

Swasti Vinayaka Synthetics Limited

27th Annual Report 2008

**Swasti
Vinayaka®**





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

Nupur Rajesh Poddar

Executive 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.

☒ **BANKERS:**

HDFC Bank Ltd.

AUDITORS:

☒ P. V. Dalal & Co.
Chartered Accountants

SOLICITORS & LEGAL ADVISORS:

☒ Kanga & Company

WORKS:

☒ J-15, M.I.D.C., Tarapur,
Boisar, Dist. Thane,
Maharashtra – 401 506

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

27TH ANNUAL GENERAL MEETING

Date : 27TH June 2009

Time : 11. 00 A.M.



Synthetics Limited

• 27th Annual Report 2008 •

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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 : bigshare@bom7.vsnl.net.in

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Swasti Vinayaka Synthetics Limited will be held on Saturday, the June 27, 2009, 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 December 2008 and the Profit and Loss Account 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. Dinesh Kumar Poddar, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Nirmal Jain, who retires by rotation and being eligible, offers himself for reappointment
5. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Piyush Shah, who was appointed as additional Director of the Company and who holds office upto date of this Annual General meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and being eligible for reappointment and in respect of whom the Company has received notice in accordance with provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Sanjiv Vishwanath Rungta, who was appointed as additional Director of the Company and who holds office upto date of this Annual General meeting pursuant to the provisions of section 260 of the Companies Act, 1956 and being eligible for reappointment and in respect of whom the Company has received notice in accordance with provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Rakesh Nathmal Garodia, who was appointed as additional Director of the Company and who holds office upto date of this Annual General meeting pursuant to the provisions of section 260 of the Companies Act, 1956 and being eligible for reappointment and in respect of whom the Company has received notice in accordance with provisions of section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature for appointment as Director of the Company be and is hereby appointed as Director of the Company, liable to retire by rotation."

Place: Mumbai

Date: March 28, 2009

Regd. Office:

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

By Order of the Board

For Swasti Vinayaka Synthetics Ltd.

Ramprasad Poddar
(Chairman)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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 the 20th June, 2009 to Saturday the 27th June, 2009 (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:
 - a) Whose names appears as Beneficial Owners as at the end of business hours on 19th June, 2009 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 19th June, 2009.

4. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect to the Special Business under Item No. 6, 7 and 8 to be transacted at the meeting is annexed to this notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 6

In a meeting of the Board of Directors held on September 27, 2008 Mr. Piyush Shah was appointed as an additional Director of the Company. Mr. Piyush Shah holds office only upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956, proposing candidature of Mr. Piyush Shah for the office of Director.

Mr. Piyush Shah, 33 years old is having 15 years of experience in the field of stock market and finance. He has requisite knowledge and experience in management of the company. His continuation on the Board will be beneficial and an asset to the Company.

Your directors recommend passing of the ordinary resolution.

None of the directors except Mr. Piyush Shah is concerned or interested in the passing of the resolution.

Item No. 7

In a meeting of the Board of Directors held on December 29, 2008 Mr. Sanjiv Vishwanath Rungta was appointed as an additional Director of the Company. Mr. Sanjiv Vishwanath Rungta holds office only upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956, proposing candidature of Mr. Sanjiv Vishwanath Rungta for the office of Director.

Mr. Sanjiv Rungta, 46 years old is Commerce Graduate by qualification. He is having more than 25 years of experience in Financial Accounting. His continuation on the Board will be an asset to the Company.

Your directors recommend passing of the ordinary resolution.

None of the directors except Mr. Sanjiv Vishwanath Rungta is concerned or interested in the passing of the resolution.

Item No. 8

In a meeting of the Board of Directors held on December 29, 2008 Mr. Rakesh Nathmal Garodia was appointed as an additional Director of the Company. Mr. Rakesh Nathmal Garodia holds office only upto the date of the forthcoming Annual General Meeting. A notice in writing has been received from a member of the Company under

section 257 of the Companies Act, 1956, proposing candidature of Mr. Rakesh Nathmal Garodia for the office of Director.

Mr. Rakesh Nathmal Garodia, 45 years old is a B.Com by qualification. Mr. Rakesh Garodia has excellent business experience and requisite knowledge of Industry. His continuation on the Board will be beneficial and an asset to the Company.

Your directors recommend passing of the ordinary resolution.

None of the directors except Mr. Rakesh Nathmal Garodia is concerned or interested in the passing of the resolution.

Place: Mumbai

Date: March 28, 2009

Regd. Office:

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

By Order of the Board

For Swasti Vinayaka Synthetics Ltd.

Ramprasad Poddar
(Chairman)

DIRECTOR'S REPORT

To
The Members,

The Directors have pleasure in presenting the 27th Annual Report and the Audited Statement of Accounts for the year ended 31st December, 2008.

FINANCIAL RESULTS:

(Rs. In Lacs)

Sr. No.	Particulars	31.12.2008	31.12.2007
1.	Sales income from operation and other income	1687.57	1584.65
2.	Gross Profit	155.88	214.87
3.	Less: Depreciation	67.38	61.75
4.	Profit Before Tax	88.50	153.12
5.	Less Fringe Benefit Tax	1.13	0.75
6.	Profit After Tax	87.37	152.37
7.	Less : Prior year Adjustment	1.29	44.84
8.	Profit after Adjustment	86.08	107.53
9.	Add Balance carried from previous year	90.58	64.94
10.	Less : Proposed dividend	70.00	70.00
11.	Less : Dividend Distribution Tax	11.90	11.90
12.	Transfer to Reserve	88.62	0.00
13.	Balance Transferred to Balance Sheet	6.14	90.58

DIVIDEND:

We are pleased to announce that the Board of Directors has recommended dividend of Rs. 0.10 per equity share of Rs. 1/- each (10%) aggregating Rs. 70.00 Lacs for the year ended on 31st December, 2008.

OPERATIONS AND FUTURE PROSPECTS:

During the period under review the profit after tax (PAT) stood at 86.08 Lacs, a decrease of Rs. 21.45 Lacs as compared to last year. However, taking into consideration the overall performance vis-à-vis industry in the recessionary time, Board has decided to maintain the dividend as in the previous year and recommend a Dividend at 10% on the capital of Rs. 7 Crores amounting to Rs. 70 Lakhs plus dividend tax for the Financial Year ended 31st December, 2008.

DIRECTORS:

Mr. Dinesh Kumar Poddar and Mr. Nirmal Jain shall retire by rotation and being eligible, have offered themselves for re-appointment.

Mr. Piyush Shah was appointed as additional director on September 27, 2008 and Mr. Sanjiv Rungta and Mr. Rakesh Garodia were appointed as additional directors on December 29, 2008. All the three directors shall hold directorships up to the date of Annual General Meeting of the Company.

Mr. Sanjay Raja Jain resigned as director w.e.f. December 29, 2008.

DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors state that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- 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 profit of the Company for the year.
- 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.
- The Directors had prepared the annual accounts on a going concern basis.



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.

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.

CORPORATE GOVERNANCE:

Corporate Governance Reports along with Certificate of the Company Secretary in Practice pursuant to clause 49 (revised) of the Listing Agreement with the Stock Exchanges have been included in the 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.

MANAGEMENT DISCUSSION AND ANALYSIS:

In the year under review the Company has fared well looking to the macro economic conditions. 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., Siemens 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.

In spite of the recent turmoil in the world economy, future of Indian Textile Industry is still looking brighter. Export market is also expected to reach high of \$50 billion by 2010. 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.

Many of the international brands like Marks & Spencer, J C Penny, Gap have started procuring most of their fabrics from India. In fact Wall-Mart who had procured textile worth \$20 million last year has set target of \$3 billion this year.

Your Company is all set to meet international standards and is also planning to invest further in technology and machinery and high end exclusive chain of showrooms.

Your Company 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.

The boutique at Grand Hyatt under the brand 'Ivy League' completed its first year. To promote the product, the Company participated in two exhibitions, i.e. 'Marwar' at World Trade Centre and 'Glitter' at Hotel Taj Lands End. The Future in this line seems very bright and the Company plans to expand this retail division in an aggressive manner in the future.

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 2008-2009.

AUDITORS:

M/s. P V Dalal & Co. Chartered Accountants, Mumbai will retire at this meeting and being eligible offer themselves for re-appointment.

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.

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. We are equally thankful to our esteemed investors for their co-operation extended to and confidence reposed in the management.

Place: Mumbai

Date: March 28, 2009

Regd. Office:

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

By Order of the Board

For Swasti Vinayaka Synthetics Ltd.

Ramprasad Poddar
(Chairman)

ANNEXURE TO THE DIRECTOR'S REPORT

ANNEXURE 'A'

Additional information as required under the Companies
(Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

- (a) Energy Conservation Measures taken by the Company. (i) electrical energy.
- (b) Reducing the maximum demand by evenly distributing the loads throughout the day and increasing efficiency of plant and equipments.
- (c) Improving power factor by optimum choice of power factor improvement capacitors.
- (d) Monitoring the overall energy consumption, by reducing losses and improvement of efficiency of all Class-A utilities.
- (e) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. The Company is reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipment by modern & energy efficient equipment.
- (f) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of the cost of production of goods. As per Form "A" attached.
- (g) Total energy consumption and energy consumption per unit of production as per Form 'A'

B. TECHNOLOGY ABSORPTION,

Research & Development

At present the company is not carrying out any significant research and development activities and therefore there is no expenditure on this head nor any other benefit from it. Plan for future action for research and development is being worked out.

Technology absorption, adaptation and innovation:

- (i) Efforts in brief, made towards technology absorption, adaptation and innovation: NIL
- (ii) Benefits derived as a result of the above efforts: NIL
- (iii) Information regarding technology imported during the last 5 years: NIL

Research & Development:

At present the company is not carrying out any significant research and development activities and therefore there is no expenditure on this head not any other benefit from it. Plan for future action for research and development is being worked out.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information of foreign exchange earnings and outgo are submitted in note no. 13 (i) to the accounts.

FORM-A

Form for disclosure of particulars with respect to Conservation of Energy.

	Current Year Rs.	Previous Year Rs.
A. Power and Fuel Consumption		
1. Electricity		
(a) Total Purchased Unit	979,348.00	899,646.00
Total Amount	2,525,374.00	2,070,967.00
Rate/Unit	2.58	2.30
(b) Own Generation		
Through Diesel Generator-Unit	45,747.30	26,570.00
Avg. unit per Ltr. of Diesel Oil	6.54	6.52
2. Coal (Specify Quality and Where Used)		
Qty. (Tonnes)	NIL	NIL
Total Cost	NIL	NIL
Avg. Rate	NIL	NIL
3. Furnace Oil		
Qty. (Tonnes)	NIL	NIL
Total Amount	NIL	NIL
Avg. Rate	NIL	NIL
4. Other/Internal Generation		
Qty.	NIL	NIL
Total Cost	NIL	NIL
Rate / Unit	NIL	NIL
B. Consumption Per Meter of Production		
(i) Electricity Unit	0.54	0.53

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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.

2. BOARD OF DIRECTORS:

The present strength of Board of Directors is 8 (Eight), whose composition and category is given below:

(A) THE CONSTITUTION OF THE BOARD AS ON DECEMBER 31, 2008

The Composition of the Board of Directors and also the number of other Directorship or Committees of which they are member/ Chairperson are as given below:

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

(B) BOARD PROCEDURE

The Board of the Company met 15 (fifteen) times during the year-ended 31.12.2008. Notice and Agenda were circulated in advance of each meeting of the Board of Directors. The Chairman briefed the Board at every meeting on the overall performance of the Company. 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

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

During the year ended December 31, 2008, 15 Board Meetings were held on January 21, 2008, January 25, 2008, February 28, 2008, March 29, 2008, April 15, 2008, April 26, 2008, June 25, 2008, June 27, 2008, July 29, 2008, August 22, 2008, September 5, 2008, September 27, 2008, October 24, 2008, December 13, 2008 and December 29, 2008.

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on June 25, 2008	Remarks
Ramprasad Poddar	15	Yes	—
Dinesh Kumar Poddar	15	Yes	—
Rajesh Kumar Poddar	15	Yes	—
Nupur Rajesh Poddar	15	No	—
Nirmal Jain	4	No	—
Sanjiv Vishwanath Rungta	0	No	Appointed as director w.e.f 29.12.2008
Rakesh Nathmal Garodia	0	No	Appointed as director w.e.f 29.12.2008
Sanjay Raja Jain	4	No	Resigned as director w.e.f 29.12.2008

(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. Dinesh Kumar Poddar retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Dinesh Poddar is one of the founders of the Swasti Vinayaka group and is highly experienced in diverse activities. He is 43 years old, is B Com., MBA, MS (USA Communication) by qualification. He is the key person in the group company business like finance, investment in share market and gems and jewelers artifice activities. His continuation on the Board will be an asset to the Company.

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

Mr. Nirmal Jain, 41 years old and is having more than 17 years of experience in Textiles Industry, restructuring, management information systems etc. His continuation on the Board will be an asset to the Company.

- (iii) Mr. Piyush Shah was appointed as Additional Director by the Board upto the date of Annual General Meeting. Now he is being considered for appointment by the shareholders as director of the company.

Mr. Piyush Shah, 33 years old is having 15 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.

- (iv) Mr. Sanjiv Vishwanath Rungta was appointed as Additional Director by the Board upto the date of Annual General Meeting. Now he is being considered for appointment by the shareholders as director of the company.

Mr. Sanjiv Vishwanath Rungta, 46 years old is B Com by qualification. He is having more than 25 years of experience in Financial and Accountancy. His continuation on the Board will be an asset to the Company.

- (v) Mr. Rakesh Nathmal Garodia was appointed as Additional Director by the Board upto the date of Annual General Meeting. Now he is being considered for appointment by the shareholders as director of the company.

Mr. Rakesh Nathmal Garodia, 45 years old is a B.Com by qualification. Mr. Rakesh Garodia has excellent business experience and requisite knowledge of Industry. 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 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 consists of 3 (Three) Independent Directors and 1 (one) Non-Executive Director. The Audit Committee was reconstituted at Board Meeting dated December 29, 2008 on resignation of a director and appointment of three additional directors. All the other terms of the committee remain unaltered. 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.

COMPOSITION

During the year, the composition of Audit committee was re-constituted as follows:

- | | | | |
|----|-------------------|---|----------|
| 1. | Mr. Sanjiv Rungta | - | Chairman |
| 2. | Mr. Nirmal Jain | - | Member |
| 3. | Mr. Dinesh Poddar | - | Member |
| 4. | Mr. Piyush Shah | - | Member |

During the year ended December 31, 2008; Four Audit Committee Meetings were held on March 29, 2008, April 26, 2008, July 29, 2008 and October 10, 2008 and there was no time gap of more than four months between any two meetings. The entire member's have attended at the meeting of the Audit Committee.

ii) Remuneration Committee:

- 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.

COMPOSITION:

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.

The Composition of the re-constituted remuneration 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 and the Whole time Directors is as follows:

Sr. No.	Name of Directors	Salary	Benefits	Total
1.	Rajesh Poddar	561000/-	86105/-	647105/-
2.	Nupur Poddar	495000/-	135455/-	630455/-

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

The "Investors Grievance & Share Transfer Committee" of the Board, look 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..

COMPOSITION:

During the year, the composition of Investors' and shareholders Grievance & Share Transfer Committee was as follows:

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, 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.

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
31.12.2007	25.06.2008	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.
31.12.2006	26.03.2007	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.
31.12.2005	27.03.2006	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.

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. 9 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 is listed as soon as the same are approved and taken on records 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. Registered Office : J-15, MIDC, Tarapur
Boisar, Dist. Thane
Maharashtra - 401 506
- b. Annual General Meeting : date and time : June 27, 2009 at 11.00 A.M.
- c. Venue : Registered Office of the Company-J-15, MIDC Tarapur, Boisar, Dist. Thane.

Financial Calendar (2009)	Result to be tabled & adopted in the month of
i) First Quarter ended March 31, 2009	: April 2009
ii) Half Yearly / Second Quarter ended June 30, 2009	: July 2009
iii) Third Quarter / Nine Months ended September 30, 2009	: October 2009
iv) Yearly Audited/Fourth Quarter ended December 31, 2009	: March 2010



- d. Date of Book Closure : Saturday 20th June, 2009 to Saturday 27th June, 2009 (Both days inclusive)
- e. Dividend payment date : Within 30 days of AGM; if approved by the Shareholders of the Company.
- f. Listing at stock Exchanges : The Stock Exchange, Mumbai
- g. Stock Code : Physical Segment – BSE: 510245
NSDL/CDSL-ISIN: INE 804A01025
- h. Stock Market Data : The monthly high and low prices during the year at BSE is as follows:

Months	Mumbai Stock Exchange	
	High	Low
January, 2008	6.98	3.08
February, 2008	4.01	2.89
March, 2008	3.22	2.00
April, 2008	3.18	2.37
May, 2008	3.57	2.63
June, 2008	3.00	2.10
July, 2008	2.60	1.91
August, 2008	2.70	2.06
September, 2008	3.10	1.65
October, 2008	2.30	1.13
November, 2008	1.84	1.00
December, 2008	1.74	1.01

i. **SHARE HOLDING PATTERN AS ON 31.12.2008:**

Category	No. of Shares	%
Promoters	42700085	61.00
Financial Institutions	—	—
Mutual Funds, Banks, etc.	—	—
Corporate Bodies	3157162	4.51
NRI / OCB's	63365	0.09
Indian Public	24079388	34.40
TOTAL	70000000	100.00

* Out of these, 65024770 (92.89%) shares are Dematerialised and the balance 4975230 (7.11%) are lying in physical form as on 31.12.2008.

j. **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 shareholders / 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 21 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.

k. DISTRIBUTION OF SHARE HOLDING AS 31.12.2008:

NO. OF SHARE (RANGE)	NO. OF SHAREHOLDERS	% TO TOTAL	NO. OF SHARE HELD	% TO TOTAL
1 TO 5,000	8835	91.36	12268112	17.53
5001 TO 10,000	480	4.96	3913388	5.59
10,001 TO 20,000	194	2.00	2830600	4.04
20,001 TO 30,000	56	0.58	1394992	2.00
30,001 TO 40,000	27	0.28	933022	1.33
40,001 TO 50,000	18	0.19	802719	1.15
50,001 TO 1,00,000	25	0.26	1851128	2.64
100,001 AND ABOVE	36	0.37	46006039	65.72
TOTAL	9671	100.00	70000000	100.00

- l. 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.: 2847 0652 / 53, 48430200.
- m. COMPLIANCE OFFICER : Mr. Nagabhushan Hegde,
306, Tantia Jogani Industrial Estate,
J. R. Boricha Marge, Lower Parel,
Mumbai - 400 011.
Phone No.: 2309 1421, 43443555.
- n. 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.
- o. CORPORATE OFFICE : 306, Tantia Jogani Industrial Estate
(ADDRESS FOR CORRESPONDENCE) J. R. Boricha Marg, Lower Parel,
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 December 31, 2008, 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: March 28, 2009

S/d
 Proprietor
 C. P. No. 1571

AUDITORS REPORTS

To the Members

Swasti Vinayaka Synthetics Limited

1. We have audited the attached Balance Sheet of Swasti Vinayaka Synthetics Limited as at 31st December 2008, Profit & Loss Account and Cash Flow Statements of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure, a statement on matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by the law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books.
 - d) In our opinion, the Profit and Loss account and Balance Sheet dealt with by this report comply with the Accounting Standards referred to in sub section (3c) of Section 211 of the Companies Act, 1956.
 - e) On basis of the written representation received by the company from its directors and taken on record by the board of directors, we state that none of the directors of the company is disqualified as on 31st December, 2008 from being appointed as director in terms of Section 274(1)(g) of the Companies Act, 1956.

- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the Notes thereon specified in Schedule 15 give the information required by the Companies Act, 1956, in the manner so required and give true and fair view.
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st December 2008, and
 - ii. In the case of Profit and Loss Account of the Profit for the year ended on that date.
 - iii. In the case of Cash Flow Statements of the company Cash Flow for the year ended on that date.

FOR **P. V. DALAL & CO.**
CHARTERED ACCOUNTANTS

PARESH V. DALAL
PROPRIETOR
Mem. No. 33355.

Place : MUMBAI,
Dated: 28th March, 2009

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date to the members of Swasti Vinayaka Synthetics Limited for the year ended December 31, 2008)

- i) a. The Company records in respect of fixed assets including quantity details & situation of fixed assets is under compilation.
- b. According to the information and explanations given to us, the fixed assets have been physically verified by the management at the year end. In our opinion, such frequency is reasonable having regard to the size of the company and the nature of its business. As explained to us, the discrepancies noticed on physical verification as compared to available records maintained by the company, were not material and have been properly dealt with in the books of accounts.
- c. In our opinion no portion of fixed assets of the company has been disposed off during the year.
- ii) a. As explained to us, the management has conducted physical verification of stocks of raw materials, finished goods, semi finished goods and other stocks at the year end.
- b. In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. On the basis of our examination of inventory records, in our opinion, the company has maintained reasonable records of inventory. Discrepancies noticed on physical verification of inventory as compared to the book records were not material and these have been properly dealt with in the books of account.
- iii) a. During the year, the company has availed/ obtained unsecured loans from companies/other parties listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involve during the year and the year end balance of

such loan was Rs 27.00 lacs and 27.00 lacs respectively. The company has granted unsecured loan to company listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involve during the year and the year end balance of such loan was Rs 117.81 lacs and 37.50 lacs respectively.

- b. In our opinion, and according to the information and explanations given to us, the rate of interest and other terms and conditions wherever stipulated, on which the loans were availed/granted are prima facie, not prejudicial to the interest of the company.
- c. According to the information and explanations given to us, the loans availed/granted by the company, referred to in paragraph (a) above, are repayable at call. In our opinion the company is regular in payment of interest and repayment of principal wherever stipulated.
- iv) In our opinion and according to 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 for the sale of goods. Further, on the basis of our examination of books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act 1956, have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956, and exceeding the value of Rupees Five hundred thousand in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices, or with regard to the similar transactions conducted with other parties.
- vi) As per the information and explanations given to us, the company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Companies Act 1956 and the rules framed there under are applicable.
- vii) The company has an internal audit system, the scope and coverage of which needs to be strengthened to commensurate with the size of the company and nature of its business.
- viii) According to the information and explanations given to us the central government has not prescribed maintenance of cost records under section 209 (i)(d) of the Companies Act 1956.
- ix) a. According to the information and explanations given

to us, the company is regular during the year in depositing undisputed statutory dues including provident fund, wealth tax, sales tax, customs duty and excise duty with the appropriate authorities, and no other amounts were outstanding as at 31st December 2008, for a period of more than six months from the date they become payable.

- b. According to the information and explanations given to us at the balance sheet date, the company has no amount outstanding in respect of disputed income tax, wealth tax, sales tax, customs duty, excise duty.
- x) As at the balance sheet date, the company has no accumulated losses and the company has not incurred cash loss in the current financial year and in the immediately preceding financial year.
- xi) According to the information and explanations given to us, the company has not committed default in repayment of dues to banks and financial institutions.
- xii) As the Company has not granted any loans or advances against security by way of pledge of shares and securities, clause (xii) of paragraph 4 of the order is not applicable to Company.
- xiii) In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society, clause (xiii) of paragraph 4 the order is not applicable to the Company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities and other investments clause (xiv) of paragraph 4 of the order is not applicable to the company.
- xv) According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions
- xvi) In our opinion and according to information and explanations given to us, during the year, the company has obtained the term loan and utilized for the purpose for which it was obtained.
- xvii) In our opinion, and according to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we state that during the financial year the company has not raised funds on a short term basis which have been used for long term investment and vice versa.
- xviii) The company has not made any preferential allotment of shares, debenture or public issue during the year to the parties and companies covered in the register maintained under section 301 of the Companies Act 1956. Hence clause xviii and xix of the Order does not applied
- xix) To the best of our knowledge and according to the information and explanations given to us, there have been no cases of fraud on or by the company noticed or reported during the year.

FOR P. V. DALAL & CO.
CHARTERED ACCOUNTANTS

PARESH V. DALAL
PROPRIETOR
Mem. No. 33355.

Place : MUMBAI.
Dated: 28th March, 2009



BALANCE SHEET

AS AT 31ST DECEMBER, 2008

	SCHEDULE	Rs.	AS AT 31/12/2008	Rs.	AS AT 31/12/2007
SOURCES OF FUNDS :					
1.SHAREHOLDERS' FUNDS					
(a) Capital	1	70,000,000		70,000,000	
(b) Reserves & Surplus	2	34,441,222		34,488,888	
			104,441,222		104,488,888
2. LOAN FUNDS					
(a) Secured Loans	3	64,501,366		63,722,453	
(b) Unsecured Loans	4	26,036,120		25,961,478	
			90,537,486		89,683,931
TOTAL			194,978,707		194,172,819
APPLICATION OF FUNDS :					
1. FIXED ASSETS	5				
GROSS		169,109,705		163,099,300	
LESS: ACCUMULATED DEPRECIATION		91,964,362		84,760,955	
NET			77,145,343		78,338,345
2. INVESTMENTS	6		1,079,700		797,200
3. CURRENT ASSETS, LOANS AND ADVANCES					
(a) Inventories	7	74,932,161		70,570,328	
(b) Sundry Debtors	8	16,582,615		14,830,407	
(c) Cash & Bank Balances	9	3,687,603		2,753,990	
(d) Loans and Advances	10	38,362,045		33,206,989	
		133,564,424		121,361,714	
Less:					
CURRENT LIABILITIES AND PROVISIONS					
(a) Liabilities	11	8,621,111		2,172,320	
(b) Provisions	12	8,189,650		4,152,12	
		16,810,761		6,324,441	
NET CURRENT ASSETS			116,753,664		115,037,274
TOTAL			194,978,707		194,172,819

NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

15

As per our attached report of even date
For **P.V. DALAL & CO.**
Chartered Accountants
RAJESH KUMAR PODDAR
Managing Director
PARESH V. DALAL
Proprietor

RAMPRASAD PODDAR
Chairman
DINESH KUMAR PODDAR
Director
NUPUR RAJESH PODDAR
Executive Director
Mem. No.33355

Place: Mumbai.
Dated : 28th March, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2008

	SCHEDULE	Rs.	Current Year Rs.	Rs.	Previous Year Rs.
INCOME :					
From Operations			165,512,871		152,235,001
From Other Sources			3,244,571		6,229,562
Total	13		168,757,442		158,464,563
EXPENDITURE :					
Manufacturing and Other Expenses			146,287,229		127,963,497
Interest :	14				
To Banks		6,870,222		4,971,988	
To Others		12,328		4,042,149	
Total			6,882,550		9,014,137
			153,169,779		136,977,634
PROFIT BEFORE DEPRECIATION & TAX DEPRECIATION			15,587,662 6,737,607		21,486,929 6,174,688
PROFIT BEFORE TAX			8,850,056		15,312,241
LESS: TAX EXPENSES FRINGE BENEFIT TAX			113,300		74,569
PROFIT AFTER TAX			8,736,756		15,237,672
PRIOR YEAR ADJUSTMENT			128,972		4,484,180
PROFIT AFTER ADJUSTMENT PREVIOUS YEAR			8,607,784 9,058,072		10,753,492 6,494,230
ADD : BALANCE CARRIED FROM			17,665,856		17,247,722
APPROPRIATION					
PROPOSED DIVIDEND			7,000,000		7,000,000
DIVIDEND DISTRIBUTION TAX			1,189,650		1,189,650
TRASFER TO GENERAL RESERVE			8,862,528		-
BALANCE CARRIED TO BALANCE SHEET			613,678 17,665,856		9,058,072 17,247,722

**NOTES TO BALANCE SHEET AND
PROFIT AND LOSS ACCOUNT****15**

As per our attached report of even date

For **P.V. DALAL & CO.**
Chartered Accountants**RAMPRASAD PODDAR**

Chairman

RAJESH KUMAR PODDAR

Managing Director

PARESH V. DALAL

Proprietor

Mem. No.33355

Mumbai, Dated : 28th March, 2009

NUPUR RAJESH PODDAR

Executive Director

DINESH KUMAR PODDAR

Director

SCHEDULES FORMING PART OF ACCOUNTS: 2008

		Current Year Rs		Previous Year Rs
SCHEDULE - 1				
SHARE CAPITAL :				
AUTHORISED				
8,00,00,000 Equity Shares of Rs. 1/- each		80,000,000		80,000,000
ISSUED, SUBSCRIBED AND PAID UP				
7,00,00,000 Equity Shares of Rs. 1/- each fully paid up		70,000,000		70,000,000
TOTAL		70,000,000		70,000,000
SCHEDULE - 2				
RESERVES AND SURPLUS :				
GENERAL RESERVE				
Balance as per last Balance Sheet	10137472		10137472	
ADD: TRANSFER FROM PROFIT & LOSS ACCOUNT	8862528		0	
		19,000,000		10,137,472
SHARE PREMIUM		2,327,362		2,327,362
CAPITAL RESERVE		30,150		30,150
REVALUATION RESERVE :				
Balance as per last Balance Sheet	12,935,832		13,401,633	
Less : Depreciation on Revaluation (Refer Note No. 4 to Sc 15)	465,800		465,801	
		12,470,032		12,935,832
Profit & Loss Account		613,678		9,058,072
TOTAL		34,441,222		34,488,888
SCHEDULE - 3				
SECURED LOANS :				
Term Loans :				
From Bank		33,369,849		31,596,185
Cash Credit From Banks		31,131,516		32,126,268
TOTAL		64,501,366		63,722,453
Note :				
1) Term Loan - is secured by First charge on assets procure through bank finance, Equitable mortgage on Galas, exclusive hypothecation charge on movable fixed assets of the company present and future & Personal Guarantee of the three Directors				
2) Cash Credit from Bank - is secured by hypothecation of Receivables, Stock in trade, Book- Debts, Other Current Assets Personal Guarantee of the Directors and Equitable Mortgage of Third Party Immovable Assets				
SCHEDULE - 4				
UNSECURED LOANS :				
Security Deposits from Dealers, Agents, Warehousing etc.		26,036,120		25,961,478
TOTAL		26,036,120		25,961,478

SCHEDULE :-5
FIXED ASSTES

PARTICULARS	AS ON 1-1-2008	ADD. During the year	Sale / Transfer during the year	AS ON 31-12-2008	AS ON 1-1-2008	Provided During the Year	ADD. during Year	AS ON 31-12-2008	AS ON 31-12-2009	AS ON 31-12-2007
GOODWILL	5,445,070	-	-	5,445,070	-	-	-	-	5,445,070	5,445,070
FREEHOLD LAND	1,673,885	-	-	1,673,885	-	-	-	-	1,673,885	1,673,885
LEASE HOLD LAND	1,082,514	-	-	1,082,514	89,573	12,784	-	102,357	980,157	992,941
FACTORY BLDG.	34,074,629	2,353,680	-	36,428,309	11,582,364	1,182,666	-	12,765,030	23,663,279	22,492,265
OFFICE PREMISES	5,136,224	-	-	5,136,224	1,452,185	83,720	-	1,535,905	3,600,319	3,684,039
RESIDENTIAL FLATS	152,132	-	-	152,132	52,228	2,480	-	54,708	97,424	99,904
PLANT & MACHINERY	85,628,138	28,300	-	85,656,438	54,082,059	4,087,079	-	58,169,138	27,487,299	31,546,079
FFF	18,868,357	3,715,433	-	22,583,790	10,988,407	1,377,311	-	12,365,718	10,218,072	7,879,950
COMPUTER & PERIPHERALS	3,502,918	187,543	-	3,690,461	3,124,081	91,222	-	3,215,302	475,160	378,837
OFFICE & FACT. EQUIPT	1,494,477	8,550	-	1,503,027	1,277,524	72,341	-	1,349,865	153,162	216,953
ELECTRICAL INSTALLATION	4,055,065	2,350	-	4,057,415	2,037,756	197,157	-	2,234,913	1,822,502	2,017,309
VECHICLES	787,122	913,318	-	1,700,440	74,777	96,646	-	171,423	1,529,017	712,345
CWIP- FURNITURE & FIXTURE	1,198,769	-	1,198,769	-	-	-	-	-	-	1,198,769
TOTAL	163,099,300	7,209,174	1,198,769	169,109,705	84,760,955	7,203,407	-	91,964,362	77,145,343	78,338,345
PREVIOUS YEAR	157,692,882	11,847,544	6,441,125	163,099,300	78,120,468	6,640,489	-	84,760,955	78,338,345	79,572,414

		Current Year Rs.		Previous Year Rs.
SCHEDULE - 6				
INVESTMENTS : (AT COST)				
QUOTED				
ICICI PRUDENTIAL SMART FUND-SERIES F-36 M (100,000 unit of Rs.10/- each)		1,022,500		-
UNQUOTED				
522-6.75% RBI Bonds of Rs.100 each		52,200		52,200
100 Equity Shares of M/S Saptrishi Limited of RS. 10/- each.		1,000		1,000
80 Equity Shares of M/S Jogani Industrial Estate Prem.Co-op.Soc.Ltd of RS.50/-each.		4,000		4,000
Share Application Money- Elan Realtors India Pvt. Ltd		-		740,000
TOTAL		1,079,700		797,200
SCHEDULE - 7				
INVENTORIES :				
(As taken, valued and certified by the Management)				
Raw Materials		7,123,848		7,159,663
Finished Goods		65,588,257		61,487,537
Goods in Process		1,073,767		670,994
Packing Materials		287,985		381,485
Stores and Spares		858,304		870,649
TOTAL		74,932,161		70,570,328
SCHEDULE - 8				
SUNDRY DEBTORS :				
Unsecured, Considerd Good:-				
(a) Debts Outstanding for Period Exceeding Six Months		5,168,521		2,603,868
(b) Other Debts (Net)		11,414,094		12,226,539
TOTAL		16,582,615		14,830,407
SCHEDULE - 9				
CASH AND BANK BALANCES :				
Cash In Hand		2,083,556		2,500,491
Bank Balances		1,604,048		253,499
With Scheduled Banks				
TOTAL		3,687,603		2,753,990
SCHEDULE - 10				
LOANS AND ADVANCES :				
(Unsecured, Considered Good)				
Advances to be Recoverable in Cash or in kind or for value to be received		9,904,340		11,611,326
Cenvat Excise Credit		1,037,033		1,037,033
Sundry Deposits		23,336,035		16,742,828
Advance payment of Income - Tax (Including TDS)		4,084,637		3,815,802
TOTAL		38,362,045		33,206,989

		Current Year Rs		Previous Year Rs
SCHEDULE - 11				
CURRENT LIABILITIES :				
Sundry Creditors:(Refer Note No.8 of schedule 15)				
For Goods		3,901,799		1,146,924
For Expenses and Others		4,336,385		1,025,396
Unpaid Dividend		382,927		-
TOTAL		8,621,111		2,172,320
SCHEDULE - 12				
PROVISIONS :				
Leave Encashment		-		57,296
Proposed Dividend		7,000,000		3,500,000
Dividend Distribution Tax		1,189,650		594,825
TOTAL		8,189,650		4,152,121
SCHEDULE - 13				
INCOME FROM OTHER SOURCES :				
a. Interest (TDS Rs.29184/- P.Y.Rs.46154/-)		2,617,070		5,461,579
b. Sale of Waste/Scrap		191,751		313,583
c. Miscellaneous Income		102,314		22,138
d. Sales Tax Refund For Earlier Year		134,828		421,410
e. Excess provision of the earlier year		198,608		-
f.Sundry Balance written off (Net)		-		10,852
TOTAL		3,244,571		6,229,562
SCHEDULE - 14				
MANUFACTURING AND OTHER EXPENSES				
Raw Materials Consumed:				
Opening Stock	7,159,663		7,221,478	
Add: Purchases & Related Expenses	-		2,406	
	7,159,663		7,223,884	
Less: Closing Stock	7,123,848		7,159,663	
		35,815		64,221
Purchases:				
Cloth / Readymade Garments		112,908,084		103,776,843
Process and Labour Charges		4,561,971		8,986,805
Packing Material Consumed		1,353,806		679,386
Stores and Spares Consumed		1,817,411		2,754,239
Electricity and Water Charges (Net)		4,642,371		4,128,846
Payment and Provisions for Employees:				
Salary and Wages	5,608,165		3,725,606	
Contribution to P.F. and Other Funds	155,148		178,091	
Staff Welfare Expenses	436,431		370,900	
		6,199,744		4,274,597
Rent		461,620		201,424
Rates and Taxes (Net)		147,583		117,986
Legal, Professional and Consultancy Charges		801,314		1,360,833
Brokerage/Commission on Rented Premises		1,118,765		1,282,500
Payment to Auditors		96,489		97,156

		Current Year Rs		Previous Year Rs
Insurance Charges		897,816		902,417
Advertisement and Sales Promotion		1,161,641		395,127
Travelling and Conveyance		545,630		498,643
Telephone, Telex and Postage		971,080		689,019
Printing and Stationery		405,251		424,134
Transportation Charges		458,769		690,961
Selling and Distribution & other Charges		-		12,742
Repairs and Maintenance :				
Plant and Machinery	2,966,375		3,804,693	
Building/Office Premises	808,296		239,354	
Others	6,088,662		3,140,342	
		9,863,333		7,184,389
Miscellaneous Expenses		494,578		2,581,568
Donation		601,000		450,000
Security Charges		861,117		899,338
Sundry Balance written off (Net)		385,535		-
Increase /Decrease in inventory				
Closing Stock :				
Goods in Process	1,073,767		670,994	
Finished Goods	65,588,257		61,487,537	
	66,662,024		62,158,531	
Opening Stock :				
Goods in Process	670,994		137,984	
Finished Goods	61,487,537		47,530,870	
	62,158,531	(4,503,493)	47,668,854	(14,489,677)
TOTAL		146,287,229		127,963,497

SCHEDULE - 15
NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2008

- The Company Income Tax assessment completed up to assessment Year 2006-07.
- Capital commitment (net off advances) not acknowledged as debt Rs NIL (Previous Year NIL)
- Significant accounting policies followed by the Company are as stated in the statement annexed to this Schedule.
- Contingent liability not provided for - In respect of disputed electricity charges Rs.30.20 lacs (Previous Year N.A.)
- The company has increased the cost of Land (Free hold) by Rs. 909,700/-, Land (Lease hold) by Rs.912,414/-, Office Premises by Rs. 572,226/-and Factory Building by Rs. 11,093,810/- due to revaluation of these assets as certified by the Government Approved Valuer Report dated 22nd July,2003 and the Company has created Revaluation Reserve amounting to Rs. 13,488,150/-.
- Break-up of the Auditor's Remuneration is as follows:

	Current Year Rs.	Previous Year Rs.
a) Statutory Audit Fees	85000	85000
b) Tax Audit Fees	11300	11300
c) Reimbursement of out of Pocket Expenses	189	856
	96,489	97,156

The Company's financial year for the purpose of compliance with the provisions of the Companies Act, 1956 ends on 31st December. The company has not provided tax liability, if any, as per the provisions of the Income Tax Act, 1961, for the period from 1st April, 2008 to 31st December, 2008 forming part of the annexed accounts, as the same will be assessed as a part of the composite income relevant to the assessment year 2009- 2010 viz., for the year ending on 31st March, 2009. As a result, the tax liability, if any, in respect of the assessable income of the said nine months cannot be quantified at present and hence no provision is made there of .Similarly as required by Accounting Standard - 22 " Accounting For Taxes On Income" issued by the Institute of Chartered Accountants of India, the Company has not recognised " Deferred Tax Assets" / " Deferred Tax Liability" and same will be accounted in March, 2009

SR	NAME OF RELATED PARTY	RELATIONSHIP	DESCRIPTION OF TRANSACTION	PAYMENTS	RECEIPT
1.	SWASTI VINAYAKA INVESTECH LTD.	COMMON DIRECTOR	COMPENSATION		60,000
2.	ASHIRWAD SHELTERS PVT. LTD.	COMMON DIRECTOR	COMPENSATION LOAN (RENT PROPERTY TAX)	900,000 833,099	60,000 500,000
3.	VINAYAKA REALESTATE DEVELOPMENT LTD.	COMMON DIRECTOR	COMPENSATION	-	60,000
4.	SWASTI VINAYAKA GEMS CORPORATION LTD.	COMMON DIRECTOR	INTEREST WATER & ELECTRICITY CHARGES LOAN	371.869	672,519
5.	IVY LEAGUE FASHIONS PVT. LTD.	COMPENSATION COMMON DIRECTOR	COMPENSATION PURCHASE-FABRIC PURCHASE-GREY JEWELLERY JOB CHARGES LOAN POSTAGE INTEREST LOAN	7,900,000 5,536,133 16,479,024 7,800 2,600,000 5,600 7,000 300,000	7,900,000 1,819,680 28,000 32,400 3,919,724 2,600,000
6.	ELAN RELATORS INDIA PVT. LTD.	COMMON DIRECTOR	REMUNERATION	510,000	275,000
7.	RAJESH KUMAR PODDAR	MANAGING DIRECTOR	PERQUISITES	86,105	
8.	NUPUR RAJESH PODDAR	EXECUTIVE DIRECTOR	REMUNERATION PERQUISITES	450,000 135,455	

8. 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.
9. 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 party's :-
10. 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.
11. Earnings Per Share (Accounting Standard 20) is calculated as under :

	Current Year Rs.	Previous Year Rs.
Profit Attributed to Equity Shareholders (in Rupees)		
- Including Extra Ordinary Items	8736756	15237672
- Excluding Extra Ordinary Items	8607784	10753492
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. 0.12	Rs. 0.22
- Excluding Extra Ordinary Items	Rs. 0.12	Rs. 0.15

12. Previous year figures have been regrouped, rearranged wherever necessary, so as to make them comparable with the figures of current year.
13. Additional information required under Schedule - VI of the Companies Act, 1956. (as certified by the Management is as under :

	Current Year Rs.	Previous Year Rs.
SCHEDULES FORMING PART OF ACCOUNTS:(2008)		
SCHEDULE - 16		
Income From Operation :		
Cloth sales -Mfd./ Trading	99829100.89	97,307,840
Sales - R'made Garments	7599066.9	3,707,262
Sale of shares	-	-
Doubling & Weaving Charges	14588078.23	16,518,116
*Other Services (Net)	43,496,625	34,701,783
	165,512,871	152,235,001

	Current Year Rs.		Previous Year Rs.	
SCHEDULE TO PROFIT & LOSS A\C				
SCHEDULE - OTHER				
Packing Materials Consumed:				
Opening Stock	381,485		284,691	
Add: Purchases	1,260,306		776,180	
	1,641,791		1,060,871	
Less: Closing Stock	287,985		381,485	
Packing materials consumed	1,353,806		679,386	
SCHEDULE TO PROFIT & LOSS A\C				
SCHEDULE - OTHER				
Stores & Spares Consumed:				
Opening Stock	870,649		967,443	
Add: Purchases	1,805,066		2,657,445	
	2,675,715		3,624,888	
Less: Closing Stock	858,304		870,649	
Stores & spares consumed:	1,817,411		2,754,239	

14. Balance Sheet Abstract and Company's General Business Profile

I. Registration Details.

Registration No: 24041
State Code : 11
Balance Sheet Date: 31/12/2008

II. Capital Raised During the Year.

Public Issue : NIL
Right Issue : NIL
Bonus Issue : NIL
Private Placement : NIL

III. Position of Mobilisation and Deployment of Funds

Total Liabilities Rs. 194978707
Total Assets Rs. 194978707
Sources of Funds :
Paid-up Rs. 7,00,00,000
Capital Rs. 7,00,00,000
Reserves & Surplus Rs. 34441222
Secured Loans Rs. 64501366
Unsecured Loans Rs. 26036120
Application of Funds
Net Fixed Assets Investment Rs. 77145343
Net Current Assets Rs. 1079700
Misc. Expenditure Rs. NIL
Rs. 7,00,00,000

IV. Performance of Company

Turnover Rs. 168757441.8
Total Expenditure Rs. 160036358
Profit Before Tax Rs. 8721084
Profit After Tax Rs. 8607784
Earning Per Share Rs. 0.12
Dividend Rs. 0.10

V. Generic Names of Principal Products of Company

Product Description :
Textiles/Fabric/Garments

As per our attached report of even date.

For P.V. DALAL & CO.

Chartered Accountants

RAMPRASAD PODDAR

Chairman

RAJESH KUMAR PODDAR

Managing Director

NUPUR RAJESH PODDAR

Executive Director

DINESH KUMAR PODDAR

Director

PARESH V. DALAL

Proprietor

Mem. No.33355

Mumbai, Dated : 28th March, 2009

a. CAPACITY & PRODUCTION :			Current Year	Previous Year	
Licensed Capacity	No.		261 looms	261 looms	
Installed Capacity	No.		118 looms	118 looms	
Production (Cloth/Garment) : Own	Mtrs.		NIL	NIL	
Jobwork - Grey	Mtrs.		1,914,911	2,313,239	
-Doubling	Kgs.		121,799	167,467	
b. Purchase : Cloth/Garment			Rs.	112,908,084	103,776,843
			Mtrs.	1,885,804	2,079,181
c. Raw Material Consumed: Yarn			Rs.	35,815	64,221
			Kgs.	341	589
d. Income From Operations :					
Cloth Sales-Mfd/Trading		Rs.	99,829,101		97,307,840
		Mtrs.	1,609,082		1,408,277
Readymade (Including showroom)		Rs.	7,599,067		3,707,262
		Pcs.	14,315		20,751
Weaving Charges		Rs.	13,250,868		14,621,889
		Mtrs.	1,914,911		2,313,239
Job Charges(Doubling)		Rs.	1,337,210		1,896,227
		Kgs.	121,799		167,467
Other Services(Net)		Rs.	43,496,625		34,701,783
e. Closing Stock :					
Raw Material		Rs.	7,123,848		7,159,663
Finished Goods : Cloth / Garments		Rs.	61,291,752		57,369,203
		Mtrs.	871,579		843,342
Readymade Garments		Rs.	4,296,505		4,118,334
		Pcs.	23,147		25,201
f. Opening Stock :					
Raw Material		Rs.	7,159,663		7,221,478
		Kgs.	45,526		46,116
Finished Goods :		Rs.	57,369,203		43,185,975
Cloth/Garments		Mtrs.	843,342		608,615
		Rs.	4,118,334		4,344,895
Readymade Garments		Pcs.	25,201		23,792
	Rs.	%	Rs.		%
g. Consumption of Raw Material :					
Indigenous	35,815	100	64,221		100
h. Consumption of Stores & Spares					
Indigenous	1,817,411	100	2,754,239		100
i. Income / Expenditure in Foreign Currency			NIL	NIL	NIL

Annexure referred to in Note 3 in Schedule 15 of the notes forming part of the Accounts.

Statement on significant accounting policies:

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 – Quoted / 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 exclusive of 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.

A. CASH FLOW FROM OPERATIONAL ACTIVITIES

	CURRENT YEAR RS.	RS.	PREVIOUS YEAR RS.	RS.
Net Profit/ (Loss) Before Tax and Extraordinary Items		8,850,056		15,312,241
Adjustment for:				
Depreciation	6,737,607		6,174,688	
Profit on sale of Fixed Assets	0			0
Interest Paid/Payable on Loans etc.	6,882,550		9,014,137	
Interest Received/Receivable on Loans	(2,617,070)		(5,461,579)	
Miscellaneous / Other Expenditure Written Off	-	11,003,087	-	9,727,246
Operating Profit before Working Capital Changes		19,853,143		25,039,487
Adjustment for:				
Trade and Other Receivable	(6,907,264)		(20,870,535)	
Inventories	(4,361,833)		(14,427,862)	
Trade Payable	10,486,320		(1,506,396)	
Cash Generated from Operation		(782,777)		(36,804,793)
Extra Ordinary Items		19,070,366		(11,765,306)
		(128,972)		(4,884,180)
Net Cash from Operating Activities	(A)	18,941,394	(A)	(16,249,486)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(6,010,405)		(5,406,419)	
Sale of Fixed Assets	(282,500)		(694,000)	
Sale of Investment (Net)	2,617,070		(5,461,579)	
Interest on Loans				
Net Cash used in Investing Activities	(B)	(3,675,835)	(B)	(638,840)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Paid	(8,189,650)		(10,480,225)	
Long Term Borrowings (Net)	853,555		36,362,528	
Short Term Borrowings	-		-	
Interest	(6,882,550)		(9,014,137)	
Tax Refund	-		-	
Fringe Benefit Tax	(113,300)		(74,569)	
Net Cash used in Financing Activities	(C)	(14,331,945)	(C)	16,793,597
	Net (A+B-C)	933,614		(94,730)
Cash & Cash Equivalent as on 31st December, 2005		2,753,990		2,848,719
Cash & Cash Equivalent as on 31st December, 2006		3,687,603		2,753,990
Net Inflow / (Outflow)		933,614		(94,730)

As per our attached report of even date
For **P.V. DALAL & CO.**

Chartered Accountants

PARESH V. DALAL

Proprietor

Mumbai, Dated : 05th February, 2007

RAMPRASAD PODDAR
RAJESH KUMAR PODDAR
NUPUR RAJESH PODDAR
DINESH KUMAR PODDAR

Chairman
Managing Director
Executive Director
Director

SWASTI VINAYAKA SYNTHETICS LIMITED

Regd. 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 Shares:

Name of Member/Proxy:

I hereby record my presence at the 27th Annual General Meeting of the Company on **Saturday** the **27th June, 2009** 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:

1. Members are requested to produce the above attendance slip, duly signed in accordance with their specimen singnature registered with the Company, for admission to the meeting.
2. 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 / Weof.....

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

..... of..... or

failing him her..... of.....

or failing him/her ofas

my / our proxy to vote for me / us and on my / our behalf at the 27th Annual General Meeting of the Company on **Saturday** the **27th June, 2009** 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 of2009

Client Id/Folio No.

No. of Shares held

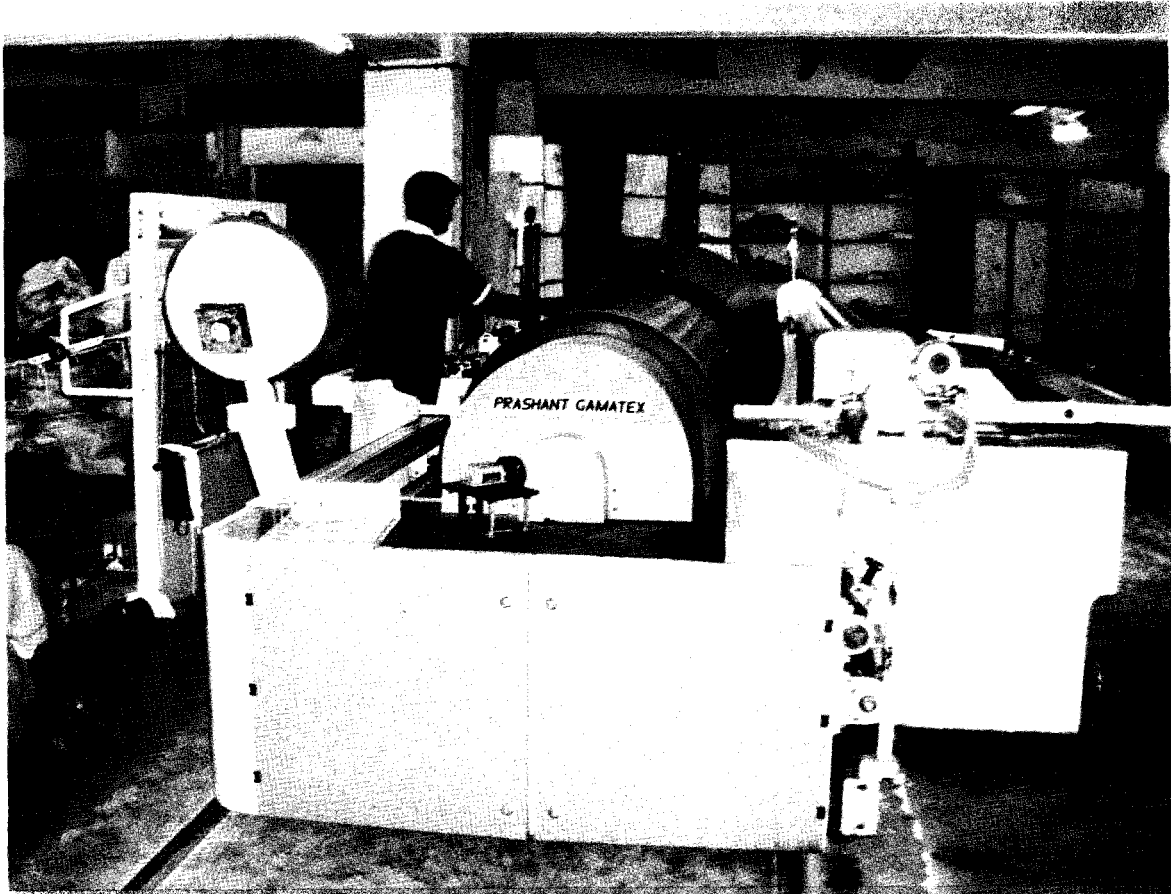
Name:

Address:

Signature (S) -----

Affix
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.



WARPING UNIT AT TARAPUR



WEAVING UNIT AT TARAPUR

'IVY LEAGUE' BOUTIQUE AT THE GRAND HYATT HOTEL, MUMBAI



Swasti Vinayaka Synthetics Limited

Corporate Office :

306, Tantia Jogani Ind. Estate,
J. R. Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel, Mumbai - 400 011.