



**SWASTI VINAYAKA SYNTHETICS LIMITED**

---

**30TH ANNUAL REPORT 2011-12**



Lord Ganesh Temple - Tarapur Plant

## **Swasti Vinayaka's Corporate Philosophy**

*As a responsible member  
of the society,*

*Swasti Vinayaka is committed to:*

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

---

*Maintaining steady growth in  
revenues and profits.*

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

Corp. Off.: 306, Tania Jogani Industrial Estate, J.R.Boricha Marg, Lower Parel,  
Mumbai - 400011. Tel.: +91(22) 4344 3555 Fax: +91(22) 2307 1511



The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance", vide its circular nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011 permitted companies to send documents like Notices of Meetings, Annual Reports and other shareholder communication through electronic mode. Further, Clause 32 of the Listing Agreement with Stock Exchanges permits dispatch of the aforesaid documents through electronic mode to those of its members who have registered their email address with the company.

The Company will send the Annual Report together with the Notice of Annual General Meeting, to all subsequent shareholders in electronic mode to the email address registered by its members with the Depositories viz. NSDL and CDSL.

**A) Shareholders holding shares in Demat Account**

Please update the change, if any, in your e-mail address with your Depository Participant (DP) with whom you are holding Demat account. In case, you have not registered your email address, please register the same with your DP.

**B) Shareholders holding shares in Physical form**

Please inform us your email address by filling the form given below and send at 303, Tania Jogani Industrial Estate, J.R. Boricha Marg, Next to Lodha Bellissimo, Lower Parel, Mumbai 400 011, or write an email to us at [investors@svgcl.com](mailto:investors@svgcl.com).

The below email address will be treated as registered email address for serving the correspondence/documents including those covered under Section 219 or any other relevant Section as per Section 53 of the Companies Act, 1956. Annual report being served in electronic form will be available on our corporate website [www.swastivinayaka.com](http://www.swastivinayaka.com)

We are sure that you will cooperate with the Company in its endeavor to participate in the "Green Initiative" taken by MCA and in protecting the environment.

Thanking you,

Yours faithfully,

**For Swasti Vinayaka Synthetics Limited**

Nagabhushan Hegde  
Compliance Officer

\_\_\_\_\_ ✂ \_\_\_\_\_

Name: \_\_\_\_\_

Folio No.: \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Registered Address: \_\_\_\_\_

Email address: \_\_\_\_\_

Please register the above email address and send all documents/ correspondence on the said email address.

Signature: \_\_\_\_\_

**BOARD OF DIRECTORS:**

**Ramprasad Poddar**  
Chairman

**Rajesh Kumar Poddar**  
Managing Director

**Dinesh Kumar Poddar**  
**Sanjiv Vishwanath Rungta**  
**Nirmal Kumar Jain**  
**Piyush Shah**  
**Rakesh Garodia**  
Directors

■ **REGISTERED OFFICE:**

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

■ **CORPORATE OFFICE:**

306, Tantia Jogani Industrial Estate,  
J.R. Boricha Marg, Lower Parel,  
Mumbai - 400011.  
Tel.: 022-4344 3555  
Website : [www.swastivinayaka.com](http://www.swastivinayaka.com)  
E-mail : [contact@swastivinayaka.com](mailto:contact@swastivinayaka.com)

■ **BANKERS:**

HDFC Bank Ltd.

■ **AUDITORS:**

P.V. Dalal & Co.,  
Chartered Accountants.

■ **SOLICITORS AND LEGAL ADVISORS:**

Kanga & Company

■ **WORKS:**

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

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



**SWASTI VINAYAKA SYNTHETICS LIMITED**

**30th Annual Report 2011-2012**

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**30<sup>th</sup> ANNUAL GENERAL MEETING**

**Date** : 22<sup>nd</sup> September, 2012

**Time** : 11.00 A.M.

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

**REGISTRARS & TRANSFER AGENTS:**

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

Tel No. : 022 - 4043 0200

Fax No. : 022 - 2847 5207

E-Mail : [info@bigshareonline.com](mailto:info@bigshareonline.com)

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the 30th Annual General Meeting of the Members of Swasti Vinayaka Synthetics Limited will be held on Saturday, September 22, 2012 at 11.00 A.M. at the Registered Office of the Company at J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra - 401506 to transact the following Business: -

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit and Loss Account for the year ended on that date together with the Director's and Auditor's 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 M/s. Sanjay Raja Jain & Co., Chartered Accountants, Mumbai, (FRN. 120132W) as Statutory Auditors of the company in place of retiring Auditors M/s. P V Dalal & Co. Chartered Accountants, Mumbai, (FRN. 102049W) who have informed their unwillingness to be re-appointed as Statutory Auditors of the company.

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

**Ramprasad Poddar**  
(Chairman)

### Registered Office:

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

Place: Mumbai

Date: 26th May, 2012

### 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, 15th September, 2012 to Saturday, 22nd September, 2012 (Both days inclusive).
3. Dividend, if declared, shall be disbursed to the members:-
  - a) Whose name appears as Beneficial Owners as at the end of business hours on 14th September, 2012 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 14th September, 2012.

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

**Ramprasad Poddar**  
(Chairman)

### Registered Office:

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

Place: Mumbai

Date: 26th May, 2012

## DIRECTOR'S REPORT

To  
The Members,

We are delighted to present the 30th Annual Report on our business and operations for the year ended 31st March, 2012.

### 1. FINANCIAL RESULTS HIGHLIGHTS:

(Rs. In Lacs)

SR. NO.	PARTICULARS	31.03.2012	31.03.2011
1.	Revenue		
	i. From Operations	1617.50	1590.41
	ii. Other Income	21.58	15.07
	Total	1639.08	1605.48
2	Less: Expenses		
	i. Employee Benefit Expenses	76.67	68.36
	ii. Financial Cost	43.00	61.42
	iii. Depreciation	35.69	43.90
	iv. Other Expenses	1413.16	1371.66
	Total	1568.52	1545.34
3.	<b>Profit Before Tax (1-2)</b>	70.56	60.14
4.	Less: Tax Expense		
	i. Current Year	19.00	18.50
	ii. Earlier Years Tax	(3.16)	-
	iii. Deferred Tax	-	-
5.	<b>Profit After Tax (3-4)</b>	54.72	41.64
6.	Prior Year Adjustment	7.93	1.31
7.	<b>Net Profit</b>	62.65	42.95
8.	Balance Carried from previous year	(43.42)	(53.72)
9.	Amount Available for appropriation	19.22	(10.77)
10.	Appropriations:		
	i. Dividends	35.00	28.00
	ii. Tax on Dividends	5.68	4.65
11.	Balance Carried to Balance Sheet	(21.45)	(43.42)
12.	Basic and diluted EPS (Rs)	0.09	0.06

### 2. DIVIDEND:

We are pleased to announce that your Board of Directors has recommended dividend of 0.05 paise per equity share of Re. 1/- each (5%) aggregating Rs. 35.00 Lacs for the year ended on 31st March, 2012.

### 3. OPERATIONS OF THE COMPANY:

In FY 2012, supported by our strong distinct product offering in textiles, our total income during the year under review increased to Rs. 1639.08 Lacs from Rs. 1605.48 Lacs in the previous year, at a growth rate of 2.09%. The Profit Before Tax for the current year is Rs. 70.56 Lacs as compared to the last year Profit Before Tax of Rs. 60.14 Lacs. The Profit after Tax (PAT) for the current year stood at Rs. 54.72 Lacs, as compared to the last year's PAT of Rs. 42.95 Lacs.

The textile industry was in turmoil in the current year and huge price fluctuation in cotton price and slack demand in the global and domestic market made the year highly challenging, in which your Company has shown good progress. This year if the monsoons improves, the festive season should garner good orders for the company.

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

### 4. DIRECTORS:

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

## 5. DIRECTOR'S RESPONSIBILITY STATEMENT:

The Directors state that: -

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

## 6. FIXED DEPOSITS:

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

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

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

## 8. CORPORATE GOVERNANCE:

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

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

## 9. MANAGEMENT DISCUSSION AND ANALYSIS:

### a. Corporate Overview:

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

### b. Overview of the Economy:

After a good year 2010-11 during which the economies across the world showed the signs of recovery, FY 2012 witnessed a turbulent business environment that moderated growth.

The year started with optimism but as it progressed, there were challenges with inflation, decelerating growth and worsening investment climate which adversely impacted consumer sentiments. The global economic environment was confronted with geo-political instability, Eurozone sovereign debt crisis, fluctuating global commodity prices, etc. Global growth is projected to be 3.5% for the current year 2012. US economy is expected to continue its slow recovery, whilst the Eurozone grapples with its debt crisis.

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

### c. Industry Structure and Developments:

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

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

### d. Business Overview:

The Company deals in Textiles Fabrics, Readymade Garments and Yarn Doubling. SVSL has a very strong presence in India which can fetch viable business opportunities in the Company's business segment. The Company has launched aggressive marketing schemes and introduced variety of cotton and P/C shirting fabrics to cater to the demand of the RMG and Corporate sector. Trent Ltd., Pantaloon Retail Ltd., Reliance Industries Ltd., The Bombay Dyeing Ltd., Tata Power Ltd., 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.

## e. Opportunities and Threats:

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

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

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

## f. Internal Control systems and their Adequacy:

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

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

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

## g. Cautionary Statement:

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

## 10. LISTING ARRANGEMENT:

Your Company continues to be listed on the Stock Exchange, Mumbai where the Company's Shares are being actively traded. The Company has paid Listing Fees for the year 2011-2012.

## 11. AUDITORS:

M/s. P V Dalal & Co. Chartered Accountants, Mumbai, (FRN. 102049W), Statutory Auditors have expressed their unwillingness to be reappointed as Statutory Auditors of the Company.

Company has received special notice under section 225 of the Companies Act, 1956, from a member for the appointment of M/s. Sanjay Raja Jain & Co., Chartered Accountants, Mumbai, (FRN 120132W) as the statutory Auditors, who if appointed, will hold office from the conclusion of this Annual General Meeting till conclusion of the next Annual General Meeting.

## 12. EMPLOYEES:

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

## 13. ACKNOWLEDGEMENTS:

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

By Order of the Board  
For Swasti Vinayaka Synthetics Ltd.

Ramprasad Poddar  
(Chairman)

**Registered Office:**

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

Place: Mumbai

Date : 26th May, 2012



## ANNEXURE TO DIRECTOR'S REPORT

(FORM - A) (See Rule 2)

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

#### PART 'A'

#### POWER & FUEL CONSUMPTION

(1)		2011-2012	2010-2011
A	<b>Purchased</b>		
	Unit (KWH)	803365	793165
	Total Amount (Rs. Lacs)	32.06	27.75
	Rate per unit (Rs)	3.99	3.50
B	<b>OWN GENERATION</b>		
	Through Diesel Generator:		
	Units (KWH)	-	-
	Units per Ltr. of Diesel Oil	-	-
	Cost per unit (Rs.)	-	-
(2)	<b>COAL</b>		
	Quantity (Kgs)	-	-
	Total Cost (Rs. In lacs)	-	-
	Average rate per Kg. (Rs.)	-	-
(3)	<b>GAS</b>		
	Quantity (Kgs)	-	-
	Total Cost (Rs. In Lacs)	-	-
	Average rate per Kg. (Rs)	-	-
(4)	<b>DIESEL OIL</b>		
	Quantity (Ltrs)	802	1200
	Total Cost (Rs. Lacs)	0.36	0.49
	Average Rate per Ltr. (Rs)	44.55	41.01

#### PART 'B'

#### CONSUMPTION PER UNIT OF PRODUCTION ENERGY

#### ENERGY

#### FABRICS PROCESSING (PER METER)

	Current Year	Previous Year
Electricity (Kwh.)	0.60	0.71
Coal (Kgs.)	-	-

#### A. CONSERVATION OF ENERGY:

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

#### B. TECHNOLOGY AND TECHNICAL ABSORPTION AND ADOPTION:

##### 1. TECHNOLOGY ABSORPTION

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

##### 2. RESEARCH & DEVELOPMENT

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

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai  
Date: 26.05.2012

**RAMPRASAD PODDAR**  
(Chairman)

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

### 2. BOARD OF DIRECTORS:

Your Company is managed and controlled by the professional Board of Directors. The Board is entrusted with the ultimate responsibility of the management, general affairs, directions and performance of the Company. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and to separate the functions of governance and management. As on March 31, 2012, the Board of Directors comprises of 7 Directors, of which 2 Directors are Non - Executive, 1 executive Managing Director and 4 are Independent Directors. The Chairman is non- executive and a promoter of the Company. Your Company's Board consists of eminent persons with considerable professional expertise and experience thereby ensuring the best interest of stakeholders and the Company. The Company is in compliance with the clause 49 of the listing Agreement pertaining to compositions of Directors. The Board periodically evaluates the need for change in its composition and size.

#### (A) THE CONSTITUTION OF THE BOARD AS ON MARCH 31, 2012

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

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

### (B) BOARD PROCEDURE

The Board meets at regular intervals to discuss and decide on business strategies/policies and financial performance of the Company. The Board of the Company met 8 (eight) times during the year ended 31.03.2012 and the gap between two meetings did not exceed four months. The dates of those meetings were April 18, 2011, May 30, 2011, July 23, 2011, September 24, 2011, October 24, 2011, November 17, 2011, December 05, 2011 and January 16, 2012. Notice and Agenda were circulated in advance of each meeting of the Board. The information as required under Annexure IA to Clause 49 of the Listing Agreement is being made available to the Board. The Chairman briefed the Board at every meeting on the overall performance of the Company.

#### Board Business:

The Board mainly deliberated on the following subjects:

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

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

Name of the Directors No. of Board Meeting Attended Attendance At last AGM Held on September 24, 2011 Remarks

Name of the Directors	No. of Board Meeting Attended	Attendance At last AGM Held on Sept. 24, 2011	Remarks
Ramprasad Poddar	8	Yes	--
Dinesh Kumar Poddar	8	Yes	--
Rajesh Kumar Poddar	8	Yes	--
Rakesh N. Garodia	4	No	--
Nirmal Jain	4	No	--
Piyush Shah	4	No	--
Sanjiv V. Rungta	4	No	--

### (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 Kumar Poddar is one of the promoters of the Swasti Vinayaka Group and highly experienced in diverse activities. He is 46 years old and is B. Com, MBA, MS (USA Communication) by qualification. He is a key person in the group Company business like finance, investment in share market, gems, jewellery and semi-precious stone carving activities. His continuation 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, 54 years old is having more than 20 years of experience in the field of stock market and finance. His continuation on the Board will be beneficial and an asset to the Company.

### 3. COMMITTEES OF THE BOARD:

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

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

#### I) AUDIT COMMITTEE:

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

##### **Terms of Reference of Audit Committee:**

The Audit Committee inter-alia performs the following functions:

- approving Annual Internal Audit Plan
- Review of Financial Reporting System
- Internal Controls System
- discussion on quarterly, half-yearly and annual financial results
- interaction with Statutory and Internal Auditors,
- meeting with Statutory and Internal Auditors
- recommendation for the appointment of Statutory Auditors and fixing their remuneration
- appointment and remuneration of Internal Auditors
- Review of Business Risk Management Plan

- Review of Management Discussions & Analysis,
- Review of Internal Audit Reports
- Review of significant related party transactions.

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

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

##### **Composition**

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

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

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

During the year ended March 31, 2012; Four Audit Committee Meetings were held on May 30, 2011, July 23, 2011, October 24, 2011 and January 16, 2012 and there was no time gap of more than four months between any two meetings. All the member's have attended the meeting of the Audit Committee.

#### ii) REMUNERATION COMMITTEE:

##### **Terms of Reference :**

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

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

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

**Composition:**

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

The Composition of the Committee is as follows:

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

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

Sr. No.	Name of Directors	Salary	Benefits	Total
1.	Rajesh Poddar	5,61,000	9,14,950	14,75,950

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

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

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

**Terms of Reference:**

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

- approval of transfer of shares/ debentures and issue of duplicate / split/ consolidation/ sub - division of shares/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to change the signatories for availment of various facility from Banks/Financial Institution;
- to grant authority to execute and sign foreign exchange contracts and derivative transactions; and
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

**Composition:**

The present composition of committee is as follows:

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

The Company's shares are compulsory traded in the

dematerialized form and have to be delivered in the dematerialized form at Stock Exchanges. To expedite transfers in the physical segment, Mr. N T Hegde, CEO, is acting as Compliance Officer.

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

**4. GENERAL BODY MEETINGS:**

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

Financial Year	Date	Location of the Meeting	Time	Details of Special Resolution passed
31.03.2011	24.09.2011	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.	Re- appointment of Mr. Rajesh Poddar as the Managing Director of the Company for three years w.e.f 1st January, 2011
31.03.2010	25.09.2010	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.	No Special Resolution was passed at the meeting
31.12.2008	27.06.2009	J-15, M.I.D.C., Tarapur, Boisar, Dist. Thane, Maharashtra-401506	11.00 A.M.	No Special Resolution was passed at the meeting

No postal Ballot was conducted in the year 2011-12. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

**5. DISCLOSURE:**

The Company had not entered into any transaction of a material nature, which will have a conflict with its interest during the year. The disclosure of related party transactions as required by the accounting standard (AS) 18 on 'Related Party disclosures' issued by the Institute of Chartered Accountants of India (ICAI) is given under note no. Z of notes on the annual accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

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

**6. MEANS OF COMMUNICATIONS:**

The quarterly, half yearly and annual results are communicated to the Mumbai Stock Exchange where the Company's shares are 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. Annual General Meeting 2012**

<b>DAY AND DATE</b>	Saturday, 22nd September, 2012
<b>TIME</b>	11.00 A.M.
<b>VENUE (at the registered office of the Company)</b>	J-15, MIDC Tarapur, Boisar, Dist. Thane, Maharashtra - 401506
<b>BOOK CLOSURE DATE FOR DIVIDEND</b>	15th September, 2012 to 22nd September, 2012 (both days inclusive)
<b>LAST DATE OF RECEIPT OF PROXY FORMS</b>	20th September, 2012

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

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

- c. Date of Book Closure : Saturday 15th September, 2012 to Saturday 22nd September, 2012 (Both days inclusive)
- d. Dividend payment date : Within 30 days of AGM; if approved by the Shareholders of the Company.
- e. Listing at stock Exchanges : The Stock Exchange, Mumbai.
- f. Stock Code : Physical Segment - BSE: 510245  
NSDL/CDSL-ISIN: INE804A01025
- g. Stock Market Data : The monthly high and low process during the year at BSE is as follows:

<b>Months</b>	<b>Mumbai Stock Exchange</b>	
	<b>High</b>	<b>Low</b>
April, 2011	8.74	6.45
May, 2011	7.30	4.30
June, 2011	8.73	6.38
July, 2011	8.05	5.71
August, 2011	6.16	2.78
September, 2011	3.54	2.39
October, 2011	2.90	2.06
November, 2011	2.87	1.94
December, 2011	2.65	1.99
January, 2012	2.34	1.90
February, 2012	2.87	2.05
March, 2012	2.30	1.60

**h. Share Holding Pattern as on 31.03.2012:**

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Promoters	35700000	51.00
Mutual Funds, Banks, etc.	0	0.00
Corporate Bodies	5841921	8.31
NRI / OCB's	31561	0.05
Indian Public	28426518	40.61
<b>TOTAL</b>	<b>70000000</b>	<b>100.00</b>

\* Out of these, 65578020 (93.68%) shares are Dematerialised and the balance 4421980 (6.32%) are lying in physical form as on 31.03.2012.

**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 ON 31.03.2012:**

<b>No. of Share Held</b>	<b>No. of Share holders</b>	<b>%</b>	<b>Total Holding in Rupees</b>	<b>%</b>
1 TO 5000	8209	89.75	10520173	15.03
5001 TO 10000	474	5.18	3750131	5.36
10001 TO 20000	211	2.31	3104881	4.44
20001 TO 30000	80	0.87	2023973	2.89
30001 TO 40000	37	0.40	1322818	1.89
40001 TO 50000	30	0.33	1388890	1.98
50001 TO 100000	44	0.48	3276879	4.68
100001 & ABOVE	62	0.68	44612255	63.73
<b>TOTAL</b>	<b>9147</b>	<b>100.00</b>	<b>70000000</b>	<b>100.00</b>

**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.: 40430200.

**m. COMPLIANCE OFFICER:**

Mr. Nagabhushan Hegde,  
306, Tanti Jogani Industrial Estate,  
J. R. Boricha Marg, Lower Parel,  
Mumbai - 400 011.  
Phone No.: 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: (ADDRESS FOR CORRESPONDENCE)	306, Tantia Jogani Industrial Estate J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.
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## CERTIFICATE REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

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

We have reviewed the compliance of conditions of Corporate Governance by **SWASTI VINAYAKA SYNTHETICS LIMITED**, for the year ended on March 31, 2012, 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, subject to our comment hereunder, 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: 26<sup>th</sup> May, 2012

S/d  
Proprietor  
C. P. No. 1571

## AUDITOR'S REPORT

**To the Members**

**Swasti Vinayaka Synthetics Limited**

1. We have audited the attached Balance Sheet of Swasti Vinayaka Synthetics Limited as at 31st March 2012, 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 March 2012 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 Z 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 March 2012, 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  
(Firm Registration No. 102049W)

**(PARESH V. DALAL)**  
PROPRIETOR  
Mem. No. 033355.

Mumbai, Dated: 26th May, 2012

## 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 31st March 2012)

- i) a. The Company has maintained reasonable records showing full particulars including quantitative details and situation of fixed assets.
  - 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 major 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/ granted unsecured loans from companies/other parties listed in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year and the year end balance of such loan was Rs.207.00 lacs and Rs.144.23 lacs respectively.  
The company has granted unsecured loan to company listed in the register maintained under section 301 of the Act. The maximum amount involve during the year and the year end balance of such loan was Rs.39.70 lacs and Rs.37.31 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 amounts were outstanding as at 31st March 2012, for 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 wealth tax, sales tax, customs duty, excise duty.
- x) As at the balance sheet date, the company has accumulated losses and the company has not incurred cash loss in the current financial year and has not incurred cash loss in the immediately preceding financial Period.
- 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 of 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 not obtained the term loan.
- 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. Hence clause xix and xx 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  
(Firm Registration No. 102049W)

**(PARESH V. DALAL)**  
PROPRIETOR  
Mem. No. 033355.

Mumbai, Dated: 26th May, 2012

## BALANCE SHEET AS AT 31-03-2012

(Amounts in Rs.)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>Equity And Liabilities</b>			
Shareholders Funds			
(a) Share Capital	A	70,000,000	70,000,000
(b) Reserves And Surplus	B	22,168,739	20,436,799
(c) Money Rec. Agst. Share Warrants		-	-
		92,168,739	90,436,799
<b>Share Application Money Pending</b>		-	-
Allotment			
Non-current Liabilities			
(a) Long Term Borrowings	C	1,471,634	7,340,647
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long-term Liabilities	D	24,134,096	24,079,196
(d) Long-term Provisions-taxation		-	3,350,000
		25,605,730	34,769,843
<b>Current Liabilities</b>			
(a) Short Term Borrowings	E	19,806,204	46,193,611
(b) Trade Payables	F	15,333,251	16,218,825
(c) Other Current Liabilities	G	3,914,101	3,092,917
(d) Short Term Provisions	H	4,184,109	3,686,203
		43,237,664	69,191,556
<b>Total</b>		161,012,134	194,398,199
<b>Assets</b>			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assts	I	59,578,932	61,711,009
(ii) Intangible Assets	J	5,445,070	5,445,070
(iii) Capital Work-in-progress		-	-
(iv) Intangible Assets Under Dev.		-	-
(b) Non-current Investments	K	88,356	1,110,856
(c) Deferred Tax Assets (net)		-	-
(d) Long-term Loans And Advances	L	23,186,508	23,285,508
(e) Other Non-current Assets		-	-
		88,298,866	91,552,443
<b>Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	M	39,026,331	57,922,688
(c) Trade Receivables	N	25,787,323	31,391,461
(d) Cash And Cash Equivalents	O	1,521,053	2,240,603
(e) Short-term Loans And Advances	P	6,244,625	11,102,738
(f) Other Current Assets	Q	133,936	188,266
		72,713,268	102,845,756
<b>Total</b>		161,012,134	194,398,199
Notes To Balance Sheet And Profit And Loss Account	Z		
<p>As Per Our Attached Report Of Even Date For <b>P.v. Dalal &amp; Co.</b> Chartered Accountants (firm Registration No.102049w)</p>			
<b>Paresh V. Dalal</b> Proprietor Mem. No.033355	<b>Ramprasad Poddar</b> Chairman	<b>Rajesh Kumar Poddar</b> Managing Director	<b>Dinesh Kumar Poddar</b> Director
Mumbai, Dated : 26.05.2012			

## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31-03-2012

(Amounts in Rs.)

Particulars	Note No.	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>Revenue From Operations</b>			
Revenue From Operations	R	161,749,504	159,041,016
Other Income	S	2,158,436	1,507,498
<b>Total Revenue</b>		<b>163,907,940</b>	<b>160,548,515</b>
<b>Expenses:</b>			
Cost Of Material Consumed	T	7,802,544	9,352,924
Purchase Of Stock-in-trade	U	91,612,144	93,105,793
Changes In Inventories Of Finished Goods	V	13,467,904	2,288,020
Work-in-progress And Stock -in-trade			
Employee Benefits Expenses	W	7,666,633	6,836,314
Finance Costs	X	4,299,986	6,142,190
Depreciation And Amortization Expense		3,569,343	4,390,425
Other Expenses	Y	28,433,249	32,418,949
<b>Total Expenses</b>		<b>156,851,803</b>	<b>154,534,614</b>
<b>Profit Before Exceptional And Extraordinary Items And Tax</b>		<b>7,056,137</b>	<b>6,013,901</b>
Exceptional Items		-	-
<b>Profit Before Extraordinary Items And Tax</b>		<b>7,056,137</b>	<b>6,013,901</b>
Extraordinary Items		-	-
Prior Year Adjustments		793,065	130,771
Profit Before Tax		7,849,202	6,144,672
Tax Expense			
Current Tax		1,900,000	1,850,000
Earlier Years Tax		(316,326)	-
Deferred Tax		-	-
<b>Profit (Loss) For The Year From Continuing Operations</b>		<b>6,265,528</b>	<b>4,294,672</b>
Profit(loss) From Discontinuing Operations		-	-
Tax Expense Of Discontinuing Operations		-	-
Profit(loss) From Discontinuing Operations (after Tax)		-	-
<b>Profit (Loss) For The Year</b>		<b>6,265,528</b>	<b>4,294,672</b>
Earning Per Equity Share			
Basic / Diluted		0.09	0.06
<p>Notes To Balance Sheet And Profit And Loss Account Z</p> <p>As Per Our Attached Report Of Even Date</p> <p>For <b>P.v. Dalal &amp; Co.</b></p> <p>Chartered Accountants</p> <p>(firm Registration No.102049w)</p>			
<b>Paresh V. Dalal</b> Proprietor Mem. No.033355	<b>Ramprasad Poddar</b> Chairman	<b>Rajesh Kumar Poddar</b> Managing Director	<b>Dinesh Kumar Poddar</b> Director
Mumbai, Dated : 26.05.2012			

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>A Share Capital:</b>		
<b>(1) Authorised:</b>	80,000,000	80,000,000
8,00,00,000(last Year 8,00,00,000)		
Equity Shares Of Rs.1/-each		
<b>(2) Issued, Subscribed &amp; Paid Up</b>		
Shares At The Beginning Of The Accounting Period		
70000000 (L.Y 70000000) Equity Shares Of Rs.1/- Each	70,000,000	70,000,000
Additions During The Year		
Nil (L.Y Nil) Equity Shares Of Rs.1/- Each	-	-
Shares At The End Of The Accounting Period		
70000000 (L.Y 70000000) Equity Shares Of Rs.1/- Each	70,000,000	70,000,000
<b>Detail Of Holding More Than 5%</b>		
Swasti Vinayaka Investch Ltd.	18670000      26.67%	18670000      26.67%
<b>B Reserve &amp; Surplus:</b>		
<b>1 General Reserve</b>		
At The Beginning Of The Accounting Period	11,000,000	11,000,000
Additions During The Year	-	-
At The End Of The Accounting Period	11,000,000	11,000,000
<b>2 Securities Premium Account</b>		
At The Beginning Of The Accounting Period	2,327,362	2,327,362
Additions During The Year	-	-
At The End Of The Accounting Period	2,327,362	2,327,362
<b>3 Capital Reserve</b>		
At The Beginning Of The Accounting Period	30,150	30,150
Additions During The Year	-	-
At The End Of The Accounting Period	30,150	30,150
<b>4 Revaluation Reserve</b>		
At The Beginning Of The Accounting Period	11,421,982	11,887,782
Deduction During The Year	465,800	465,800
At The End Of The Accounting Period	10,956,182	11,421,982
<b>5 Surplus</b>		
At The Beginning Of The Accounting Period	(4,342,695)	(5,372,315)
Additions During The Year	6,265,528	4,294,672
(balance In Statement Of Profit & Loss A/c)		
Allocations And Appropriations		
Dividend	(3,500,000)	(2,800,000)
Tax On Dividend	(567,788)	(465,052)

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Bonus Shares Issued	-	-
Transfer To/from Reserves	-	-
At The End Of The Accounting Period	(2,144,955)	(4,342,695)
<b>Grand Total</b>	<b>22,168,739</b>	<b>20,436,799</b>
<u>Money Received Against Share Warrants</u>	-	-
	-	-
<u>Share Application Money Pending Allotment</u>	-	-
	-	-
<b>C Long Term Borrowings</b>		
1 <u>Secured Term Loans From Banks</u>	409,219	5,674,558
Is Secured By First Charge On Assets Procured 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		
<b>Secured Term Loans From Banks</b>	1,062,415	1,666,089
Is Secured By Hypothecation Of Motor Car & Personal Guarantee Of The Three Directors And Guaranteed By The Directors Of The Co.		
	1,471,634	7,340,647
2 <u>Unsecured Long Term Borrowings:</u>	-	-
	-	-
<b>Grand Total</b>	<b>1,471,634</b>	<b>7,340,647</b>
<b>Deferred Tax Liabilities (net)</b>		
Deferred Tax Liabilities	-	-
	-	-
<b>D Other Long-term Liabilities:</b>	24,134,096	24,079,196
Security Deposits From Dealers, Agents, Warehousing Etc.	24,134,096	24,079,196

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	<u>Year Ended 31st March, 2012</u>	<u>Year Ended 31st March, 2011</u>
<b>Current Liabilities</b>		
<b>E Short-term Borrowings:</b>		
<b><u>Secured</u></b>	8,082,921	38,763,788
Is Secured By Hypothecation Of Receivables, Stock In Trade, Book- Debts, Other Current Assets & Motor Car, Personal Guarantee Of The Directors And Equitable Mortgage Of Third Party Immovable Assets		
<b><u>Unsecured</u></b>	11,723,283	7,429,823
	<u>19,806,204</u>	<u>46,193,611</u>
<b>F Trade Payables</b>		
Sundry Creditors	14,078,320	15,121,219
Advance From Parties-interest Free	-	156,250
Other	1,254,931	941,356
	<u>15,333,251</u>	<u>16,218,825</u>
<b>G Other Current Liabilities</b>		
1 Current Maturities Of Long Term Debts		
2 Interest Accrued But Not Due On Borrowings		
3 Temporary Book Overdraft	1,697,503	-
4 Unpaid Dividends	999,777	753,340
5 Tds Payable	1,216,821	1,529,876
6 Current Year's Taxes Payable(net Of Advance Tax)	-	809,701
	<u>3,914,101</u>	<u>3,092,917</u>
<b>H Short-term Provisions</b>		
(a) Provisions For Employee Benefits	116,321	421,151
(b) Others	4,067,788	3,265,052
	<u>4,184,109</u>	<u>3,686,203</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

<b>Schedule :- I</b>											
<b>Fixed Assets</b>											
Particulars	Gross Block					Depreciation and Amortisation				Net Block	
	Rate	As On 1-4-2011	Addition Durig The Year	Sale/ Transfer During The Year	As On 31-03-2012	As On 1-4-2011	Provided During The Year	Adj. During Year	As On 31-03-2012	As On 31-03-2012	As On 31-03-2011
Freehold Land	-	1,673,885	-	-	1,673,885	-	-	-	-	1,673,885	1,673,885
Lease Hold Land	-	1,082,514	-	-	1,082,514	131,121	12,784	-	143,905	938,609	951,393
Factory Bldg.	3.34%	37,428,309	928,635	-	38,356,944	15,535,750	1,262,247	-	16,797,997	21,558,948	21,892,559
Office Premises	1.63%	5,136,224	-	-	5,136,224	1,724,275	83,720	-	1,807,995	3,328,229	3,411,949
Residential Flats	1.63%	152,132	-	-	152,132	60,288	2,480	-	62,768	89,364	91,844
Plant & Machinery	4.75%	85,656,438	-	1,392,758	84,263,680	64,629,022	1,307,882	292,758	65,644,146	18,619,533	21,027,415
Furniture & Fixture	6.33%	22,542,826	1,124,309	-	23,667,135	15,545,928	692,868	541,526	15,697,270	7,969,865	6,996,898
Computer & Peripherals	16.21%	3,885,933	121,498	-	4,007,431	3,459,236	142,288	-	3,601,523	405,908	426,698
Office & Fact. Equipt	4.75%	1,621,839	35,556	-	1,657,395	1,515,634	7,199	7,180	1,515,653	141,742	106,205
Electrical Installation	4.75%	4,080,922	-	-	4,080,922	2,666,373	100,189	284,744	2,481,818	1,599,104	1,414,549
Veehicles	9.50%	4,457,743	-	-	4,457,743	740,127	423,486	40,385	1,203,998	3,253,745	3,717,616
Cwip- Furniture & Fixture	-	-	-	-	-	-	-	-	-	-	-
Total		167,718,765	2,209,998	1,392,758	168,536,005	106,007,756	4,035,143	1,166,593	108,957,073	59,578,932	61,711,009
Previous Year		165,724,546	3,096,633	1,102,414	167,718,765	101,183,945	4,856,225	32,414	106,007,756	61,711,009	69,985,671

**J Intangible Assets**

Goodwill	5,445,070	5,445,070
	<u>5,445,070</u>	<u>5,445,070</u>

**K Non Current Investment:**

Investment In Shares		
Quoted	-	1,022,500
Unquoted	88,356	88,356
	<u>88,356</u>	<u>1,110,856</u>

**L Long Term Loans And Advances:**

Security Deposits	23,186,508	23,285,508
(unsecured Considered Good Unless Otherwise Stated)	<u>23,186,508</u>	<u>23,285,508</u>

**M Inventories:**

(As Taken, Valued & Certified By The Management)

1 Raw Materials;	6,945,756	12,462,097
2 Work In Process;	177,441	1,314,709
3 Finished Goods;	30,350,205	42,680,841
4 Packing Material	309,472	311,578
5 Stores, spares & Loose Tools;	1,243,458	1,153,463
6 Others	-	-
	<u>39,026,331</u>	<u>57,922,688</u>

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	<u>Year Ended 31st March, 2012</u>	<u>Year Ended 31st March, 2011</u>
<b>N Trade Receivables:</b>		
(unsecured Considered Good Unless Otherwise Stated)		
(1) Debts Outstanding For A Period Exceeding Six Months From The Date They Are Due	15,164,559	15,854,879
(2) Other Debts	10,622,764	15,536,582
	<u>25,787,323</u>	<u>31,391,461</u>
<b>O Cash &amp; Cash Equivalents :</b>		
(a) Balance With Banks		
<u>In Fixed Deposits</u>		
Earmarked Balances With Banks	-	-
Held As Margin Money Against Borrowings, And Other Commitments.		
Maturity With More Than 12 Months	-	-
Others	-	-
In Current Accounts:	1,230,341	1,478,753
 (b) Cheques, Drafts On Hand		
( C ) Cash On Hand	290,712	761,850
	<u>1,521,053</u>	<u>2,240,603</u>
<b>P Short Term Loans &amp; Advances:</b>		
(Unsecured Considered Good Unless Otherwise Stated)		
Advances Recoverable In Cash Or In Kind For The Value To Be Received		
(1) Advance To Parties	2,539,451	6,260,093
(2) Receivable From Revenue Authorities	1,252,179	4,842,645
(3) Current Years Taxes Recoverable(net Of Liability)	2,452,995	-
	<u>6,244,625</u>	<u>11,102,738</u>
<b>Q Other Current Assets:</b>		
Prepaid Expenses	133,936	188,266
	<u>133,936</u>	<u>188,266</u>
<b>R Revenue From Operations</b>		
A Sale Of Products	107,559,111	117,649,241
B Sale Of Services	54,336,775	41,391,775
C Other Operating Revenues	-	-
	<u>161,895,886</u>	<u>159,041,016</u>
D Less: Excise Duty	146,382	-
Net Revenue From Operations	<u>161,749,504</u>	<u>159,041,016</u>



## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>S Other Income:</b>		
Interest Income	1,290,544	1,268,229
Dividend Income	-	-
Profit On Sale Of Investment	738,130	31,156
Other Non-operating Income	129,762	208,114
	<u>2,158,436</u>	<u>1,507,498</u>
<b>T Cost Of Materials Consumed:</b>		
Purchases Raw-materials and Packing Materials	2,286,203	7,981,691
Add: Opening Balance Of Stock	12,462,097	13,833,330
	14,748,300	21,815,021
Less: Closing Balance Of Stock	6,945,756	12,462,097
Consumption Of Materials	<u>7,802,544</u>	<u>9,352,924</u>
<b>U Purchases Of Cloth/ready Made Garment</b>		
Traded Goods	90,377,302	92,421,644
Grey Purchase	1,224,068	488,506
Other	10,774	195,643
Total Purchases	<u>91,612,144</u>	<u>93,105,793</u>
<b>V Changes In Inventories</b>		
Finished Goods		
At The Beginning Of The Accounting Period	42,680,841	45,144,859
At The End Of The Accounting Period	30,350,205	42,680,841
	<u>12,330,636</u>	<u>2,464,018</u>
Work-in-progress		
At The Beginning Of The Accounting Period	1,314,709	1,138,710
At The End Of The Accounting Period	177,441	1,314,709
	<u>1,137,268</u>	<u>(175,998)</u>
<b>Grand Total</b>	<u>13,467,904</u>	<u>2,288,020</u>
<b>W Employee Benefits Expense</b>		
Salary And Wages	3,342,339	3,109,367
Director's Remunerations/perquisites	1,475,950	1,422,376
<b>Contribution To Provident And Other Funds</b>		
Contribution To Provident Fund	163,757	179,282
Contribution To Employees State Ins. fund	29,477	34,307
Contribution To Other Funds	23,661	23,581
Service Charges	1,233,438	754,263
Workers And Staff Welfare	324,773	387,014

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Bonus / Ex-gratia	523,655	497,813
Leave Encashment	342,834	428,311
Gratuity	206,749	-
	<u>7,666,633</u>	<u>6,836,314</u>
<b>X Financial Costs:</b>		
A Interest Expense		
Interest To Bank	2,146,698	2,184,588
Interest Paid On Unsecured Loan	1,696,054	3,498,789
Interest To Bank On Vehicle Loan	222,209	205,041
B Bank Charges / Commission	235,025	253,772
C Other Borrowing Costs	-	-
	<u>4,299,986</u>	<u>6,142,190</u>
<b>Y Other Expenses:</b>		
A Manufacturing Expense :		
Consumption Of Stores And Spare Parts		
Opening Stock	1,153,463	1,142,522
Add: purchases	1,283,548	1,720,090
Total	2,437,011	2,862,612
Less: closing Stock	1,243,458	1,153,463
	<u>1,193,553</u>	<u>1,709,149</u>
Consumption Of Packing Material		
Opening Stock	311,578	341,623
Add: purchases	1,076,036	1,186,977
Total	1,387,614	1,528,600
Less: closing Stock	309,472	311,578
	<u>1,078,142</u>	<u>1,217,022</u>
Other Job Charges	2,717,585	3,721,311
Power & Fuel	4,570,535	4,627,817
Repair To Machinery	9,749,445	7,595,948
Repair To Building	336,751	602,503
	<u>19,646,011</u>	<u>19,473,750</u>
B Administrative Expense		
Donation	600,000	600,000
Subscription/membership Fees	15,603	2,800
Rent	347,802	364,878
Rate & Taxes	493,158	644,336
General Expenses	733,810	467,725

## NOTES TO THE FINANCIAL STATEMENTS

(Amounts in Rs.)

	Year Ended 31st March, 2012	Year Ended 31st March, 2011
Insurance	883,051	908,416
Legal & Professional Expenses	1,085,340	2,547,623
Payment To The Auditors	103,500	103,500
Postage & Courier Exp.	131,991	169,672
Printing & Stationery	234,158	263,349
Travelling & Conveyance Exp	531,854	345,488
Repair & Maintenance Others	563,886	577,076
Security Charges	722,948	789,081
Telephone Exp.	524,102	523,197
	<u>6,971,203</u>	<u>8,307,141</u>
<b><u>Selling &amp; Distribution Expense</u></b>		
Advertisement / Publicity	475,054	1,824,371
Sales Promotion	3,476	13,546
Transportation Expenses	281,102	357,304
Sales Discount	151,487	244,100
Stitching Charges	2,710	6,487
Stall/Exhibition Charges	137,125	945,922
Penalties	-	17,600
Commission & Brokerage	597,721	1,021,251
Stamp Duty Charges	55,860	50,110
Software Development Expenses	111,500	157,367
	<u>1,816,035</u>	<u>4,638,058</u>
<b>Grand Total</b>	<b><u>28,433,249</u></b>	<b><u>32,418,949</u></b>

### SCHEDULE - Z

#### NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

1. The Company Income Tax assessment completed up to assessment Year 2008-09.
2. Capital commitment (net off advances) not acknowledged as debt Rs NIL (Previous Year NIL)
3. Significant accounting policies followed by the Company are as stated in the statement annexed to this Schedule.
4. Contingent liability not provided for - In respect of disputed electricity charges Rs. 45.93 lacs (Previous Year 40.45 Lacs).
5. Break-up of the Auditor's Remuneration is as follows:

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

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

Sr.	Name Of Related Party	Relationship	Description Of Transactions	Payments	Receipts
1	Swasti Vinayaka Investech Ltd.	Common Director	Compensation		60,000
2	Ashirwad Shelters Pvt. Ltd.	Common Director	Compensation	9,00,000	60,000
			Rent (Property Tax)	8,33,098	
3	Vinayaka Realestate Development Ltd.	Common Director	Compensation		60,000
4	Swasti Vinayaka Gems Corporation Ltd.	Common Director	Interest	15,26,449	
			Water & Electricity Charges	4,00,939	
			Sales Promotion Postage	9,810	14,634
			Loan. Given / Received (net)	-	43,00,000
			Compensation		18,19,680
5	Ivy League Fashions Pvt. Ltd.	Common Director	Compensation		60,000
			Purchase-Fabric/Garment	30,95,668	
6	Elan Realtors India Pvt. Ltd.	Common Director			
			Commission	2,00,000	
			Loan (net)		92,211
7	Rajesh Kumar Poddar	Managing Director	Remuneration	5,61,000	
			Perquisites	9,14,950	

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

	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
Profit / Loss Attributed to Equity Shareholders (in Rs.)		
-Including Extra Ordinary Items	62,65,528	42,94,672
-Excluding Extra Ordinary Items	54,72,463	41,63,901
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. 0.09	Rs. 0.061
-Excluding Extra Ordinary Items	Rs. 0.08	Rs. 0.059

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

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

		CURRENT YEAR	PREVIOUS YEAR
<b>a. CAPACITY &amp; PRODUCTION :</b>			
Licensed Capacity	No.	261 looms	261 looms
Installed Capacity	No.	72 looms	118 looms
Production (Cloth/Garment) :			
Own	Mtrs.	NIL	NIL
Jobwork-Grey	Mtrs.	1,348,388	1,118,191
-Doubling	Kgs.	80,902	51,185
<b>b. Purchase : Cloth/Garment</b>	Rs.	91,612,144	93,105,793
	Mtrs.	735,767	1,575,846
<b>c. Raw Material Consumed: Yarn</b>	Rs.	7,802,544	9,352,924
	Kgs.	57,394	46,128
<b>d. Income From Operations :</b>			
Cloth Sales-Mfd/Trading	Rs.	104,726,387	114,556,339
	Mtrs.	996,871	1,100,729
Readymade Division (Including showroom)	Rs.	2,686,342	3,092,902
	Pcs.	16,493	21,249
Weaving Charges	Rs.	12,969,579	8,391,931
	Mtrs.	1,348,388	1,118,191
Job Charges(Doubling)	Rs.	1,593,231	786,355
	Kgs.	80,902	51,185
Other Services(Net)	Rs.	39,773,965	32,213,489
<b>e. Closing Stock :</b>			
Raw Material	Rs.	6,945,756	12,462,097
	Kgs.	28,582	66,891
Finished Goods :			
Cloth	Rs.	27,099,197	38,894,445
	Mtrs.	363,832	529,035
Readymade Garments	Rs.	3,251,008	3,786,396
	Pcs.	19,303	22,168
<b>f. Opening Stock :</b>			
Raw Material	Rs.	12,462,097	13,833,330
	Kgs.	66,891	76,085
Finished Goods :			
Cloth/Garments	Rs.	38,894,445	41,117,455
	Mtrs.	529,035	568,475
Readymade Garments	Rs.	3,786,396	4,027,403
	Pcs.	22,168	23,863
<b>g. Consumption of Raw Material :</b>			
Indigenous		7,802,544	9,352,924
Percentage		100	100
<b>h. Consumption of Stores &amp; Spares</b>			
Indigenous		1,193,553	1,709,149
Percentage		100	100
<b>i. Income / Expenditure in Foreign Currency</b>		NIL	NIL

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

## STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

**1) System of Accounting:**

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

**2) Claims Receivable:**

Claims receivable is accounted on cash basis.

**3) Dividend Receipts:**

Dividend is accounted on cash basis.

**4) Fixed Assets and Depreciation:**

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

**5) Investments :**

- I. Quoted : Investments are valued at cost or market value whichever is lower.
- II. Unquoted : Investments are valued at cost of acquisition.

**6) Inventories:**

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

**7) Employees Benefits:**

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

**8) Deferred Revenue Expenditure:**

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

**9) Income from Operations:**

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

**10) Sales:**

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

**11) Others:**

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

## CASH FLOW STATEMENT

(Prepared pursuant to Listing Agreement)

(Amounts in Rs.)

	CURRENT YEAR		PREVIOUS YEAR	
	RS.	RS.	RS.	RS.
<b>A. CASH FLOW FROM OPERATIONAL ACTIVITIES</b>				
Net Profit/ (Loss) Before Tax and Extraordinary Items		7,056,137		6,013,901
Adjustment for:				
Depreciation	3,569,343		4,390,425	
Interest Paid/Payable on Loans etc.	4,299,986		6,142,190	
Interest Received/Receivable on Loans	(1,290,544)		(1,268,229)	
Miscellaneous / Other Expenditure Written Off	-	6,578,785	-	9,264,386
<b>Operating Profit before Working Capital Changes</b>		<b>13,634,922</b>		<b>15,278,287</b>
Trade Receivable	5,599,566		(67,018)	
Inventories	18,896,357		3,678,356	
Trade Payable / Other Current Liabilities	433,516		464,226	
		<b>24,929,439</b>		<b>4,075,565</b>
Cash Generated from Operation		<b>38,564,361</b>		<b>19,353,852</b>
Extra Ordinary Items		793,065		130,771
Net Cash from Operating Activities	(A)	<b>39,357,426</b>	(A)	<b>19,484,623</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase / Sales of Fixed Assets	(1,903,064)		(2,026,633)	
Sale of Investment (Net)	1,022,500		(31,156)	
Interest on Loans	1,290,544		1,268,229	
Net Cash used in Investing Activities	(B)	<b>409,981</b>	(B)	<b>(789,559)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend Paid	(4,067,788)		(3,265,052)	
Long Term Borrowings (Net)	(9,724,436)		(7,009,301)	
Short Term Borrowings	(25,827,085)		-	
Interest	(4,299,986)		(6,142,190)	
Long Term Loans & Advances	99,000		-	
Short Term / Other Current Assets	4,917,012		-	
Income Tax Paid	(1,583,674)		(1,850,000)	
Net Cash used in Financing Activities	(C)	<b>(40,486,957)</b>	(C)	<b>(18,266,543)</b>
Net (A+B-C)		<b>(719,550)</b>		<b>428,521</b>
Cash & Cash Equivalent as on 31st March, 2011		<b>2,240,603</b>		<b>1,812,082</b>
Cash & Cash Equivalent as on 31st March, 2012		<b>1,521,053</b>		<b>2,240,603</b>
Net Inflow / (Outflow)		<b>(719,550)</b>		<b>428,521</b>

**Ramprasad Poddar**  
Chairman

**Rajesh Kumar Poddar**  
Managing Director

**Dinesh Kumar Poddar**  
Director

Mumbai, Dated : 26.05.2012

### AUDITOR'S CERTIFICATE

We have verified the above Cash Flow of Swasti Vinayaka Synthetics Limited, derived from the Audited Financial Statement and books & records maintained by the company for the year ended 31st March, 2011 and year ended 31st March 2012 and found the same to be drawn in accordance therewith.

For **P. V. Dalal & Co.**  
Chartered Accountants  
(firm Registration No.102049W)

**Paresh V. Dalal**  
Proprietor  
Mem. No.033355

Mumbai, Dated : 26.05.2012

**SWASTI VINAYAKA SYNTHETICS LIMITED**

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

**ATTENDANCE SLIP**

[TO BE SURRENDERED AT THE TIME OF ENTRY]

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

Name of Member/Proxy: \_\_\_\_\_

I hereby record my presence at the 30th Annual General Meeting of the Company on Saturday the 22nd September, 2012 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 signature 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/We \_\_\_\_\_ of \_\_\_\_\_

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

of \_\_\_\_\_ Or failing him/ her \_\_\_\_\_ of \_\_\_\_\_ or

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

on my / our behalf at the 30th Annual General Meeting of the Company on Saturday the 22nd September, 2012 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 of \_\_\_\_\_ 2012

Folio No. / Client ID \_\_\_\_\_

Signature(s) \_\_\_\_\_

No. of Share(s): \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

1 Rupee  
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.





If undelivered, please return to :

**Swati Vinayaka Synthetics Limited**  
306, Tantia Jogani Industrial Estate, J. R. Boricha Marg,  
Lower Parel, Mumbai - 400 011.  
Tel. : +91(22) 4344 3555 Fax : +91(22) 2307 1511