending on 31st March, 2014 | Within 45/60 days from end of quarter |
| Annual General Meeting for the year ending on 31st March, 2014 | Last week of the September 2014 |

**BY ORDER OF THE BOARD
FOR, ANJANI SYNTHETICS LIMITED**

**PLACE : AHMEDABAD
DATE : 28.05.2013**

**[VASUDEV S. AGARWAL]
Chairman and MD**



CERTIFICATION BY CEO AND CFO OF THE COMPANY

The Board of Directors,
ANJANI SYNTHETICS LIMITED
 Ahmedabad.

I, Vasudev S. Agarwal, CEO, CFO and Managing Director of Anjani Synthetics 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, 2013 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 violative 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, 2013.

FOR, ANJANI SYNTHETICS LIMITED

PLACE : AHMEDABAD
 DATE : 28.05.2013

[VASUDEV S. AGARWAL]
 Chairman and MD

CERTIFICATION ON CORPORATE GOVERNANCE

To the members of Anjani Synthetics Limited

We have examined the compliance of conditions of Corporate Governance by **Anjani Synthetics Limited** for the year ended **31st March, 2013**, 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 and on Behalf of
 NAHTA JAIN & ASSOCIATES
 Chartered Accountants

Place : Ahmedabad
 Date : 28.05.2013

(CA. GAURAV NAHTA)
 Partner
 M.No.116735



Auditors' Report

To the Members of

M/S. Anjani Synthetics Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Anjani 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books



- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) 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.

As per our Report of Even Date
For and on Behalf of
NAHTA JAIN & ASSOCIATES
Chartered Accountants
FRN 106801W

Place : Ahmedabad
Date : 28-05-2013

(CA. GAURAV NAHTA)
Partner
M.No.116735

**Annexure to Independent Auditors' Report (Referred to in our report of even Date)**

- i.) In respect of Fixed Assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - As explained to us 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.
 - In our opinion and according to the information and explanations given to us, the company has not disposed off any substantial fixed Assets during the year, hence the going concern status of the company is not affected.
- ii) In respect of its inventories:
- As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - 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 nature of its business.
 - The company is maintaining proper records of inventory. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records.
- iii) In respect of the loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained u/s. 301 of the Companies Act, 1956 :
- The Company had taken unsecured loans from sixteen parties having aggregating outstanding balance of Rs. 10.36/- Crores as listed in the register maintained u/s 301 of the companies Act, 1956.
 - In our opinion, the rate of interest and other terms and conditions on which loans were accepted from firm and other parties listed in the register maintained u/s 301 of the Companies Act 1956 are not, *prima facie*, prejudicial to the interest of the company.
 - That payment of the principal amounts and interest, wherever applicable, was also regular.
 - There has been no overdue amount during the year.
 - The company has not granted any loan, secured loan or unsecured loan to companies, firms or other parties in the register maintained under section 301 of the companies Act, 1956 and accordingly information required under clause f & g are not applicable.
- 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 service 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) In respect of the contract or arrangement referred to in section 301 of the companies Act, 1956 :
- The transactions that need to be entered into the register in pursuance of section 301 of the Company Act 1956 have been so entered.
 - 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 lacs 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) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) The central government has prescribed maintenance of cost records under section 209(1)(d) of the companies act 1956 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2011-12 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- ix) In respect of statutory dues:



- a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2013 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of dispute and the matters pending before appellate authority are as under:

| Sr. No. | Name of the Statute | Nature of Dues | Amount | Forum Where dispute is pending | Remark |
|---------|----------------------|---------------------------------|-----------|--------------------------------|--------|
| 2. | Income Tax Act, 1961 | Income Tax for the A.Y. 2009-10 | 601310/- | CITAhmedabad | _____ |
| 3. | Income Tax Act, 1961 | Income Tax for the A.Y. 2010-11 | 3802003/- | CITAhmedabad | _____ |

- 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) We are informed that company has not given guarantee for loans taken by others from banks or financial institutions.
- xvi) In our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were issued.
- 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.
- 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.
- 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 not raised money by public issue during the year and therefore clause 4(xx) of the companies (Auditor's report) order, 2003 is not applicable.
- 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
FRN 106801W

Place : Ahmedabad
Date : 28/05/2013

(CA. GAURAV NAHTA)
Partner
M.No.116735



BALANCE SHEET AS AT 31 MARCH, 2013

| Particulars | Note No. | As at 31 March, 2013 Rs. | As at 31 March, 2012 Rs. |
|---------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------------|--------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 1 | 108,010,000 | 108,010,000 |
| (b) Reserves and surplus | 2 | 214,284,644 | 188,166,911 |
| (c) Money received against share warrants | | — | — |
| | | 322,294,644 | 296,176,911 |
| Share application money pending allotment | | — | — |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 728,727 | 2,718,169 |
| (b) Deferred tax liabilities (net) | | — | — |
| (c) Other long-term liabilities | 4 | 187,506,925 | 152,214,983 |
| (d) Long-term provisions | | — | — |
| | | 188,235,652 | 154,933,152 |
| Current liabilities | | | |
| (a) Short-term borrowings | 5 | 623,373,471 | 568,239,118 |
| (b) Trade payables | 6 | 292,763,757 | 279,754,688 |
| (c) Other current liabilities | 7 | 166,058,461 | 127,859,243 |
| (d) Short-term provisions | 8 | 19,270,303 | 20,623,548 |
| | | <u>1,101,465,992</u> | <u>996,476,597</u> |
| TOTAL | | <u>1,611,996,288</u> | <u>1,447,586,660</u> |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 9 | 142,767,185 | 151,960,830 |
| (ii) Intangible assets | | — | — |
| (iii) Capital work-in-progress | | 882,198 | 882,198 |
| (iv) Intangible assets under development | | — | — |
| (v) Fixed assets held for sale | | — | — |
| | | <u>143,649,383</u> | <u>152,843,028</u> |
| (b) Non-current investments | 10 | 12,500,000 | 12,500,000 |
| (c) Deferred tax assets (net) | | — | — |
| (d) Long-term loans and advances | 11 | 7,345,289 | 6,641,504 |
| (e) Other non-current assets | | — | — |
| | | <u>163,494,672</u> | <u>171,984,532</u> |
| Current assets | | | |
| (a) Current investments | | — | — |
| (b) Inventories | 12 | 585,279,340 | 427,610,764 |
| (c) Trade receivables | 13 | 776,819,231 | 775,921,423 |
| (d) Cash and cash equivalents | 14 | 4,248,787 | 5,598,366 |
| (e) Short-term loans and advances | 15 | 81,338,608 | 65,924,395 |
| (f) Other current assets | 16 | 815,650 | 547,180 |
| | | <u>1,448,501,616</u> | <u>1,275,602,128</u> |
| TOTAL | | <u>1,611,996,288</u> | <u>1,447,586,660</u> |
| See accompanying notes forming part of the financial statements & Significant Accounting Policies. | | | |
| As per our Report of Even Date | | For, ANJANI SYNTHETICS LIMITED | |
| For and on Behalf of | | | |
| NAHTA JAIN & ASSOCIATES | (VASUDEV S. AGARWAL) | (MAHAVIRPRASAD S. DALMIA) | |
| Chartered Accountants | CHAIRMAN & M. D. | DIRECTOR | |
| FRN 106801W | (CA. GAURAV NAHTA) | | |
| Place : Ahmedabad | Partner | Place : Ahmedabad | |
| Date : 28/05/2013 | M.No.116735 | Date : 28/05/2013 | |



Statement of Profit & Loss as at 31 March, 2013

| Particulars | Note No. | For the year ended 31 March, 2013 Rs. | For the year ended 31 March, 2012 Rs. |
|-------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------|---------------------------------------------|
| CONTINUING OPERATIONS | | | |
| Revenue from operations (Gross) | 17 | 3244522130 | 3000953285 |
| Less: Excise duty | | 0 | 0 |
| Revenue from operations (Net) | | 3244522130 | 3000953285 |
| Other income | 18 | 5735862 | 1948469 |
| Total revenue | | 3250257992 | 3002901754 |
| Expenses | | | |
| (a) Cost of materials consumed | 19 | 1081369939 | 1424792095 |
| (b) Purchases of stock-in-trade | 20 | 1483948075 | 801565764 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 21 | - 113788229 | - 61880765 |
| (d) Employee benefits expense | 22 | 30929793 | 31255916 |
| (e) Finance costs | 23 | 101209230 | 101910929 |
| (f) Depreciation and amortisation expense | 9 | 20126445 | 22442134 |
| (g) Other expenses | 24 | 607183478 | 637648949 |
| Total expenses | | 3210978731 | 2957735022 |
| Profit / (Loss) before exceptional and extraordinary items and tax | | 39279261 | 45166732 |
| Exceptional items | | - | - |
| Extraordinary items | | - | - |
| Profit / (Loss) before tax | | 39279261 | 45166732 |
| Tax expense: | | | |
| (a) Current tax expense | | 13300000 | 15100000 |
| (b) Deferred tax | | - | - |
| (c) Prior Period Adjustment | | - 138472 | 157029 |
| Profit / (Loss) for the year | | 26117733 | 29909703 |
| Earnings per equity share of face value of Rs. 10/- each (Previous year Rs. 10/-) | | | |
| Basic and diluted (in Rs.) | | 2.42 | 2.77 |
| See accompanying notes forming part of the financial statements & Significant Accounting Policies. | | | |

As per our Report of Even Date
For and on Behalf of
NAHTA JAIN & ASSOCIATES
Chartered Accountants
FRN 106801W

(VASUDEV S. AGARWAL)
CHAIRMAN & M. D.

(CA. GAURAV NAHTA)

Partner
M.No.116735

For, ANJANI SYNTHETICS LIMITED

(MAHAVIRPRASAD S. DALMIA)
DIRECTOR

Place : Ahmedabad
Date : 28/05/2013

**Notes on Financial Statements for the Year ended 31st March, 2013**

| 1 Share Capital | 31 March 2013 | 31 March 2012 |
|-----------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Authorised Share Capital 1,50,00,000 (Prev. Yr. 1,50,00,000) Equity Shares of Rs. 10/- each (Prev. Yr. Rs. 10/- each) | 150000000 | 150000000 |
| Issued, Subscribed and fully paid up shares | | |
| 10801000 (P.Y. 10801000) Equity Shares of Rs. 10/- each Subscribed and fully paid up shares (Prev. Yr. Rs.10/- each) | 108010000 | 108010000 |
| | <u>108010000</u> | <u>108010000</u> |

5400500 (5400500) equity shares out of issued, subscribed and paidup capital were allotted as bonus shares in the last five year by capitalisation of securities premium and reserves.

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares | 31 March 2013 | | 31 March 2012 | |
|--------------------------------------|-----------------|------------------|------------------|------------------|
| | No. | Rs. | No. | Rs. |
| At the beginning of the period | 10801000 | 108010000 | 108010000 | 108010000 |
| Issued during the period | | | | |
| Outstanding at the end of the period | <u>10801000</u> | <u>108010000</u> | <u>108010000</u> | <u>108010000</u> |

b. Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10/- (Previous year Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share.

c. Details of share holders holding more than 5% shares in the company.

| | 31 March 2013 | | 31 March 2012 | |
|----------------------|-----------------|---------------|------------------|---------------|
| | No. | % of holding | No. | % of holding |
| Kailash S.Agarwal | 1917200 | 17.75 | 19172000 | 17.75 |
| Vasudev S.Agarwal | 1745600 | 16.16 | 17456000 | 16.16 |
| Subhakaran T.Agarwal | 754400 | 6.98 | 7544000 | 6.98 |
| Others | 6383800 | 59.10 | 63838000 | 59.10 |
| Total | <u>10801000</u> | <u>100.00</u> | <u>108010000</u> | <u>100.00</u> |

As per records of the company, including its register of share holders/members and other declaration received from the share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

| 2 Reserves & Surplus | 31 March 2013 | 31 March 2012 |
|-----------------------------------------|------------------|------------------|
| Capital Reserve | | |
| Balance as per last financial statement | 9119000 | 9119000 |
| Closing Balance | 9119000 | 9119000 |
| Profit & Loss A/c | | |
| Balance as per last financial statement | 179047911 | 149138208 |
| Profit for the year | 26117733 | 29909703 |
| Closing Balance | <u>205165644</u> | <u>179047911</u> |
| Total Reserves & Surplus | <u>214284644</u> | <u>188166911</u> |



| 3 Long-term Borrowing | 31 March 2013 | 31 March 2012 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Secured | | |
| a) Term Loan for machines from Punjab National Bank | 2101211 | 5573943 |
| b) Vehicles Loan | 930060 | 2940501 |
| | 3031271 | 8514444 |
| Less: | | |
| Current Maturity of Term Loans | 2302544 | 5796275 |
| | 728727 | 2718169 |
| 1 Term loan from Punjab National Bank are secured against hypothecation of Plant & Machinery and other fixed assets of the company. The loans are further secured by mortgage of certain land, office building, residential premises owned by Directors or their relatives. | | |
| 2 Installments falling due in respect of all the above term loans upto 31.03.2013 have been grouped under "Current maturities of long term borrowings." (refer Note 6) | | |
| 4 Other Long-term Borrowing | 31 March 2013 | 31 March 2012 |
| Loan From Others | 187506925 | 152214983 |
| | 187506925 | 152214983 |
| 5 Short-term Borrowing | 31 March 2013 | 31 March 2012 |
| Secured | | |
| a. Working capital loan from Punjab National Bank | 592872900 | 397814824 |
| b. Packing Credit Loan from Punjab National Bank | 30500571 | 170424294 |
| | 623373471 | 568239118 |
| 1 Working capital facilities under the name cash credit, packing credit etc. are secured against hypothecation of all current assets including stock of raw material, stock in process, finished goods, stores & spares, book debt etc. The facilities are further secured by mortgaged of certain immovable properties owned by Directors and their relatives. | | |
| 6 Trade Payable | | |
| Payables for Goods | 292763757 | 279754688 |
| | 292763757 | 279754688 |
| 7 Other Current Liabilities | 31 March 2013 | 31 March 2012 |
| Current Maturities of Long term Borrowing | 2302544 | 5796275 |
| Statutory Dues | 4420911 | 4754424 |
| Payables for Purchase of Fixed Assets | 2065289 | 1505365 |
| Payables for expenses | 157269717 | 115803179 |
| | 166058461 | 127859243 |
| 8 Short Term Provisions | 31 March 2013 | 31 March 2012 |
| Provision for Income Tax | 13300000 | 15100000 |
| Other Provisions | 5970303 | 5523548 |
| | 19270303 | 20623548 |



| NAME OF ASSETS | As on 1/1/2012 | GROSS BLOCK | | | | DEPRECIATION BLOCK | | | | NET BLOCK | |
|--------------------------------|------------------|-----------------|----------------|---------------------------|-----------------------------|--------------------|-----------------|---------------|-----------------------------|--------------------|--------------------|
| | | Addition | Dedu- ction | 10% Capital Subsidy | Total as on 31-3-2013 | As on 1-4-2012 | For the Year | Adjusted | Total as on 31-3-2013 | As on 31-3-2013 | As on 31-3-2012 |
| 1 Land at Coonoor | 33641720 | 0 | | | 33641720 | 0 | 0 | | 0 | 33641720 | 33641720 |
| 2 Factory Building | 83801269 | 6839851 | | | 90641120 | 43181861 | 4063815 | | 47245676 | 43395444 | 40619408 |
| 3 Cars | 13412800 | 0 | | | 13412800 | 6478189 | 1795371 | | 8273560 | 5139240 | 6934611 |
| 4 Computer | 4781250 | 603815 | | | 5385065 | 4339770 | 328170 | | 4667940 | 717125 | 441480 |
| 5 Effluent Treatment Plant | 5998597 | 0 | | | 5998597 | 5800870 | 41266 | | 5842136 | 156461 | 197727 |
| 6 Furniture | 12087920 | 27482 | | | 12115402 | 6141763 | 1080554 | | 7222317 | 4893085 | 5946157 |
| 7 Cycle | 29780 | 0 | | | 29780 | 26981 | 560 | | 27541 | 2239 | 2799 |
| 8 Electric Installation | 5097875 | 0 | | | 5097875 | 4355093 | 103321 | | 4458414 | 639461 | 742782 |
| 9 Air Conditioner | 2692647 | 117455 | | | 2810102 | 1571745 | 165004 | | 1736749 | 1073353 | 1120902 |
| 10 Plant & Machinery | 238951535 | 5031166 | 595276 | 3495700 | 239891725 | 180683345 | 11853052 | 541509 | 191994888 | 47896837 | 58268190 |
| 11 Tube well | 2911165 | 404702 | | | 3315867 | 1186064 | 96591 | | 1282655 | 2033212 | 1725101 |
| 12 Truck & Tempo | 1739927 | 773002 | 240700 | | 2272229 | 1158525 | 361124 | 224469 | 1295180 | 977049 | 581402 |
| 13 Scooter & Motor Cycle | 986748 | 111794 | 269336 | | 829206 | 743371 | 55058 | 201974 | 596455 | 232751 | 243377 |
| 14 Office Equipment | 2217580 | 17912 | | | 2235492 | 1516721 | 98026 | | 1614747 | 620745 | 700859 |
| 15 Road | 950282 | 501901 | | | 1452183 | 293064 | 55876 | | 348940 | 1103243 | 657218 |
| 16 CCTV Camera | 0 | 88480 | | | 88480 | 0 | 3200 | | 3200 | 85280 | 0 |
| 17 Zerox | 358458 | 48300 | | | 406758 | 221361 | 25457 | | 246818 | 159940 | 137097 |
| Total (A) | 409659553 | 14565860 | 1105312 | 3495700 | 419624401 | 257698723 | 20126445 | 967952 | 276857216 | 142767185 | 151960830 |
| Work-in-Progress | | | | | | | | | | | |
| 1 Plant & Machinery | 0 | 882198 | 0 | | 882198 | 0 | 0 | 0 | 0 | 882198 | 0 |
| Total (B) | 0 | 882198 | 0 | | 882198 | 0 | 0 | 0 | 0 | 882198 | 0 |
| Total (A+B) | 409659553 | 15448058 | 1105312 | | 420506599 | 257698723 | 20126445 | 967952 | 276857216 | 143649383 | 151960830 |
| Total Previous Year:- | 356298051 | 54564604 | 320904 | 0 | 410541751 | 235501405 | 22442134 | 244816 | 257698723 | 152843028 | 120796646 |



| | 31 March 2013 | 31 March 2012 |
|------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 10 Non Current Investment | | |
| Non Trade Investment | | |
| Investment in Equity Shares | | |
| Un Quoted | | |
| 125000 (Prev. year 125000) Equity Shares of Virat Spinners Pvt.Ltd. | 12500000 | 12500000 |
| | <hr/> | <hr/> |
| | 12500000 | 12500000 |
| | <hr/> | <hr/> |
| Aggregate value of quoted investment | - | - |
| Aggregate value of Unquoted investment | 12500000 | 12500000 |
| | <hr/> | <hr/> |
| 11 Long term Loans & Advances | 31 March 2013 | 31 March 2012 |
| Deposits | 6684567 | 6188026 |
| Balance with Statutory / Govt. Authority | 0 | 75000 |
| Fixed Deposits held as Security by Govt. Departments & Other Authorities | 660722 | 378478 |
| | <hr/> | <hr/> |
| | 7345289 | 6641504 |
| | <hr/> | <hr/> |
| 12 Inventories | 31 March 2013 | 31 March 2012 |
| Raw Material Grey Cloth | 161263986 | 129775445 |
| Work in Progress Own | 98949355 | 95999535 |
| Work in Progress Job | 3229193 | 1501129 |
| Finished Goods | 240457193 | 156212730 |
| Colour Chemicals | 24667375 | 21257468 |
| Cotton | 39099020 | 14233138 |
| Packing Materials | 564317 | 977950 |
| Stores & Spares | 7510846 | 7144084 |
| Coal & Fire Wood | 9538055 | 509285 |
| | <hr/> | <hr/> |
| | 585279340 | 427610764 |
| | <hr/> | <hr/> |
| 13 Trade Receivables | 31 March 2013 | 31 March 2012 |
| (Unsecured considered good) | | |
| a. Trade receivables outstanding for a period exceeding six months from the date they were due for payment | 33821456 | 34611561 |
| b. Other Trade receivables | 742997775 | 741309862 |
| Total - a + b | 776819231 | 775921423 |
| | <hr/> | <hr/> |
| 14 Cash and Bank Balance | 31 March 2013 | 31 March 2012 |
| Balance with Banks (Current) | 374890 | 1882569 |
| F.D. with Punjab National Bank | 2867383 | 2867383 |
| Cash on Hand | 1006514 | 848414 |
| | <hr/> | <hr/> |
| | 4248787 | 5598366 |
| | <hr/> | <hr/> |



| 15 Other Short Term Loans & Advances | 31 March 2013 | 31 March 2012 |
|---------------------------------------------------------------------|----------------------|----------------------|
| Deposits | 3972268 | 3979066 |
| Other Receivable | 13226771 | 10250840 |
| Balance with Statutory / Govt. Authority (TDS, ADVANCE TAX& VAT) | 31640007 | 15869081 |
| Other Loans & Advances (Unsecured but considered Goods) | 31611090 | 35378963 |
| Pre paid Expenses | 888472 | 446445 |
| | 81338608 | 65924395 |
| 16 Other Current Assets | 31 March 2013 | 31 March 2012 |
| Interest Accured on Fix Deposit | 815650 | 547180 |
| | 815650 | 547180 |
| 17 Revenue From Operations | 31 March 2013 | 31 March 2012 |
| Revenue from operations | | |
| Sales of Products | | |
| Finished Goods (Net of Returns, Rebate & Discount) | 1572682492 | 2293392781 |
| Export Sales | 151288889 | 395680329 |
| Cotton Sales | 1121660467 | 12032164 |
| Yarn | 9440988 | 0 |
| Sale of Services | | |
| Job Work | 373162904 | 266609455 |
| Other Operating Revenue | | |
| Scrap sales | 360000 | 619959 |
| Export Incentive | 15926390 | 32618597 |
| Revenue from Operations (Gross) | 3244522130 | 3000953285 |
| Less: Excise Duty | 0 | 0 |
| Revenue from Operations (Net) | 3244522130 | 3000953285 |
| Details of Product sold | | |
| Grey Fabrics | 79901924 | 158935024 |
| Finished Fabrics | 1644069457 | 2530138086 |
| Cotton | 1121660467 | 12032164 |
| Yarn | 9440988 | 0 |
| | 2855072836 | 2701105274 |
| 18 Other Income | 31 March 2013 | 31 March 2012 |
| Interest income on | | |
| Bank Deposit | 334128 | 279321 |
| Others | 5026199 | 902713 |
| Commission Received | 87933 | 670523 |
| Profit on Sale of Fixed Assets | 287602 | 95912 |
| | 5735862 | 1948469 |



| | 31 March 2013 | 31 March 2012 |
|--------------------------------------------------------|----------------------|----------------------|
| 19 Cost of raw material and components consumed | | |
| Raw Material (Grey) Consumed : | | |
| Opening Stock | 129775445 | 200818541 |
| Add: Purchase | 1115023998 | 1350279218 |
| Add: Grey & Cotton Dalali | 4263742 | 3469781 |
| | 1249063185 | 1554567540 |
| Less: Loss By Fire | 6429260 | 0 |
| | 1242633925 | 1554567540 |
| Less: Closing Stock | 161263986 | 129775445 |
| TOTAL | 1081369939 | 1424792095 |
| <u>Details of Raw Materials Consumed</u> | | |
| Grey Cloth | 1081369939 | 1424792095 |
| | 1081369939 | 1424792095 |
| 20 Purchases of stock-in-trade | 31 March 2013 | 31 March 2012 |
| Printed Cloth Purchase | 348050206 | 775082257 |
| Cotton | 1126493159 | 26483507 |
| Yarn | 9404710 | 0 |
| | 1483948075 | 801565764 |
| 21 (Increase) / decrease in inventories | 31 March 2013 | 31 March 2012 |
| Inventories at the end of the year | | |
| Finished Goods | 240457193 | 156212730 |
| Work-in-Progress | 102178548 | 97500664 |
| Cotton | 39099020 | 14233138 |
| | 381734761 | 267946532 |
| Inventories at the beginning of the year | | |
| Finished Goods | 156212730 | 141331820 |
| Work-in-Progress | 97500664 | 64733947 |
| Cotton | 14233138 | 0 |
| | 267946532 | 206065767 |
| Net (Increase)/decrease | - 113788229 | - 61880765 |
| 22 Employee Benefit Expenses | 31 March 2013 | 31 March 2012 |
| Salary, Wages & Bonus | 24487615 | 23394122 |
| Contribution to Provident Fund & E.S.I.C. | 3823272 | 5093991 |
| Staff Welfare | 468906 | 642803 |
| Director Remuneration | 2150000 | 2125000 |
| | 30929793 | 31255916 |
| 23 Finance Costs | 31 March 2013 | 31 March 2012 |
| Bank Commission & Charges | 5240536 | 6462351 |
| Bank Interest (Net of Interest Subsidy received) | 81714419 | 79258388 |
| Interest to Others | 14254274 | 16190190 |
| | 101209230 | 101910929 |



| 24 Other Expenses | 31 March 2013 | 31 March 2012 |
|--------------------------------------|------------------|------------------|
| Manufacturing Expenses | | |
| Colour Chemical Consumed : | | |
| Opening Stock | 21257468 | 17079393 |
| Add: Purchase (Net of Return) | 236232373 | 230040542 |
| | 257489841 | 247119935 |
| Less: Resale | 2156224 | 0 |
| | 255333617 | 247119935 |
| Less: Closing Stock | 24667375 | 21257468 |
| | 230666242 | 225862467 |
| Packing Material Consumed : | | |
| Opening Stock | 977950 | 841684 |
| Add: Purchase (Net of Return) | 29454660 | 50768407 |
| | 30432610 | 51610091 |
| Less: Closing Stock | 564317 | 977950 |
| | 29868293 | 50632141 |
| Power & Fuel Consumed | | |
| Opening Stock | 509285 | 531645 |
| Add: Purchase of Lignite & Fire Wood | 117606520 | 97487091 |
| Add: Electric Bill | 49632518 | 48666689 |
| | 167748323 | 146685425 |
| Less: Resale | 2213102 | 0 |
| | 165535221 | 146685425 |
| Less: Closing Stock | 9538055 | 509285 |
| | 155997165 | 146176140 |
| Stores & Spares Consumed | | |
| Opening Stock | 7144084 | 3068278 |
| Add: Purchase | 50967496 | 56569939 |
| | 58111580 | 59638217 |
| Less: Closing Stock | 7510846 | 7144084 |
| | 50600734 | 52494133 |
| | 467132434 | 475164881 |
| Process Charges | 68190725 | 84485393 |
| Merine over time Charge | 25645 | 104060 |
| Freight & Inward Clearing Forwarding | 13472342 | 16209171 |
| Machinery Repairs & Maintenance | 6050016 | 4872746 |
| Factory Expenses | 37520 | 59980 |
| Testing charges | 1036747 | 734251 |
| Gujarat Pollution Control Board | 225786 | 60209 |
| | 556171215 | 581690691 |

**Administrative, Selling & Distribution Expenses**

| | | |
|-----------------------------------------|------------------|------------------|
| Advertisement | 29909 | 49070 |
| Air Condition Repairs | 359900 | 506374 |
| Auditors Remuneration | 437080 | 350000 |
| Books & Periodicals | 10270 | 400 |
| Brokerage & Commission Dalali | 11859320 | 10041826 |
| Cartage | 2499342 | 1707671 |
| Cenvat Credit W/o | 0 | 3873524 |
| Charity & Donation | 1302870 | 565991 |
| Claim Vatav Incentive (Net) | 3406274 | 3448229 |
| Clearing & forwarding outward | 4185390 | 12800635 |
| Computer Repairs & Maintenance expenses | 348330 | 540054 |
| ECGC & Inspaction charges | 1199276 | 2533144 |
| Electric Expenses | 1572999 | 1722995 |
| General Expenses | 99566 | 173065 |
| Insurance Charges | 1271663 | 1186818 |
| Legal & Professional Charges | 2267162 | 2799989 |
| Metador Expenses | 771741 | 903549 |
| Postage & Angaria | 917010 | 1827247 |
| Preliminary Exp. W/o | 0 | 194821 |
| Printing & Stationery | 599948 | 635788 |
| Rent Rate & Taxes | 2190097 | 1846367 |
| Repairs to Buildings | 425450 | 131266 |
| ROC & Stock Exchange exp. | 114360 | 223673 |
| Sales Promotion Expenses | 539469 | 1878138 |
| VAT Exps. | 9109300 | 149992 |
| Service Tax | 418470 | 849500 |
| Subscription & Membership | 83692 | 145617 |
| Telephone Expenses | 963060 | 996767 |
| Travelling Expenses | 1239579 | 1731315 |
| Vehicle Expenses | 1289157 | 1178471 |
| Watch & Wards | 593331 | 965962 |
| Professional Tax | 26080 | 0 |
| Loss By Fire | 882168 | 0 |
| | 607183478 | 637648949 |

25 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

26 Figures have been rounded off to nearest rupee.



27 Balance of Trade Payables, Receivables, Loans and advances, unsecured loans are subject to confirmation.

| | 2012 - 2013 | 2011 - 2012 |
|-----------------------------------------------------------------------------|--------------------|--------------------|
| 28 C.I.F. value of imports | 3,12,64,163 | 4,86,27,650 |
| 29 Earning in foreign currency | 15,12,88,889 | 39,56,80,329 |
| Expenditure in foreign currency | NIL | NIL |
| Foreign currency exposures that are not hedged by derivative instruments :- | | |
| 30 Contingent liabilities & Commitments | NIL | NIL |

31 Quantitative Information :-

| | 31 March 2013 | | 31 March 2012 | |
|--------------------------|-----------------------|---------------------|-----------------------|---------------------|
| | Qty (Mtr/Kgs.) | Amount (Rs.) | Qty (Mtr/Kgs.) | Amount (Rs.) |
| A. Raw Material Consumed | | | | |
| Grey Cloth (in Mtrs) | 1,80,55,859 | 108,13,69,939 | 2,94,40,359 | 1,42,47,92,095 |
| B. Opening Stock : | | | | |
| Grey Cloth | 56,61,447 | 12,97,75,445 | 72,60,359 | 20,08,18,541 |
| C. Closing Stock : | | | | |
| Grey Cloth | 29,76,462 | 16,12,63,986 | 56,61,447 | 12,97,75,445 |
| D. Sales | | | | |
| Grey Cloth | 35,60,856 | 7,99,01,924 | 62,94,690 | 15,89,35,024 |
| Job Work | 3,08,13,385 | 37,31,54,993 | 2,71,57,808 | 26,66,09,455 |

32 Break up of expenditure incurred on employees who were in receipt of remuneration aggregating Rs. 2400000/- or more for year or Rs. 200000/- or more, where employed for a part of the year. Nil (Previous Year Rs. Nil).

33 The Profit and Loss Account includes:

| | 31 March 2013 | 31 March 2012 |
|------------------------------|----------------------|----------------------|
| Auditors Remuneration | | |
| (a) For Audit | 3,37,080 | 2,50,000 |
| (b) For Tax Audit and others | 25,000 | 25,000 |
| (c) For Representation | 75,000 | 75,000 |

34 DEFERRED TAX

The company on prudent basis has not considered deferred tax assets.

35 Ahmedabad Textile Processors Association, in which company is also a member has form an organization namely "Narol Textile Infrastructure and Enviro Management" to Resolve the recurring Problem of water pollution arising out of discharge of polluted water by textile processors. The newly formed organization has started work on the project and contribution from each member towards project has been calculated on the basis of discharge of water every day by the member company. The company's total contribution towards project has been determined at Rs. 1,14,00,000/- and out of that a sum of Rs. 71,25,000/- has been paid. Pending completion of project i.e. pipe line and common Affluent Treatment Plant, the contribution made by the company has been shown under the head "Loans and Advances".

36 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 Companies | Virat Spinners Pvt.Ltd. |
| in which directors or their relatives are interested | |
| b. Associate Concerns | Aakruti Textile |
| in which directors or their relatives are interested | |

**c. Directors and their relatives:**

Shri Subhakaran T. Agarwal
 Shri Subhakaran T. Agarwal HUF
 Shri Vasudev S. Agarwal
 Shri Vasudev S. Agarwal HUF
 Shri Vasudev S. Agarwal Family Trust
 Shri Ravi kumar S. Agarwal
 Shri Ravi kumar S. Agarwal HUF
 Smt.Kajal Ravi Agarwal
 Smt.Anjana Kailash Agarwal
 Smt.Bimla Devi S.agarwal
 Shri Kailash S. Agarwal
 Shri Kailash S. Agarwal HUF
 Shri Kailash S. Agarwal Family Trust
 Smt.Anita V. Agarwal
 Aashna V.Agarwal
 Mahavir Prasad Dalmiya

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. | NIL | 10135149 | NIL |
| 2 Purchase & other Ser. | 18928336 | NIL | 226523136 |
| 3 Remuneration | NIL | 6830000 | NIL |
| 4 Deposit Received | NIL | 17844568 | 115366750 |
| 5 Deposit Paid | NIL | 19623000 | 27665950 |
| 6 Interest Recd. | NIL | NIL | NIL |
| 7 Interest Paid | NIL | 1443043 | 580460 |
| 8 Rent Paid | NIL | 8100000 | NIL |
| 9 Balance outstanding Dr./Cr. (Net) | NIL | 15385227 CR | 137466670 CR |

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

37 Earning Per Share (EPS):

| Particulars | 31 March 2013 | 31 March 2012 |
|--------------------------------------------------------------------|----------------------|----------------------|
| Profit after tax as per profit & loss Account | 2,61,09,822 | 2,99,09,703 |
| Number of Equity Shares | 1,08,01,000 | 1,08,01,000 |
| Face value Rs. 10/- each Equity Shares (Previous year Rs. 10/-) | | |
| Basic and Diluted EPS | Rs. 2.42 | Rs. 2.77 |

**38 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, 2013.

39 Previous year's figures have been regrouped/rearranged wherever necessary so as to make them comparable with the figures of the current year.

**As per our Report of Even Date
For and on Behalf of
NAHTA JAIN & ASSOCIATES
Chartered Accountants
FRN 106801W**

**(VASUDEV S. AGARWAL)
CHAIRMAN & M. D.**

**(CA. GAURAV NAHTA)
Partner
M.No.116735**

For, ANJANI SYNTHETICS LIMITED

**(MAHAVIRPRASAD S. DALMIA)
DIRECTOR**

**Place : Ahmedabad
Date : 28/05/2013**



NOTES ON ACCOUNTS

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 statement and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which results are known/materialized.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition / construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are 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 amount 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 assets 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 assets 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 assets.

Depreciation

All fixed assets, except capital work in progress, are depreciated on a written down value method at the rates and in the manner prescribed in Schedule XIV of the Companies' Act, 1956. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date 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

Inventories are measured at lower of cost and net realizable value. Cost of raw materials, stores & spares parts are ascertained on FIFO basis. Cost of finished goods and process stock is ascertained on full absorption cost basis. Cost

of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing in them to their present location & condition.

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 items is recognized when no significant uncertainty as to its determination or realization exists.

Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying assets 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 & 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 & loss account for the year in which the liabilities are crystallized

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.

**As per our Report of Even Date
For and on Behalf of
NAHTA JAIN & ASSOCIATES
Chartered Accountants
FRN 106801W**

**Place : Ahmedabad
Date : 28/05/2013**

**(CA. GAURAV NAHTA)
Partner
M. No. 116735**

**For, ANJANI SYNTHETICS LIMITED

(VASUDEV S. AGARWAL)
CHAIRMAN
& MANAGING DIRECTOR**

**(MAHAVIRPRASAD S. DALMIA)
DIRECTOR**



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2013

| | 31 March 2013 | 31 March 2012 |
|-------------------------------------------------------------------|------------------|------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS | 39279261 | 45166732 |
| ADJUSTMENT FOR : | | |
| DEPRECIATION | 20126445 | 22442134 |
| LOSS ON SALE OF FIXED ASSETS | -287602 | -95912 |
| PRELIMINARY EXPENSES | 0 | 194821 |
| INTEREST PAID | 95968694 | 95448578 |
| INTEREST RECEIVED | -5360327 | 110447210 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 149726471 | 161974319 |
| ADJUSTMENT FOR : | | |
| TRADE AND OTHER RECEIVABLES | -897808 | -106465677 |
| INVENTORIES | -157668576 | 794544 |
| LOANS AND ADVANCES | -15835754 | 19438881 |
| TRADE PAYABLES | 49855042 | -124547096 |
| | 6014616 | -80217636 |
| CASH OUT FLOW FROM OPERATIONS | 25179375 | 81756683 |
| CASH OUT FLOW BEFORE EXTRAORDINARY ITEMS | 25179375 | 81756683 |
| DIRECT TAX PAID | -13300000 | -15100000 |
| EXTRA ORDINARY ITEMS (PRIOR YEAR'S TAX) | 138472 | -157029 |
| NET CASH OUT FLOW FROM OPERATING ACTIVITIES | 12017847 | 66499654 |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| SALE OF FIXED ASSETS | 424962 | 172000 |
| INVESTMENT | 3495700 | -2500000 |
| INTEREST RECEIVED | 5360327 | 1182034 |
| PURCHASES OF FIXED ASSETS | -14565860 | -54564604 |
| NET CASH OUT FLOW FROM INVESTING ACTIVITIES | -5284871 | -55710570 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| INCREASE IN SECURED LOANS | 53144911 | 54435442 |
| INCREASE IN UNSECURED LOANS | 35291942 | 31515395 |
| INTEREST PAID | -95968694 | -95448578 |
| NET CASH FLOW IN FINANCING ACTIVITIES | -7531841 | -9497741 |
| NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT | -798865 | 1291343 |
| CASH AND CASH EQUIVALENT AS AT 31.03.2012 (OPENING CASH BALANCE) | 6524024 | 5232681 |
| CASH AND CASH EQUIVALENT AS AT 31.03.2013 | 5725159 | 6524024 |
| CLOSING CASH BALANCE | 5725159 | 6524024 |

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of ANJANI SYNTHETICS LIMITED derived from the audited financial statements and the books of records maintained by the company for the year ended 31st March, 2013 and found the same in agreement therewith.

As per our Report of Even Date
For and on Behalf of
NAHTA JAIN & ASSOCIATES
Chartered Accountants
FRN 106801W

Place : Ahmedabad
Date : 28/05/2013

(CA. GAURAV NAHTA)
Partner
M.No.116735



ANJANI SYNTHETICS LIMITED

Regd. Office: 244, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002, Gujarat

PROXY FORM

29TH ANNUAL GENERAL MEETING

Regd. Folio No.: _____ No. of Shares held : _____

DP ID No.: _____ Client ID No.* : _____

I/We _____ of _____

Being a Member/ Members of Anjani Synthetics Limited hereby appoint _____

_____ of failing him/ her _____

of _____ as my/ our Proxy to attend and vote for me/us on my/ our

behalf at the 29th Annual General Meeting of the Company to be held on Friday, 27th September, 2013 at 11.00 a.m. at Plot No. 140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad- 382405 and at any adjournment thereof.

Signed on this _____ day of _____ 2013



Signature of the Shareholder(s) : _____

- The Proxy form should be signed by the member across the stamp.
- A member intending to appoint a Proxy should complete the Proxy Form and deposit it at the Company's Regd. Office, at least 48 hours before the commencement of the meeting.

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



ANJANI SYNTHETICS LIMITED

Regd. Office: 244, New Cloth Market, Outside Raipur Gate, Ahmedabad- 380002, Gujarat

ATTENDANCE SLIP

29TH ANNUAL GENERAL MEETING

[To be handed over at the entrance of the meeting hall]

| | |
|---------------------------------------------|----------------------------|
| Regd. Folio No.: _____ | No. of Shares held : _____ |
| DP ID No.*: _____ | Client ID No.*: _____ |
| Name of the attending Member/ Proxy : _____ | |
| [IN BLOCK LETTER] | |

I hereby record my presence at this 29th Annual General Meeting held at Plot No. 140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad- 382405 on Friday, 27th September, 2013 at 11.00 a.m.

Member's/ Proxy's Signature

- * Applicable for investors holding shares in electronic form only.
- * A member or his duly appointed Proxy willing to attend the meeting must bring this Attendance Slip to the meeting and handover at the entrance duly filled in.
- * Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Book Post

To

If Undelivered please return to :



ANJANI SYNTHETICS LIMITED

Regd. Office : 244, New Cloth Market, Outside Raipur Gate,
Ahmedabad- 380002, Gujarat



Anjani Synthetics Limited

(A Govt. recognised STAR 'Export House')

FORM A

(Covering letter of the Annual Audit Report on financial statements to be filed with the stock Exchange)

| | |
|------------------------------------------------------|---------------------------|
| 1 Name of the Company | ANJANI SYNTHETICS LIMITED |
| 2. Annual Financial Statements For the year ended | 31st March, 2013 |
| 3. Type of Audit Observation | Unqualified |
| 4. Frequency of observation | Not -Applicable |
| 5. To be Signed by | |
| .CEO/Managing Director | <i>Nesher</i> |
| .CFO | <i>[Signature]</i> |
| .Audit Committee Chairman | <i>Man</i> |
| .Auditor of the Company | |

Refer our Audit Report dated
28th May, 2013 on the Consolidated
Financial statements of the
Company.
For, NAHTA JAIN & ASSOCIATES.
Chartered Accountants
FRN : 106801W

C.A. Gaurav Nahta
Partner
MINO.-116735