



Anjani Synthetics Limited

**25th Annual Report
2008-2009**

FOR, ANJANI SYNTHETICS LIMITED

Vardar

Director/Authorized Signatory



Board of Directors

Shri Subhkaran T. Agarwal - Chairman
Shri Vasudev S. Agarwal - Managing Director
Shri Manoj Lunia - Director
Shri Bhoorsingh B. Parihar - Director

Auditors

NAHTA JAIN & ASSOCIATES

Chartered Accountants
AHMEDABAD

Bankers

PUNJAB NATIONAL BANK

Share Transfer Agent

PINNACLE SHARE REGISTRY PRIVATE LIMITED

Near Asoka Mills, Naroda Road, Ahmedabad - 380025

Registered Office

202, "Kaivanna",
Near Panchwati Circle,
Ambawadi,
Ahmedabad - 380006

Works

140, Pirana Road,
Piplej,
Ahmedabad-382405

FOR. ANJANI SYNTHETICS LIMITED
Vasudev
Director/Authorised Signatory



N O T I C E

NOTICE is hereby given that the **25th 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 on **Wednesday, 30th September, 2009 at 10.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2009** and the Profit & Loss Account 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. Bhoorsingh B. Parihar**, who retire by rotation and being eligible offers him-self for reappointment.
3. To appoint **M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad** as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their Remuneration.

BY ORDER OF THE BOARD,
FOR, ANJANI SYNTHETICS LIMITED

PLACE: AHMEDABAD.

DATE: 25.07.2009 (SUBHKARAN AGARWAL)
CHAIRMAN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
3. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 10th September, 2009 to 12th September, 2009 (both days inclusive).
5. Pinnacle Shares Registry Private Limited, Near Ashoka Mills, Naroda Road, Ahmedabad-380025 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
6. 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. Bhoorsingh B. Parihar is Independent Non-Executive Director of the Company. He is having good experience in the filed of industry line. He has been associated with the Company since 2001. He is Member of the Audit Committee and Remuneration Committee of the Company. Mr. Bhoorsingh B. Parihar retires by rotation and being eligible offers himself for re-appointment.



DIRECTORS' REPORT

Dear Members,
ANJANI SYNTHETICS LIMITED
 Ahmedabad.

Your Directors have great pleasure in presenting the **25th Annual Report** together with the Audited statements of Accounts of your Company for the financial year ended on **31st March 2009**.

FINANCIAL RESULTS: (Rupees in Lacs)

Particulars	FY	
	2008-09	2007-08
Total Income (Turnover)	21689.51	20083.52
Depreciation	327.32	265.85
Profit/(Loss) before Taxation	473.57	520.57
Provision for taxation current tax	187.00	180.00
Profit/(Loss) after Tax	300.48	326.05

OPERATIONS REVIEW:

During the year under review, the Company's total Income (Turnover) was Rs.21689.51 Lacs as compared to Rs. 20083.52 Lacs of the previous year total income. During the year 2008-09 ASL has shown a growth of 8% over the previous. The company has earned net profit of Rs. 300.48 Lacs after providing for depreciation of Rs. 327.32 Lacs and taxation (Current tax) of Rs. 187.00 Lacs for the year ended 31st March, 2009.

DIVIDEND:

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

FIXED DEPOSIT:

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

DIRECTORS:

Mr. Bhoorsingh B. Parihar, Director of the Company retires by rotation at the ensuing Annual General Meeting being eligible he has himself for re-appointment.

AUDITORS:

Auditors of the Company, M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Shareholders are requested to appoint them as auditors and fix their remuneration.

AUDITORS' REPORT:

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

ADDITIONAL DISCLOSURES:

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

CORPORATE GOVERNANCE REPORT:

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

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

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees)



Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

INSURANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report is part of Director Report is annexed herewith.

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 : NIL
- b) Technology absorption, research & development : NIL
- c) FOREIGN EXCHANGE EARNINGS AND OUTGO:
Foreign Exchange Earnings during the year :
Rs. 40,03,04,910/-
Foreign Exchange Outgo during the year :
Rs. 2,23,800/-

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.

(SUBHKARAN AGARWAL)

DATE: 25.07.2009

CHAIRMAN



REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2009

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, 2009. 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	1	25
Non-Executive Director	3	75
Total	4	100

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

During the financial year 2008-09 the Board met 9 (nine) times on 01.04.2008, 28.04.2008, 20.07.2008, 31.07.2008, 06.08.2008, 06.09.2008, 22.10.2008, 31.10.2008, 30.01.2009. The maximum gap between two meetings was not more than 4 months.

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

Name of the Director & (DIN)	Designation/ Category	No. of Board Meetings		Last AGM attendance	No. of other Directorship & Committee Member/ Chairmanship in other Companies		
		Held	Attended		Directorship	Committee Chairmanship	Committee Membership
Vasudev Agarwal (01491403)	Managing Director	9	9	Yes	--	--	--
Subhakaran Agarwal (01612725)	Chairman & Non-Executive Director	9	9	Yes	--	--	--
Manoj Lunia (00564376)	Non-Executive/ Independent Director	9	9	Yes	07	--	--
Bhoorsingh Parihar (01612692)	Non-Executive/ Independent Director	9	9	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. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsingh Parihar. Mr. Subhakaran Agarwal 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 and internal auditors and the adequacy of the internal control system.
- o Discussion with internal auditors of any significant finding and follow-up thereon.

Powers of the Committee:

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

Attendance at the Audit Committee Meetings- 2009

During the year the Audit Committee met 4 times on 28.04.2008, 31.07.2008, 31.10.2008, 30.01.2009 attendance of the members as under:

Name	No. of Meeting attended	No. of Meeting attended	
		Held	Attended
Subhakaran Agarwal	Chairman & Non-Executive Director	4	4
Manoj Lunia	Non-Executive Director	4	4
Bhoorsingh Parihar	Non-Executive Director	4	4

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. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsingh Parihar and Mr. Subhakaran Agarwal is Chairman of the Committee.

6. SHAREHOLDERS TRANSFER AND GRIEVANCES COMMITTEE

This committee consists of 3 directors namely, Mr. Subhakaran Agarwal, Mr. Manoj Lunia and Mr. Bhoorsinh Parihar. Mr. Subhakaran Agarwal is Chairman of the Committee. The committee was constituted to redress shareholders'/ investors' complaints etc. relating to delay in transfer of shares, non-receipt of annual accounts, delay in balance sheet, split-up share certificate, issue duplicate certificate, transmission of shares, dematerialization of shares etc. relating to the shares issued by the Company. The 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.

Mr. Vasudev Agarwal has been appointed as the Compliance Officer of the Company by the Board of Director.

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 lodgement if documents are complete in all respects, subject to exercise of option under compulsory transfer cum-demat-procedure; share certificates are either demated or returned within the time limit as prescribed by the authorities.

8. REGISTRAR AND SHARE TRANSFER AGENT

M/s. Pinnacle Shares Registry Private Limited having its Registered Office at Near Asoka Mills, Naroda Road, Ahmedabad- 380 025 is the Registrar & Share Transfer Agent for processing the transfer of securities issued by the Company.



Address of the Correspondence: Investors Correspondence/ or Pinnacle Shares Registry
 Regd. Office:- Complaints to be address to: Private Limited
 202, Kaivanna, Near Panchvati Circle, Mr. Vasudev Agarwal The Registrar &
 Ahmedabad - 380006 Managing Director and Share Transfer Agent
 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, 2009 as under:

Sr. No.	Nature of Complaints	Numbers of Complaints			
		Pending as on 01.04.08	Received	Resolved	Pending as on 31.03.09
1	Non receipt of dividend/ annual report	Nil	Nil	Nil	Nil
2	Complaints relating to dematerialization of shares	Nil	Nil	Nil	Nil
3	Complaints relating to transfer of securities/ issue of duplicate certificate.	Nil	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.
2007-08	24th	Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405	29.09.2008	10.00 A.M.
2006-07	23rd	Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405	28.09.2007	10.00 A.M.
2005-06	22nd	Plot No.140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405	29.09.2006	9.30 A.M.

No Extra- ordinary General Meeting was held during the financial year 2008-09.

10. RESOLUTION CARRIED OUT THROUGH POSTAL BALLOT

The Company has passed special resolution u/s.17 of the Act through postal ballot during the financial year in respect to amendment in Objects Clause of the Memorandum of the Company.

11. DISCLOSURES

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

12. CATEGORIES OF SHAREOWNERS- 31-03-2009

Category	No. of Shares Held	Voting Strength (%)
Promoters	6570940	60.84
Resident Individuals	3503589	32.43
Financial Intuitions/ Banks	—	—
Bodies Corporate	720377	6.67
NRIs/OCBs	6094	0.06
Directors Relatives	—	—
Others	—	—
Total	10801000	100.00

**13. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2009**

Share Balance	Holders	% of Total	Total Shares	% of Total
1 - 500	992	74.20	144052	1.34
501 - 1000	118	8.83	96673	0.90
1001 - 2000	82	6.12	132227	1.22
2001 - 3000	20	1.50	54462	0.50
3001 - 4000	12	0.90	40922	0.38
4001 - 5000	14	1.05	68551	0.63
5001 - 10000	23	1.72	161846	1.50
10001 - And above	76	5.68	10102267	93.53
TOTAL	1337	100	10801000	100

14. MEANS OF COMMUNICATION

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

15. LISTING ON STOCK EXCHANGES

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

16. STOCK CODE AND DEMAT ISIN NO.

Stock Exchange	Scrip Code	Demat ISIN No.
BSE - Mumbai	531223	INE-364 D 01016
ASE - Ahmedabad	04270	

17. STOCK MARKET DATA

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

Month	Highest (Rs)	Lowest (Rs)
April, 2008	38.05	24.85
May, 2008	49.05	29.00
June, 2008	45.65	34.05
July, 2008	44.70	32.00
August, 2008	53.90	28.10
September, 2008	51.30	32.90
October, 2008	31.30	13.65
November, 2008	17.45	09.50
December, 2008	12.40	08.81
January, 2009	13.90	09.00
February, 2009	09.91	07.80
March, 2009	10.06	07.04

18. GENERAL SHAREHOLDERS INFORMATION

Date of Incorporation	28th June, 1984
Date and time of Annual General Meeting	Wednesday, 30th September, 2009 at 10 A.M.
Venue of Annual General Meeting	Plot No.140, Saijpur, Gopalpur, Pirana Road, Piplej, Ahmedabad-382405
Dates of Book Closure	10.09.2009 to 12.09.2009 (both days inclusive)
Financial Year Calendar (tentative and subject to change) (01.04.2009 to 31.03.2010)	
Financial Year Calendar (tentative and subject to change)	(01.04.2009 to 31.03.2010)
Financial reporting for the first quarter ending on 30th June, 2009	Last week of July, 2009
Financial reporting for the Half year ending on 30th September, 2009	Last week of October, 2009
Financial reporting for the Third quarter ending on 31st December, 2009	Last week of January, 2010
Financial reporting for the year ending on 31st March, 2010	Last week of April, 2010
Annual General Meeting for the year ending on 31st March, 2010	Last week of September 2010

BY ORDER OF THE BOARD,
FOR, ANJANI SYNTHETICS LIMITED

PLACE: AHMEDABAD.

DATE: 25.07.2009.

(SUBHKARAN AGARWAL)
CHAIRMAN



Certification by CEO and CFO of the Company

The Board of Director
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, 2009 and that to the best of my knowledge and belief.
 - " these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - " these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. I also certify, that to the best of my knowledge and the information provided to me, there are no transactions entered into by the Company during the year which are fraudulent, illegal or 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, 2009.

FOR, ANJANI SYNTHETICS LIMITED

PLACE: AHMEDABAD.

DATE: 25.07.2009

[VASUDEV S. AGARWAL]
MANAGING DIRECTOR

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, 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

We further state that such compliances is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR, NAHTA JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

PLACE: AHMEDABAD.

DATE: 25.07.2009

(GAURAV NAHTA)
PARTNER
M. No.: 116735



AUDITOR'S REPORT

The Members

M/S. ANJANI SYNTHETICS LIMITED

Ahmedabad

1. We have audited the attached Balance Sheet of ANJANI SYNTHETICS LIMITED at 31st March 2009 and the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in the Annexure referred to above, we report that :

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
- ii) In our opinion proper books of accounts as required by the law have been kept by the company so far as its appears from our examination of the books;
- iii) The balance sheet and Profit & Loss Account dealt with by this report are in agreement with such books of accounts;
- iv) In our opinion, the balance sheet and profit & Loss account "Except in case of retirement benefits as refer to in Note No. 2 in Schedule "O" as the Company follows "pay as you go basis" comply with the accounting standards referred to in Sec. 211(3C) of the Companies Act, 1956.
- v) On the basis of representations received from the Directors of the company, we report that, no director is disqualified as on 31-3-2009 from being appointed as a director of the company under the clause (g) of sub section (1) of section 274 of the companies Act 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the

Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009 and
- b) In the case of Profit & Loss Account, of the profit for the year ended on that date.
- c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

As per our Report of Even Date

For and on Behalf of
Nahta Jain & Associates
Chartered Accountants

(CA GAURAV NAHTA)

Partner

M. No. 116735

Place : Ahmedabad

Date : 25/07/2009

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

- ii.) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- c) The company has not disposed off any substantial fixed Assets during the year, hence the going concern status does not affected.
- ii) a) Physical verification of Inventory has been conducted by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company has not granted any loan to parties covered in the register maintained u/s. 301 of Companies Act, 1956. The Company had taken unsecured loans from 9 parties covered in the register maintained u/s. 301 of the Companies Act, 1956 and the year-end balance in aggregate was Rs. 3.96 Crores.
- b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from the company, firm or 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.
- c) The company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.



- d) There is no over due amount of loans taken from the companies, firms, other parties listed in the register maintained u/s. 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) The transactions that need to be entered into the register in pursuance of section 301 of the Company Act 1956 have been no entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Company Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The company has not accepted any deposit from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) Company has obtained cost audit report for the financial year 2002-03 to 2007-08 during the year.
- ix) 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 in arrears, as 31st March 2009 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:
- 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. No Long term funds have been used to finance short term assets except permanent working capital.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 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

Place : Ahmedabad
Date : 25/07/2009

(CA GAURAV NAHTA)
Partner
M. No. 116735

Sr. No.	Name of the Statute	Nature of Dues	Amount	Forum Where dispute is pending	Remark
1.	Income Tax Act, 1961	Income Tax for the A.Y. 2000-01	1550276/-	ITAT Ahmedabad	—
2.	Income Tax Act, 1961	Income Tax for the A.Y. 2002-03	1050143/-	ITAT Ahmedabad	—
3.	Income Tax Act, 1961	Income Tax for the A.Y. 2003-04	967137/-	ITAT Ahmedabad	—
4.	Income Tax Act, 1961	Income Tax for the A.Y. 2005-06	1035205/-	ITAT Ahmedabad	—

- 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



ANJANI SYNTHETICS LIMITED
BALANCE SHEET AS ON 31st MARCH, 2009

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
<u>SOURCES OF FUNDS:</u>			
<u>Shareholder's funds :</u>			
Share Capital	A	108010000	108010000
Reserve & Surplus	B	103009440	79279720
<u>LOAN FUNDS :</u>			
Secured Loans	C	495358537	457226113
Unsecured Loans & Advances	D	101092116	100806214
Deferred Tax Liability		1881824	4318506
		<u>809351917</u>	<u>749640553</u>
<u>APPLICATIONS OF FUNDS :</u>			
Fixed Assets	E	147194378	146974792
Current Assets, Loans & Advances			
Current Assets	F	850229603	
Loans & Advances		47284683	
		897514286	
Less: Current Liabilities & Provisions	G	235941210	
Net Current Assets		661573076	601886477
Preliminary Expenses		584463	779284
		<u>809351917</u>	<u>749640553</u>
Notes on Accounts & Accounting Policies	"O"		

Place: Ahmedabad

Date: 25-07-2009

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

For, M/s. Anjani Synthetics Ltd.
Subhakaran Agarwal (Chairman)
Vasudev Agarwal (Managing Director)
Manoj Lunia (Director)

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



ANJANI SYNTHETICS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009

PARTICULARS	SCHEDULE	CURRENT YEAR	PREVIOUS YEAR
INCOME:			
Sales	H	2119551423	1957746898
Other Income	I	1685993	1598136
Variation in stock	J	47713826	49006983
TOTAL A		2168951242	2008352017
EXPENDITURE :			
Cost of Material Used	K	1707608099	1614856006
Manufacturing & Other Expenses	L	278830223	226218204
Administrative & Selling Expenses	M	54277543	46278155
Financial Expenses	N	48145918	42357902
Depreciation		32732027	26584642
TOTAL B		2121593810	1956294909
Profit/(Loss) for the year before Tax		47357432	52057108
Less : Provision for Taxation			
Current Tax		18700000	18000000
Fringe Benefit Tax		260000	250000
Deferred Tax		-2436682	262470
		30834114	33544638
Less : Prior Period Adjustment		786080	939545
Profit After Tax		30048034	32605093
Add: Balance Brought forward from			
Previous Year		69868068	57649733
Amount available for Appropriation		99916102	90254826
APPROPRIATION			
Less : Dividend on Equity Shares		5400500	2700250
Dividend Tax		917814	458908
Less: Utilised for issue of Bonus Share		0	17227600
Balance carried to Balance Sheet		93597788	69868068
Basic and diluted EPS		2.78	5.02

NOTES ON ACCOUNTS & ACCOUNTING POLICIES

"O"

Place: Ahmedabad

As per our Report of Even Date

For, M/s. Anjani Synthetics Ltd.

For And on Behalf of

Subhkaran Agarwal (Chairman)

Date: 25-07-2009

Nahta Jain & Associates
Chartered AccountantsVasudev Agarwal (Managing Director)
Manoj Lunia (Director)CA. GAURAV NAHTA
(Partner)

M. No. 116735

**SCHEDULE "A" SHARE CAPITAL**

	CURRENT YEAR	PREVIOUS YEAR
<u>Authorised Share Capital</u>		
15000000(Prev. Yr.15000000) Equity Shares of Rs.10/- each(Prev. Yr. Rs. 10/- each)	<u>150000000</u>	<u>150000000</u>
10801000 (Prev. Yr. 10801000) Equity Shares of Rs.10/- eachfully Paidup (Prev.Yr.Rs.10 each)	108010000	108010000
Out of the above 5400500 Equity share of Rs.10/- each were allotted as fully paid up Bonus shares by Capitalisation of Security Premium Account and Profit & Loss Account	<u>108010000</u>	<u>108010000</u>

SCHEDULE "B" RESERVE & SURPLUS

REVALUATION RESERVE	<u>292652</u>	<u>292652</u>
PROFIT & LOSS ACCOUNT	<u>93597788</u>	<u>69868068</u>
CAPITAL RESERVE	<u>9119000</u>	<u>9119000</u>
SECURITY PREMIUM ACCOUNT		
Opening Balance	0	36777400
Less:Utilised for issue of Bonus Shares	0	36777400
	<u>0</u>	<u>0</u>
	<u>103009440</u>	<u>79279720</u>

SCHEDULE "C" OF SECURED LOANSPUNJAB NATIONAL BANK

Cash Credit (Secured against Hyp. Of stocks & Book Debts)	245341501	234413553
Packing Credit (Secured against Hyp. Of current assets including stocks, Book Debts and Loans & advances)	199772854	159996473
Term Loans (Secured by Hyp. Of Block of assets of the company)	48695270	59849297

Further Secured By :

(i) Personal Guarantee of Directors of the Company.

(ii) Equitable Mortgage on Land & Building
of the company and offices owned
by the DirectorsICICI BANK LTD

(Against hypothecation of Motorcar)

304385

870791

HDFC BANK

1244527

2095999

(Against hypothecation of car)

495358537457226113

**SCHEDULE "D" OF UNSECURED LOANS & ADVANCES**

Sundry Loans	44615169	45306214
Deposits from Debtors	56476947	55500000
	<u>101092116</u>	<u>100806214</u>

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

(As valued and certified by Management)

Finished Goods	149438931	114698146
Work-in-progress Own	46114604	33068600
Work-in-progress Job	2514994	2587957
Raw Material	138579427	106454550
Colour Chemicals	11736690	8536183
Packing Material	502359	1013017
Coal	440940	802776
Stores & spare Parts	3438599	1435634
	<u>352766544</u>	<u>268596863</u>

2. Debtors

(Unsecured considered good)

More than Six Months	21107118	22896469
Less than Six Months	469691610	515199537
	<u>490798728</u>	<u>538096006</u>

3. Cash & Bank Balance

Cash in hand	762573	483595
Bank balance in Current Account	2103861	1250121
In Fixed Deposit	3637376	3042298
	<u>6503810</u>	<u>4776014</u>

4. Interest Accrued but not due	160521	112006
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TOTAL A	<u>850229603</u>	<u>811580889</u>
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B. LOANS & ADVANCES

LOANS (Unsecured but considered good) 602295 602295

Sundry Advances (Recoverable in cash or kind or for value to be received)	18674939	10865092
Security Deposit	1452999	850588
Income Tax & TDS	11984639	6537360
Prepaid Expenses & Provision	14569811	16518276
TOTAL B	<u>47284683</u>	<u>35373611</u>

TOTAL A + B	<u>897514286</u>	<u>846954500</u>
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SCHEDULE "G" OF CURRENT LIABILITIES & PROVISIONS**A. CURRENT LIABILITIES**

Sundry Creditors for Goods, Exps. & Others	216981210	226818023
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B. Provisions

For Income Tax	18700000	18000000
For Fringe Benefit Tax	260000	250000

TOTAL A + B	<u>235941210</u>	<u>245068023</u>
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SCHEDULE "H" OF SALES

Sales (Less Returns/ Trade Discount)	1506869352	1365049982
Export Sales	400304910	373082594
Job Sales	177096792	183785310
Misc. Sales	2198085	194800
Export Incentive	33082284	35634212
	<u>2119551423</u>	<u>1957746898</u>

SCHEDULE "I" OF OTHER INCOME

Interest on Fixed Deposit	284468	171654
Profit on Sale of Machinery	0	1081458
Interest received	1401525	345024
	<u>1685993</u>	<u>1598136</u>

SCHEDULE "J" OF VARIATION OF STOCK

Stock at Close		
Finished Goods	149438931	114698146
Work-in-progress Own	46114604	33068600
Work-in-progress Job	2514994	2587957
	<u>198068529</u>	<u>150354703</u>

Stock at Commencement		
Finished Goods	114698146	65072931
Work-in-progress Own	33068600	35244887
Work-in-progress Job	2587957	1029902
	<u>150354703</u>	<u>101347720</u>
Increase / Decrease in stock	47713826	49006983

SCHEDULE "K" OF COST OF MATERIAL USED

Printed Purchase	215779109	48683064
Add: Purchase (Import)	332507	0
Add: Custom Duty	206344	0
Add: Clearing Forwarding	217299	0
	<u>216535259</u>	<u>48683064</u>

Raw Material (Grey) Consumed :		
Opening Stock	106454550	73722120
Add: Purchase	1271306176	1385672143
Add: Purchase (Import)	0	333000
Add: Custom Duty	0	108962
Add: Clearing Forwarding	0	45640
Add: Grey Dalali	4259901	5213360
	<u>1382020627</u>	<u>1465095225</u>
Less: Return	0	67553
Less: Closing Stock	138579427	106454550
	<u>1243441200</u>	<u>1358573122</u>

**Colour Chemical Consumed :**

Opening Stock	8536183	8104365
Add: Purchase	178551914	142651732
Add: Purchase (Import)	29996482	19873695
Add: Custom Duty & Premium	6466823	5873144
Add: Clearing & Forwarding	690742	537684
	224242144	177040620
Less: Resale	3879642	286694
Less: Return	48048	34850
	220314454	176719076
Less: Closing Stock	11736690	8536183
	208577764	168182893

Packing Material Consumed :

Opening Stock	1013017	205115
Add: Purchase (Net of Return)	38683071	40270730
	39696088	40475845
Less: Sales	139853	45901
Less: Closing Stock	502359	1013017
	39053876	39416927
TOTAL	1707608099	1614856006

SCHEDULE " L " OF MANUFACTURING & OTHER EXPENSES

Process Charges	71460351	68661962
Power & Fuel Consumed	124029215	81188902
Excise Duty	934141	1087006
Freight & Octroi	14420681	18388813
Payments & Provision to Employee's	20200895	17563414
Stores & Spares	39263289	33871306
Machinery Repairs & Maintenance	5774668	5256462
Factory Expenses	30800	28880
Testing charges	1074253	95059
Gujarat Pollution Control Board	1641930	76400
	278830223	226218204

PAYMENTS & PROV. TO EMPLOYEE'S

Salary & Bonus	17723949	15678227
P.F.	1387223	1270891
Wages	605265	614296
ESI	484458	0
	20200895	17563414

SCHEDULE " M " OF ADMINISTRATIVE & SALLING EXPENSES

Postage & Angaria	1311132	1525006
Telephone Expenses	1153165	1349548
Printing & Stationery	897263	667016
Rent Rate & Taxes	3175945	1146811
Books Periodicals & Others	0	565
Computer Repairs & Maintenance expenses	259993	257992
Repairs to Buildings	110466	21540



Cartage	837177	350017
Insurance Charges	2055350	1636391
Brokerage & Commission Dalali	8857430	6553019
Claim Vatav Incentive (Net)	1883315	2030087
Legal & Professional Charges	2913436	3128292
Auditors Remuneration	300000	200000
Advertisement	68009	123261
Charity & Donation	103100	120300
Clearing & forwarding outward	22339436	21031580
ECGC & Inspaction charges	1535224	1063576
Electric Expenses	1327379	265658
Staff welfare	172416	157004
Sales Promotion Expenses	61258	150941
Sales Tax	113915	454984
General Expenses	85018	44426
Vehicle Expenses	793017	586977
Service Tax	860643	605343
Travelling Expenses	946072	1312809
Metador Expenses	699462	615848
Subscription & Membership	31990	466889
Medical Expenses	0	51410
Preliminary Exp. W/o	194821	194821
ROC & Stock Exchange exp.	101468	147491
Air Condition Repairs	155107	18553
Loss on sales of Assets	924663	0
Sample Expenses	9873	0
	<u>54277543</u>	<u>46278155</u>

SCHEDULE "N" OF FINANCIAL CHARGES

Bank Commission & Charges	4977554	5504141
Bank Interest	41786443	34957013
Other Interest	1381921	1896748
	<u>48145918</u>	<u>42357902</u>

SCHEDULE OF POWER & FUEL

Opening Stock	802776	372775
Add: Purchase of Coal	86089161	51486135
Add: Electricity exp.	37578218	30132768
	124470155	81991678
Less: Closing Stock	440940	802776
	<u>124029215</u>	<u>81188902</u>

SCHEDULE OF STORES & SPARES

Opening Stock	1435634	299180
Add: Purchase	32346499	34215959
Add: Purchase (IMPORT)	8183727	672233
Add: Custom Duty & Premium	554009	99568
Add: Clearing & Forwarding	182019	20000
	42701888	35306940
Less: Closing Stock	3438599	1435634
	<u>39263289</u>	<u>33871306</u>

SCHEDULE "E" OF FIXED ASSETS

SR. NO.	NAME OF ASSETS	%	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK		
			AS ON 31/03/08	ADDITION	DEDUCTION	TOTAL 31-Mar-09	AS ON 31-Mar-08	FOR THE YEAR	ADJUST.	AS ON 31-Mar-09	AS ON 31-Mar-09	AS ON 31-Mar-08
1	PLANT & MACHINERY	27.82%	193791928	29063985	6596264	216259649	113960187	24512277	4821601	133650863	82608786	79831741
2	FACTORY BULDING	10.00%	70866049	5232859	0	76098908	24965795	4834328	0	29800123	46298785	45900254
3	ELECRIC INSTALATION	13.91%	4994387	0	0	4994387	3824597	162718	0	3987315	1007072	1169790
4	AIR CONDITION	13.91%	2039517	191750	0	2231267	875986	184036	0	1060022	1171245	1163531
5	COMPUTER	40.00%	3747638	676552	0	4424190	3006549	551914	0	3558463	865727	741089
6	CYCLE	20.00%	29780	0	0	29780	22402	1910	0	24312	5468	7378
7	FURNITURE	18.10%	5026224	4794709	0	9820933	2970282	532401	0	3502683	6318250	2055942
8	MOTOR CAR	25.89%	6269706	524271	0	6793977	2260162	1119139	0	3379301	3414676	4009544
9	OFFICE EQUIPMENT	13.91%	1872577	128803	0	2001380	1056278	126379	0	1182657	818723	816299
10	TUBEWELL	5.00%	2735552	38145	0	2773697	820380	97210	0	917590	1856107	1915172
11	SCOOTER & M.CYCLE	25.89%	1975258	887217	0	2862475	1204681	359613	0	1564294	1298181	770577
12	METADOR	30.00%										
13	WATER POLLUTION	20.87%	5998597	0	0	5998597	5333961	184902	0	5518863	479734	664636
14	ROAD	5.00%	950282	0	0	950282	143391	40345	0	183736	766546	806891
15	ZEROX	13.91%	313458	0	0	313458	134775	24855	0	159630	153828	178683
	TOTAL A		300610953	41538291	6596264	335552980	160579426	32732027	4821601	188489852	147063128	140031527
	WORK-IN-PROCESS											
	PLANT & MACHINERY		5304969	131250	5304969	131250	0	0	0	0	131250	5304969
	FACTORY BULDING		1638296	0	1638296	0	0	0	0	0	0	1638296
	TOTAL B		6943265	131250	6943265	131250	0	0	0	0	131250	6943265
	TOTAL A + B		307554218	41669541	13539529	336866230	160579426	32732027	4821601	188489852	147194378	146974792
	PREVIOUS YEAR		278185086	32449574	3080442	307554218	136715607	26584642	2720823	160579426	146974792	141469479





SCHEDULE "O" OF NOTES ON ACCOUNTS

1. Schedule "A" to "O" forms the integral parts of Balance Sheet, as at 31st March 2009 & Profit & Loss Account for the year ended on the date.
2. Significant Accounting policies

Accounting Convention

The financial statement 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. Difference 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 month of such addition / deletion as the case may be.

Investments

Long term investments are stated at cost. Current investments are stated at lower of cost and market price. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.

Inventories

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 in the notes.

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

3. Figures have been rounded off to nearest rupee.
4. Previous year figures have been regrouped, rearranged, wherever found necessary.
5. Balances of Sundry Debtors, Creditors, Loans and advances are subject to confirmation.
6. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in Balance Sheet if realized, in the ordinary course of the business. The provision for all liability is adequate and not in excess of the amount reasonably necessary.
7. There is no amount overdue to small scale and / or Ancillary Industrial suppliers on account of principal and / or interest as at the close of the year. This information is based on the data/ particulars received by the company from the parties.
8. Provision for income tax is based on the taxable profits of the company in accordance with the Income Tax Act.
9. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. NIL (Prev. Yr. Rs. NIL).
10. Amount of borrowing cost capitalized as per "Accounting Standard-16", during the year was Rs. NIL.
11. There is no lease transaction during the year as per "Accounting Standard - 19".
12. As required by "Accounting Standard -20" the basic Earning per Share (EPS) is Rs.2.78 arrived at by dividing the Profit After Tax (PAT) by the total number of shares issued and subscribed as at the end of the year.
13. There are no separate reportable segments as per Accounting Standard 17 as the entire operations of the Company relate to one segments, viz. the Textile.
14. Disclosures in respect of related parties as defined in Accounting Standard 18, with whom transactions have taken place during the year are given below:-
 - (a) Associate Bodies Corporate: Parth International P. Ltd
 - (b) Associate Concerns Aakruti Textile
in which directors or their relatives are interested
 - (c) Directors and their relatives:
 - Shri Subhakaran T. Agarwal
 - Shri Vasudev S. Agarwal
 - Shri Vasudev S. Agarwal HUF
 - Shri Vasudev S. Agarwal Family Trust
 - Shri Ravi kumar S. 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



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

Sr. No.	Particulars	Associates Companies	Directors' & Relatives	Concerns in which Directors are interested
1.	Sales & other Inc.	30021861	NIL	30402511
2.	Purchase & other Ser.	55489162	NIL	145247390
3.	Remuneration	NIL	5310000	NIL
4.	Deposit Received	2200000	12550000	NIL
5.	Deposit Paid	5400000	9150000	NIL
6.	Interest Recd.	NIL	NIL	NIL
7.	Interest Paid	NIL	433567	NIL
8.	Rent Paid	NIL	2490000	NIL
9.	Sale of Investment	NIL	NIL	NIL
10.	Balance outstanding			
	Dr./Cr. (Net)	4468083 CR	5218909 CR.	459961 DR.

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

14. Earning Per Share (EPS):

Particulars	2008-2009	2007-2008
Profit after tax as per profit & loss Account	300,48,531	3,26,05,093
Number of Equity Shares (Previous yr. Weight age average number of Equity Shares) (Face value Rs. 10/- each)	108,01,000	64,92,404
Basic and Diluted EPS	Rs.2.78	Rs. 5.02

15. Additional information pursuant to the provisions of para 3 & 4 of part II, schedule VI of the Companies Act, 1956 to the extent applicable to the company.

(A) Quantitative Information

	Current Year	Previous Year
1. Licensed Capacity	Not Applicable	Not Applicable
2. Installed Capacity	Not Ascertainable	Not Ascertainable
3. Quantitative Details:-	Current Year	Previous Year

A. Raw Material Consumed (Indigenous Only)

	Current Year		Previous Year	
	Qty (Mtr+Kg.)	Amt.	Qty. (Mtr/Kg.)	Amt.
Grey Cloth (Mtrs)	4,17,21,159	124,34,41,200	5,25,81,141	135,85,73,122
Colour & Chemicals	—	20,85,77,764	—	16,81,82,894
Packing materials	—	3,90,53,876	—	3,94,16,927
Production	3,25,53,873	—	2,79,92,262	—
Purchases(Finished)	42,44,663	21,65,35,259	10,25,537	4,86,83,064
Sales Net(Finished)	2,78,22,758	129,29,68,528	1,91,00,305	83,66,63,870
Sales (Export)	89,20,370	40,03,04,910	84,18,819	37,30,82,594
Sales (Greyt)	72,22,039	21,39,00,824	2,35,65,638	52,83,86,112
Job Sale.	2,06,00,481	17,70,96,792	—	18,37,85,310

B. Closing Stock

Finished Goods	32,38,185	14,94,38,932	31,82,776	11,46,98,146
Semi Finished Goods	14,20,708	4,61,14,604	11,12,001	3,30,68,600
Grey	50,69,427	13,85,79,427	45,73,510	10,64,54,550

4. Consumption of imported and indigenous Grey Cloth

Imported	NIL	NIL	0.003%	43,307
Indigenous	100 %	124,34,41,200	99.997%	135,85,29,815

5. Consumption of imported and indigenous Colour & Chemicals

Imported	15.76%	3,28,78,602	14.73%	2,47,71,011
Indigenous	84.24%	17,56,99,162	85.27%	14,34,11,883

6. Consumption of imported and indigenous store & spare parts

Imported	16.49%	64,74,190	1.15%	3,88,325
Indigenous	83.51%	3,27,89,099	98.85%	3,34,82,981

***7. Auditors Remuneration:-**

(a) For Audit	2,00,000	1,00,000
(b) For Tax Audit and others	25,000	25,000
(c) For Representation	75,000	75,000
16. CIF value of imports	Rs. 5,39,35,601	Rs. 2,75,63,926
17. Expenditure in foreign currency	2,23,800	4,66,426
18. Earning in foreign currency (Export at CIF Value)	Rs. 40,03,04,910	Rs. 37,30,82,594

19. Information pursuant to part IV of Schedule VI of the Companies Act, 1956 .

1. REGISTRATION DETAILS

Registration No.	: 7048
State Code	: 04
Balance Sheet Date	: 31.03.2009

2. CAPITAL RAISED DURING THE YEAR

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

3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

(Fig. – in Thousand)

Total Liabilities	: 809352
Total Assets	: 809352
a) Sources of Funds	
Paid – up Capital	: 108010
Reserves & Surplus	: 103010
Secured Loans	: 495358
Unsecured Loans	: 101092
*Deferred Tax Liability	: 1882
b) Application of Funds	
Net Fixed Assets	: 147194
Investments	: NIL
Net Current Assets	: 661573
Miscellaneous Expenditure	: 585

4. PERFORMANCE OF COMPANY

Total Income	2168951
Total Expenditure	2121594
Profit Before Tax	47357
*Profit after Tax	30048
*Earning Per Share (Rs.)	2.78
Dividend Rates	5 %

5. GENERIC NAME OF THREE PRINCIPAL PRODUCTS OF THE COMPANY

(As per monetary terms)

Item Code	Product
a) 55164	Printed Fabrics

Place: Ahmedabad

Date: 25-07-2009

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

For, M/s. Anjani Synthetics Ltd.
Subhakaran Agarwal (Chairman)
Vasudev Agarwal (Managing Director)
Manoj Lunia (Director)

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



Anjani Synthetics Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2009

	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS		47,357,432
ADJUSTMENT FOR :		
DEPRECIATION	32,732,027	
LOSS ON SALE OF FIXED ASSETS	924,663	
PRELIMINARY EXPENSES	194,821	
INTEREST PAID	43,168,364	
INTEREST RECEIVED	-1,685,993	75,333,882
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		122,691,314
ADJUSTMENT FOR :		
TRADE AND OTHER RECEIVABLES	47,297,278	
INVENTORIES	-84,169,681	
LOANS AND ADVANCES	-11,911,072	
TRADE PAYABLES	-9,126,813	-57,910,288
CASH OUT FLOW FROM OPERATIONS		64,781,026
CASH OUT FLOW BEFORE EXTRAORDINARY ITEMS		64,781,026
DIRECT TAX PAID		-18,960,000
EXTRAORDINARY ITEMS (PRIOR YEAR'S TAX)		-786,080
NET CASH OUT FLOW FROM OPERATING ACTIVITIES		45,034,946
B. CASH FLOW FROM INVESTING ACTIVITIES :		
SALE OF FIXED ASSETS	850,000	
SALE OF INVESTMENT	0	
INTEREST RECEIVED	1,685,993	
PURCHASES OF FIXED ASSETS	-34,726,276	
NET CASH OUT FLOW FROM INVESTING ACTIVITIES		-32,190,283
C. CASH FLOW FROM FINANCING ACTIVITIES		
INCREASE IN SECURED LOANS	38,132,424	
INCREASE IN UNSECURED LOANS	285,902	
INTEREST PAID	-43,168,364	
DIVIDEND PAID	-6,318,314	
NET CASH FLOW IN FINANCING ACTIVITIES		-11,068,352
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT		1,776,311
CASH AND CASH EQUIVALENT AS AT 31.03.2008 (OPENING CASH BALANCE)		4,888,020
CASH AND CASH EQUIVALENT AS AT 31.03.2009		6,664,331
CLOSING CASH BALANCE		6,664,331

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 2009 and found the same in agreement therewith.

For, Nahta Jain Associates
Chartered Accountants

PLACE : AHMEDABAD
DATE : 25th July, 2009

(CA. Gaurav Nahta)
Partner
M. No. 116735

FOR. ANJANI SYNTHETICS LIMITED

Vasudeva
Director/Authorized Signatory



ANJANI SYNTHETICS LIMITED

Regd. Office: 202, Kaivanna, Near Panchvati Circle, Ahmedabad - 380006

PROXY FORM

Regd. Folio No. : _____ Shares held : _____

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 25th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2009 at 10.00 a.m. at Plot No. 140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad- 382405 and at any adjournment thereof.

Signed on this _____ day of _____ 2009.

Signature of the Shareholder(s) : _____

Affix a 1 Rupee Revenue Stamp
--

" 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.

✂ ----- Cut Here -----

ANJANI SYNTHETICS LIMITED

Regd. Office: 202, Kaivanna, Near Panchvati Circle, Ahmedabad - 380006

ATTENDANCE SLIP

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

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

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

Name of the attending Member/ Proxy : _____

[IN BLOCK LETTER]

I hereby record my presence at this 25th Annual General Meeting held at Plot No. 140, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad- 382405 on Wednesday, 30th September, 2009 at 10.00 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.

BOOK - POST

TO,

If Undelivered please return to :

ANJANI SYNTHETICS LTD.

Regd Office :

202, "Kaivanna" Near Panchvati Circle, Ambawadi, Ahmedabad-380 006.

GIRISH - AHMEDABAD Ph. 22778341