

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

CLASSIC FILAMENTS LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the members of CLASSIC FILAMENTS LIMITED will be held on Friday, the 7th September, 2013 at 11.30 AM at the registered office of the company at M-14, Super Tex Towers, Opp. Kinnary Cinema, Ring Road, Surat -395002 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 together with the reports of the directors' and auditors thereon.
2. To appoint a director in place of Mr. Radhamohan Mittal who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider the following resolution as ORDINARY RESOLUTION and pass the same with or without modifications:

“RESOLVED THAT the Compliance Certificate pursuant to the provisions of Section 383A of the Companies Act, 1956 for the financial year ended on 31st March, 2013 obtained from Mr. Vishal Dewang, Company Secretary be and is hereby adopted.”

“RESOLVED FURTHER THAT Mr. Vishal Dewang, Company Secretary be and is hereby appointed to issue a Compliance Certificate for the financial year ending 31st March, 2013 or such other date as may be decided by the Board of Directors of the company upon such remuneration as may be determined by the directors of the company in consultation with the said appointee.”

By order of the Board
For CLASSIC FILAMENTS LIMITED

Place: Surat
Date: 30/05/2013

Subhash Patle
Director

NOTES:

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIM. IN ORDER TO BE EFFECTIVE, THE PROXY MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN 48 HOURS PRIOR TO THE MEETING.**
- (b) Members are requested to bring their copy of the Annual Report along with them, as copies of the report will not be distributed at the meeting.
- (c) Members desiring further information are requested to write to R M Mittal, Director of the company at its registered office on or before 20th August 2012.
- (d) Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 is enclosed on the items of Special Business.

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DIRECTORS' REPORT

To,
Members of
Classic Filaments Limited

Your directors present their annual report comprising of the audited statements of accounts for the year ended 31st March 2013 and the Reports of the auditors and directors thereon and a compliance certificate from a Practicing Company Secretary.

Financial Results	(Amount in Rupees)	
Particulars	2012-13	2011-12
Gross Income	2,42,122	2,10,332
Expenditure	2,30,492	1,99,365
Profit /(Loss) Before Income Tax	11,630	10,967
Less: Provision for Income Tax	3,594	2,033
Profit/(Loss) After Income Tax	8,036	8,934
Balance B/F from Previous Year	(96,66,187)	(96,75,121)
Carried to Balance Sheet	(96,58,151)	(96,66,187)

Your directors are to report that your company has not done any major business activity during the year and posted net profit Rs. **11,630/-** as compared to profit of Rs. 10,967 in the previous corresponding year under review. In view of the low profit, your directors do not recommend dividend during the year.

Directors and their responsibility statement

Mr. Radhamohan Mittal would retire by rotation and being eligible offers himself for re-appointment. As required by clause 49 of the Listing Agreement dealing with the Corporate Governance, a note is submitted on the directors seeking appointment or re-appointment.

As required by Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed.
2. your directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company as on 31st March, 2012 and the Profit and Loss Account for the year ended on that date.
3. 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 the frauds and other irregularities.
4. the directors have prepared the annual accounts on a going concern basis.

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CORPORATE GOVERNANCE REPORT

As required by clause 49 of the Listing Agreement, corporate governance is enclosed as Annexure “A” to this report of the directors.

Particulars of employees

As there are no employees drawing the remuneration more than or equal to the prescribed remuneration under Section 217(2A) of the Companies Act, 1956, the company has no particulars to offer.

Particulars of energy conservation etc.

In the absence of any commercial activities during the year under review, the particulars required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. There was no income or outgo in foreign currency.

Compliance Certificate

The Compliance Certificate obtained from Mr. Vishal Dewang, Practicing Company Secretary is attached hereto as required by amended Section 217 read with Section 383A of the Companies Act, 1956. You are requested to consider this certificate and also consider him for the next term.

Auditors

The Report of the Auditors is self-explanatory. M/s C.P.Jaria & Co.; Chartered Accountants will retire at the conclusion of this Annual General Meeting and being eligible for reappointment, offer themselves as such. Your directors recommend their re-appointment.

Acknowledgement

Your directors also wish to place on record the sincere efforts put in by all concerned who helped the company in one way or other.

For and on behalf of the Board

Place: Surat
Date: 30/05/2013

Manendra P. Singh Subhash G. Patle
D I R E C T O R S

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

CORPORATE INFORMATION:

“Annexure A”

1. BOARD OF DIRECTORS

(a) Composition

The Board of directors has 4 members comprising of all Non-Executive Directors out of which one is independent director.

(b) and (c) Attendance of each director at the Board Meetings and Last AGM

5 Board Meetings were held during the financial year ended on 31st March, 2013. The attendance of each of the directors *is given below:

Name of the Director	Category Directorship	Attendance Particulars	
		Board Meetings	Last AGM
R M Mittal	NED	5	Y
Rajiv Jain	NED	2	N
Subhash Patle	NED	5	Y
Manendra Singh	NED	5	Y

(MD - Managing Director NED - Non-executive Director ND - Nominee Director)

(d) Number of Board Meetings held and the dates thereof

5 Board Meetings were held during the year in compliance with the minimum requirements of 4 Board Meetings. The dates on which the meetings were held are 06/04/2012, 30/07/2012, 03/08/2012, 30/10/2012, and 07/01/2013. None of the directors of the company was a member of more than ten committees or the Chairman of more than five committees across all companies in which he was a director.

2. AUDIT COMMITTEE

(a) Terms of Reference.

The terms of reference stipulated by the Board of Directors to the Audit Committee are, as contained in clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

- (i) To investigate any activity within the company
- (ii) To seek information from the employees
- (iii) To obtain outside legal or professional advice
- (iv) To review adequacy of internal audit functions
- (v) To secure attendance of outsider/professional with relevant expertise, it considers necessary
- (vi) To discuss with the internal auditors any significant findings and follow-up thereon.

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(b) Composition, names of members and chairperson

The Audit Committee of 2 non-executive directors -members namely Shri Rajiv Jain and Shri R M Mittal was formed on 13th February, 2001 in compliance with the amendments made to the Companies Act, 1956. Shri Subhash Patle was added as member to the said committee from 20th April 2009. Mr. R M Mittal is now the Chairperson of the said audit committee.

There has been no change in the constitution of the members of the Audit Committee during the period under review except as stated above.

(d) Meetings and attendance during the period

Name of member of Audit Committee	Attendance Particulars
Shri Rajiv Jain	30/07/12, 07/01/2013
Shri R M Mittal	06/04/2012, 30/07/2012, 03/08/2012, 30/10/2012, 07/01/2013
Shri Subhash Patle	06/04/2012, 30/07/2012, 03/08/2012, 30/10/2012, 07/01/2013

The committee has approved the final accounts as at 31st March 2013 at its meeting held on 30.05.13 after discussions with the Statutory Auditors of the company.

3. DETAILS OF REMUNERATION PAID TO DIRECTORS

(I) WHOLE TIME DIRECTOR

All elements of remuneration including the perquisites paid to Managing Director is Rs. Nil.

(II) NON-WHOLE TIME DIRECTORS

The company has not paid any amounts as sitting fees to any of the non-executive directors

4. SHARE HOLDERS' GRIEVANCES

Shri R M Mittal director of the company is appointed as Compliance Officer. No complaints were received from the Shareholders/Stock Exchanges/ SEBI/ Department of Company Affairs in terms of SEBI circular number 1.(96.97) dated 25/07/1996

There are no pending complaints or share transfers/transmission except where the transfers are involved in litigation/forfeiture etc.

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5A. GENERAL BODY MEETINGS

Location and time where the last three AGMs were held is as under

Location	Date	Time
Registered office of the company at M-14, Super Tex Towers, Ring Road, Surat	31/08/2010	11.30 am
Registered office of the company at M-14, Super Tex Towers, Ring Road, Surat	30/09/2011	11.30 am
Registered office of the company at M-14, Super Tex Towers, Ring Road, Surat	31/08/2012	11.30 am

No Special Resolutions were put through Postal Ballot at the last AGM. At the ensuing Annual General Meeting there is no resolution required to be passed by the postal ballot.

5B. NOTES ON DIRECTORS SEEKING RE-APPOINTMENT

Shri Radhamohan Mittal retires by rotation and seeks re-appointment. Shri Radhamohan Mittal is the promoter director of the company; associated with the company since 1991. He continued to act as independent director now.

6. DISCLOSURES

- (a) Disclosures on materially significant related party transactions are: NIL.
- (b) There were no penalties, strictures imposed on the company by Stock Exchange/SEBI or any statutory Authority on any matter related to Capital Markets during the last three years.

7. MEANS OF COMMUNICATION

- (a) The company does not have the practice of sending Half Yearly Report to the members of the company to their household. Instead, the results of the company are published in Newspapers as required.
- (b) The company does not have any website on which Quarterly results are displayed nor the display of any official news release and/or presentation made to any institutional investors, analysts.

Newspapers in which normally results of the company are published are: None

- (c) Management Discussion & Analysis forms part of the Annual Report and is separately given as annexure.

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8. GENERAL SHAREHOLDER INFORMATION

- (a) AGM date time and venue:
7th September, 2013 at 11.30 a.m.
at Registered Office at M-14, Super Tex Tower, Opp. Kinnary Cinema
Ring Road, SURAT - 395 002
- (b) Financial Calendar: April to March. First Quarter's unaudited Results are normally published in newspapers in the last week of July. Half Yearly Result is normally declared in the last Week of October whereas the unaudited result for the third quarter is declared in last week of January. Results for the entire year is declared in the last week of May or last Week of June in case of Audited Results
- (c) Date of Book Closure: 26/08/2013 to 03/09/2013 (both days inclusive)
- (d) Dividend payment dates: Not recommended
- (e) Listing on Stock Exchange: Vadodara and Ahmedabad. Listing Fees are arrears for both the said stock exchanges.
- (f) Stock Code (Physical): Not traded on any stock exchange
- (g) Market Price Data, High low during each financial month: Not Applicable No Trading
- (h) Stock Performance in relation to Broad based indices such: No trading as BSE Sensex/Nifty etc.
- (i) Registrar and Transfer Agents: In house department
- (j) Share Transfer System: Investors' Grievance & Redressal Committee meets once or twice a month depending on volume of transfer
- (k) Distribution of Shareholding as on 31/03/2013: Please refer Annexure "A1"
- (l) Demat of Shares and Liquidity: Not applicable
- (m) Outstanding ADRs / GDRs etc.: Not applicable
- (n) Plant Location: Not Applicable
- (o) Address for correspondence: At above address

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Annexure A1

DISTRIBUTION OF SHAREHOLDING AS AT 31/03/2013

Particulars	Total Shares	Percentage (%)
Promoters and persons acting in concert	3390750	55.46
Mutual Fund	0	0
Financial Institution(s)	0	0
FIIS	0	0
Insurance Companies	0	0
Unit Trust of India	0	0
Foreign Company	0	0
NRIs / NRN / OCBs	202000	3.30
Banks	0	0
Bodies Corporate	400000	6.54
Indian Public	2120600	34.70
Clearing Members	0	0
Total	6113350	100.00

Distribution of Share Holding as of 31/03/2013

Distribution of Shares	No. of Shareholders	Percentage to Total No. of shareholders	No. of shares held	Percentage to Total Shares
1-500	153	42.86	61,900	1.01254
501-1000	177	49.58	155,600	2.54525
1001-2000	3	0.84	4,500	0.07361
2001-3000	2	0.56	6,000	0.09815
3001-4000	0	0	0	0
4001-5000	1	0.28	5,000	0.08179
5001-10000	1	0.28	10,000	0.16358
10001 & above	20	5.60	5,870,350	96.02510
Total	357	100.00	6,113,350	100.0000

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Disclaimer on forward looking statements

This report contains some forward looking statements which can be identified by the context to the words like 'plans' expects, believes, anticipates, will, may, intends, projects etc. All such statements depict the future, which may or may not happen or may prove wrong. These statements are based on certain assumptions about the company, product or other factors affecting the business or trade or policies of regulators and expectations may not realize.

The company and its management hereby disclaim its responsibility to publicly amend these statements and assume no responsibility for them.

Financial Review

During the year under review, the company has not done any major business activity.

Business Review

Your company has stopped all manufacturing activities. Your company has now planned to continue trading activities in Textile Goods in the current year.

Tax Contribution

In view of no manufacturing activities, the company could not contribute sizably to the government exchequer.

On behalf of the Board

Date: 30/05/2013
Place: SURAT

Subhash Patle Manendra Singh
DIRECTOR DIRECTOR

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CEO/CFO CERTIFICATION

To,
The Board of Directors
Classic Filaments Ltd
M-14, Super Tex Towers
Ring Road
Surat

I, Manendra Pratap Singh, CFO of the company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit committee
 - (i) Significant changes in the internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system.

By order of the Board
For Classic Filaments Ltd

Manendra Pratap Singh
CFO
Date: 30/05/2013
Place: Surat

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DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

I, Manendra Pratap Singh, CFO of the Company hereby declare that all Board members and Senior Management personnel have affirmed compliance with the code on an annual basis.

FOR CLASSIC FILAMENTS LIMITED

Date: 30.05.2013

Place: Surat

**Manendra Pratap Singh
CFO**

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INDEPENDENT AUDITOR'S REPORT

To the members of CLASSIC FILAMENTS LTD

Report on the Financial Statement

We have audited the accompanying financial statement of CLASSIC FILAMENTS LTD ("the Company"), which comprise the Balance Sheet as at March 31,2013, and the statement of Profit & Loss and Cash Flow Statement for the year ended, and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

Opinion

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

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

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Report on Other Legal and regulatory Requirements

1. As required by required by the Companies (Auditor's Report) Order,2003 ("the Order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraph 4 & 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of Accounts;
 - (d) In our opinion, Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the accounting standards referred to in Sub-Section 3(C) of sec-211 of Companies Act,1956.
 - (e) On the basis of written representation received from the directors as on March 31, 2013and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as the directors in terms of sec-274(1) (g) of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For C.P.Jaria & Co
Chartered Accountants

(P.K.Jain)
M.No.112020
FRN.104058W
Place: Surat.
Date: 30/05/2013

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ANNEXURE TO THE AUDITOR'S REPORT

of

M/s CLASSIC FILAMENTS LTD

1. (a) The company has maintained proper records showing full particulars including quantitative details and location of all its fixed assets.
(b) During the year the management has physically verified all the fixed assets and no material discrepancies have been noticed on such verification.
(c) During the year, the company has not disposed off substantial part of its fixed assets.
2. (a) As informed to us the inventory has been physically verified by the management during the year, In our opinion, the frequency of such verification is reasonable.
(b) In our opinion the procedure for physical verification of inventory followed by management are reasonable and adequate to the size of the company and nature of its business.
(c) The company has maintained proper records of inventory. The discrepancies noticed if any on physical verification between physical stocks and book records were not material in relation to the operations of the company and have been properly dealt with in the books of account.
- 3.(a) The company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not granted any loans, secured or unsecured, to the parties listed in the register maintained under section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the order are not applicable.
3. (b) The company has not taken any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from the parties listed in the register maintained under section 301 of the Companies Act, 1956, paragraphs (iii) (f), (g) and (h) of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. As explained to us, during the year, there are no such transaction made during the year in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of Companies Act, 1956.
6. The company has not accepted deposits from the public and hence the provisions of Sec-58A & 58AA of the Companies Act, 1956, and the rules framed there under are not applicable. In company's case no order has been passed by the Company Law Board.
7. In our opinion and as informed to us, the company has an adequate internal audit system, commensurate with the size and nature of its business.
8. The central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us and on basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and protection fund, Employee's state insurance, Income Tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues during the year with the appropriate authorities. As at 31.3.2013, there were no undisputed dues payable for a period of more than six months from the date they become payable.

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(b)According to the information and explanations given to us , there is no disputed dues in respect of Provident fund, Investor Education and protection fund, Employee's state insurance, Income Tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues.

10. The accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. The Company has neither taken any loans from the banks/financial institution nor issued debenture, therefore clause 4(xi) of the order is not applicable.

12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is not a chit fund/nidhi/mutual benefit fund/ society.

14. According to the information and explanations given to us, the Company is dealing or trading in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank and financial institutions.

16. The company had not taken any term loan during the year.

17. According to information and explanations given to us, no funds raised on short term basis which have been used for long term application.

18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.

19. No Security is required to be created since the company has not issue any debentures.

20. The company has not raised any money by public issues during the year.

21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For C.P.Jaria & Co
Chartered accountants

(P.K.Jain)
Partner
M.No.112020
FRN.104058W
Place: Surat
Date: 30/05/2013

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AUDITOR'S' STATEMENT ON CASH FLOW STATEMENT

To,
The Members,
CLASSIC FILAMENTS LIMITED

We have audited the Cash Flow Statement of Classic Filaments Limited as at 31st March 2013. This financial statement is responsibility of the Company's Management. Our responsibility is to express an opinion on this financial statement based on our audit.

In our opinion and best of our information and according to the explanation give to us, the said Cash Flow Statement read together with the Significant Accounting Policies and other requirement thereon give the information required by the Listing Agreement entered into with the Stock Exchanges, in the manner so required, and present a true and fair view, in our conformity with the accounting principles generally accepted in India; in so far as it relates to the cash flow of the Company for the year ended on that date

For C.P.Jaria & Co
Chartered Accountants

Place: Surat
Date: 30.05.13

Pankaj Kumar Jain
Partner
M.No.112020
FRN.104058W

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To,
The Members,
CLASSIC FILAMENTS LIMITED

We have examined the Compliance of conditions of Corporate Governance by Classic Filaments Limited, for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s)

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the 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 explanations given to us and the representations made by the Directors and the Management. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no Investor Grievances were pending for a period of more than 30 day against the Company as per records maintained by the Shareholders/Investors Governance Committee of the Company.

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

For C.P.Jaria & Co
Chartered Accountants

Place: Surat
Date: 30.05.13

Pankaj Kumar Jain
Partner
M.No.112020
FRN.104058W

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CLASSIC FILAMENTS LTD			
BALANCE SHEET AS AT 31.3.2013			
PARTICULARS	NOTE	CURRENT YEAR	PRE. YEAR
<u>I. EQUITY AND LIABILITIES</u>			
(1) Shareholder's Fund			
(a) Share Capital	1	43,325,620	43,325,620
(b) Reserves and Surplus	2	5,062,583	5,054,547
(c) Money received against share warrants		0	0
(2) Share Application money pending allotment		0	0
(3) Non-current Liabilities			
(a) Long-Term Borrowings		0	0
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities		0	0
(d) Long term provisions		0	0
(4) Current Liabilities			
(a) Short Term borrowings		0	0
(b) Trade Payables	3	0	12,000
(c) Other current Borrowings		0	0
(d) Short-term Provisions	4	18,094	14,033
Total		<u>48,406,297</u>	<u>48,406,200</u>
<u>II. ASSETS</u>			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	5	467,208	467,208
(ii) Intangible Assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-Current Investments	6	27,041,500	26,904,300
(c) Deferred tax Assets (Net)		0	0
(d) Long Term loans and advances	7	17,104,602	18,443,141
(e) Other non-current assets	8	278,644	278,644
(2) Current Assets			
(a) Current Investments		0	0
(b) Inventories		0	0
(c) Trade receivables	9	1,869,666	1,869,666
(d) Cash & Cash equivalents	10	1,618,673	417,237
(e) Short term loans & advances		0	0
(f) Other Current Assets	11	26,004	26,004
Total		<u>48,406,297</u>	<u>48,406,200</u>
AS PER OUR REPORT OF EVEN DATE FOR C.P.JARIA & CO CHARTERED ACCOUNTANTS		FOR CLASSIC FILAMENTS LTD	
(P.K.JAIN) PARTNER M.NO 112020 PLACE : SURAT DATE :30/05/13		DIRECTOR	
		DIRECTOR	

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

CLASSIC FILAMENTS LTD			
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31/3/2013			
PARTICULARS	NOTE	CURRENT YEAR	PRE YEAR
I. Revenue from operations	12	242,122	210,332
II. Other Income		0	0
III. Total Revenue (I + II)		242,122	210,332
IV. Expenses			
Cost of Material Consumed		0	0
Purchase of Stock-in-trade		196,235	173,365
Changes in inventories of finished goods, work-in progress and stock-in trade		0	0
Employee benefit Expenses	13	0	0
Finance costs		0	0
Other expenses	14	34,257	26,000
IV. Total Expenses		230,492	199,365
V. Profit before exceptional and extraordinary items & Tax	(III-IV)	11,630	10,967
VI. Exceptional Items		0	0
VII. Profit before extraordinary items & Tax	(V-VI)	11,630	10,967
VIII. Extraordinary items			0
IX. Profit before tax	(VII_ VIII)	11,630	10,967
X. Tax Expenses			
(1) Current Tax		3,594	2,033
(2) Deferred Tax		0	0
XI. Profit(loss) from the period from continuing operations after tax	(VII-VIII)	8,036	8,934
XII. Profit(loss) from discontinuing operations		0	0
XIII. Tax expenses of discontinuing operations		0	0
XIV. Profit(loss) from discontinuing operations after tax	(XII-XIII)	0	0
XV. Profit(loss) for the period	(XI+XIV)	8,036	8,934
XVI. Earning per equity share			
(1) Basic		0.00	0.00
(2) Diluted		0.00	0.00
AS PER OUR REPORT OF EVEN DATE FOR C.P.JARIA & CO CHARTERED ACCOUNTANTS		FOR CLASSIC FILAMENTS LTD	
(P.K.JAIN) PARTNER M.NO.112020 PLACE : SURAT DATE : 30/05/13		DIRECTOR	
		DIRECTOR	

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

Classic Filaments Limited			
Cash Flow Statement for the year ended 31st March 2013			
	31-03-13	31-03-12	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(loss) before tax and Extra Ordinary items	8,036	8,934	
Adjustments for			
Depreciation	-	-	
Interest Paid	-	-	
Interest/dividend	-	-	
Misc. Expenses Written off	-	-	
Operating Profit Before Working Capital Change	8,036	8,934	
Adjustments for			
Trade and other receivables	-	-	
Inventories	-	-	
Trade Payables	(12,000)	(132,467)	
Other receivables/Current Assets/Deferred Tax Assets	4,061	5,000	
Cash generated from operations	97	(118,533)	
Interest paid	-	-	
Direct Taxes paid	-	-	
Extra-Ordinary Items	-	-	
Net Cash from Operating Activities	97	(118,533)	
B CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	-	-	
Sale of fixed Assets	-	-	
New Investments	(137,200)	-	
Sale of Investments	-	-	
Loans & Advances Received	1,338,539	-	
Dividend received	-	-	
Net Cash used in investing activities	1,201,339	-	
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
Proceeds from issue of share capital	-	-	
Proceeds from Long term borrowings	-	-	
Repayment of Financial Liability/Lease	-	-	
Dividend paid	-	-	
Net Cash used in financing activities	-	-	
Net increase/(decrease) in cash and cash equi.	1,201,436	(118,533)	
Cash & Cash equivalents as at 01/04/2012	417,237	535,770	
Cash & Cash equivalents as at 01/04/2013	1,618,673	417,237	
For C. P. JARIA & CO Chartered Accountants		For CLASSIC FILAMENTS LIMITED	
		Manendra Pratap Singh	
Pankaj Jain Partner Membership No. 112020 FRN 104058W Place: Surat Date: 30/05/2013		Subhash Patle Director	

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

CLASSIC FILAMENTS LTD			
NOTES TO BALANCE SHEET & PROFIT & LOSS STATEMENT			
PARTICULARS	CURRENT YEAR	PRE YEAR	
NOTE-1			
SHARE CAPITAL			
AUTHORISED SHARE CAPITAL			
7500000 EQUITY SHARES OF RS.10/-EACH	75,000,000	75,000,000	
	75,000,000	75,000,000	
ISSUED, SUBSCRIBED AND FULLY PAID UP			
3738966 EQUITY SHARES OF RS 10/- EACH	37,389,660	37,389,660	
ISSUED, SUBSCRIBED AND NOT FULLY PAID UP			
2374384 EQUITY SHARES OF RS 10/- EACH NOT FULLY PAID	5,935,960	5,935,960	
	43,325,620	43,325,620	
NOTE-1A			
RECONCILIATION OF SHARES OUTSTANDING			
	EQUITY	PREFERENCE	
	(NUMBER)	NUMBER	
SHARES OUTSTANDING AT THE BEGGINNING OF YEAR	6,113,350	0	
SHARES ISSUED DRING THE YEAR	0	0	
SHARES BOUGHT BACK DURING THE YEAR	0	0	
SHARES OUTSTANDING AT THE END OF YEAR	6,113,350	0	
NOTE-1B			
SHAREHOLDER HOLDING FOR THAN 5% SHARES			
	%	NO OF SHARES	NO OF SHARES
RADHAMOHAN MITTAL	6.66	407,050	407,050
RUCHIR MITTAL	7.08	433,350	433,350
CLASSIC INDUSTRIES LTD	8.18	500,000	500,000
REAL GOLD FINANCE LTD	13.09	800,000	800,000
ARVIND KUMAR BABULAL	6.32	386,600	386,600
RAINBOW RESOURCES LTD	6.54	400,000	400,000
<p>THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF RS.10/- PER SHARE. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD NO SHARES WERE BOUGHT BACK FOR LAST FIVE YEARS THERE IS NO UNPAID CALL ON SHARES FROM DIRECTORS AND OFFICERS</p>			
EQUITY SHARES OF RS.10/-WERE ALLOTTED UPON CONVERSION OF CCP OF RS 20/- ON 31.03.10			
NAME OF SHARE HOLDERS		NO OF SHARES	
Radha Mohan Mittal		90,750	
Classic Industries Ltd		400000	
Real Gold Finance Ltd		400000	
Brijraj Synthetics (I) Ltd		150000	
Ideal Fibers (I) Pvt Ltd		100000	
Reliable Polyester Pvt Ltd		150000	
		1,290,750	
NOTE-2			
RESERVES & SURPLUS			
A. CAPITAL REDEMPTION RESERVE			
OPENING BALANCE		0	0
ADD:CURRENT YEAR TRANSFER		0	0
LESS: WRITTEN BACK IN CURRENT YEAR		0	0
CLOSING BALANCE		0	0
B. SHARES PREMIUM ACCOUNT			
OPENING BALANCE		8,709,060	8,709,060
ADD:PREMIUM CREDITED		0	0
LESS: PREMIUM UTILIZED		0	0
CLOSING BALANCE		8,709,060	8,709,060
C. GENERAL RESERVES			
OPENING BALANCE		0	0
ADD:CURRENT YEAR TRANSFER		0	0
LESS: WRITTEN BACK IN CURRENT YEAR		0	0
CLOSING BALANCE		0	0
D. RESERVE FUND			
OPENING BALANCE		6,011,674	6,011,674
ADD:CURRENT YEAR TRANSFER		0	0
LESS: WRITTEN BACK IN CURRENT YEAR		0	0
CLOSING BALANCE		6,011,674	6,011,674

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

E. PROFIT & LOSS A/C		
OPENING BALANCE	(9,666,187)	(9,675,121)
ADD:CURRENT YEAR PROFIT/(LOSS)	8,036	8,934
LESS: WRITTEN BACK IN CURRENT YEAR	0	0
CLOSING BALANCE	<u>(9,658,151)</u>	<u>(9,666,187)</u>
TOTAL	<u>5,062,583</u>	<u>5,054,547</u>
NOTE-3		
<u>TRADE PAYABLES</u>		
SUNDRY CREDITORS	0	12,000
	<u>0</u>	<u>12,000</u>
NOTE-4		
<u>SHORT TERM PROVISIONS</u>		
PROVISION FOR TAX	3,594	2,033
PROVISIONS FOR EXPENSES	14,500	12,000
	<u>18,094</u>	<u>14,033</u>
NOTE-6		
<u>NON-CURRENT INVESTMENTS (UNQUOTED)</u>		
INVESTMENTS IN SHARES	27,041,500	26,904,300
	<u>27,041,500</u>	<u>26,904,300</u>
ALL THE INVESTMENTS ARE STATED AT COST		
NOTE-7		
<u>LONG TERM LOANS & ADVANCES</u>		
<u>OTHER ADVANCES</u>		
UNSECURED	16,669,602	18,008,141
VADODRA STOCK EXCHANGE	435,000	435,000
	<u>17,104,602</u>	<u>18,443,141</u>
NOTE-8		
<u>OTHER NON-CURRENT ASSETS</u>		
PRELIMINARY EXPS NOT WRITTEN OFF	278,644	278,644
	<u>278,644</u>	<u>278,644</u>
NOTE-9		
<u>TRADE RECEIVABLES</u>		
EXCEEDING SIX MONTHS UNSECURED	1,869,666	1,869,666
	<u>1,869,666</u>	<u>1,869,666</u>
NOTE-10		
<u>CASH & CASH EQUIVALENTS</u>		
CASH IN HAND	631,609	412,067
BANK BALANCE IN CURRENT A/C WITH SCHEDULE BANK	987,064	5,170
	<u>1,618,673</u>	<u>417,237</u>
NOTE-11		
<u>OTHER CURRENT ASSETS</u>		
TDS RECEIVABLE	26,004	26,004
	<u>26,004</u>	<u>26,004</u>
NOTE-12		
<u>REVENUE FROM OPERATIONS</u>		
SALES OF TRADED GOODS	242,122	210,332
	<u>242,122</u>	<u>210,332</u>
NOTE-13		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
SALARY	0	0
	<u>0</u>	<u>0</u>
NOTE-14		
<u>OTHER EXPENSES</u>		
LEGAL EXPS	7,000	7,800
AUDIT FEES	7,500	5,000
BANK CHARGES	5,445	950
OFFICE EXPS	14,312	12,250
	<u>34,257</u>	<u>26,000</u>

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NOTE-5 FIXED ASSETS :

STATEMENT OF DEPRECIATION FOR THE YEAR ENDED ON 31.03.2013 (AS PER THE COMPANIES ACT)

SR. NO.	PARTICULARS	GROSS BLOCK			DEPRICIATION			NET BLOCK	
		AS ON	ADD/DEL	TOTAL	AS ON	DURING	TOTAL	AS ON	AS ON
		01.04.12	THE YEAR	31.03.13	01.04.12	THE YEAR	31.03.13	31.03.13	01.04.12
1	LAND	46331	0	46331	0	0	0	46331	46331
2	OFFICE EQUIPMENTS	123000	0	123000	109175	0	109175	13825	13825
3	PLANT & MACHINERY	5757620	0	5757620	5431040	0	5431040	326580	326580
4	FURNITURE & FIXTURE	152793	0	152793	129280	0	129280	23513	23513
5	VECHILES	270473	0	270473	222532	0	222532	47941	47941
6	COMPUTER	52500	0	52500	43482	0	43482	9018	9018
			0						
	TOTAL	6402717	0	6402717	5935509	0	5935509	467208	467208
	PREVIOUS YEAR	6402717	0	6402717	5935509	0	5935509	467208	467208

NO IMPAIRMENT/REVALATION WERE DONE IN LAST FIVE YEARS

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

Note-15. SIGNIFICANT ACCOUNTING POLICIES:

1. GENERAL

The Financial Statements have generally been prepared on the historical cost convention. Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.

2. BASIS OF ACCOUNTING

The company follows the mercantile system of accounting generally except otherwise stated herein below, if so.

3. FIXED ASSETS

Fixed assets are stated at cost of less accumulated depreciation. No Depreciation has been provided during the year under consideration.

4. INVESTMENTS

Investments are stated at cost.

5. INVENTORIES

The company is not having any type of inventory.

6. REVENUE AND EXPENDITURE RECOGNITION

Revenue is recognized and expenditure is accounted for on their accrual except insurance claim, claims in respect of material purchased and sold which are accounted for on cash basis.

7. DEFER TAX

The Deferred tax is recognized for all temporary differences subject to the consideration of prudence and at currently available rates. Deferred Tax assets are recognized only if there is virtual certainty that they will be realized.

8. FOREIGN CURRENCY TRANSACTION

There is no such transaction during the year.

9. CONTINGENT LIABILITIES

There is no any contingent liability.

10. TRADE RECEIVABLE AND PAYABLE

Balances of trade payable and receivable are subject to confirmation, reconciliation and consequential adjustments, if any.

11. RELATED PARTY TRANSACTIONS

There were no transaction between related concern/parties.

12. Employees Benefit Expenses

Particulars	Current Year	Previous Year
Salary Paid	Nil	Nil

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13. Details of Payment to Auditors

Particulars	Current Year	Previous Year
As Auditor	7500	5000

14. There is no amount due to Micro & Small Enterprises.

15. Figures of the previous year have been regrouped/re-cast wherever necessary.

CLASSIC FILAMENTS LIMITED ANNUAL REPORT 2012-2013

CLASSIC FILAMENTS LIMITED
Regd. Off: M-14, Super Tex Towers, Ring Road, Surat

Notice

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at entrance of the meeting hall.

I hereby record my presence at the Annual General Meeting held on 07.09.13 at 11.30 a.m. at Registered Office of the Company.

Full Name of the Shareholder: _____

Folio No.: _____ Signature _____

.....Cut Here.....

CLASSIC FILAMENTS LIMITED
Registered Office: M-14, Super Tex Towers, Ring Road, Surat

PROXY FORM

I / we _____ of _____ in the district of _____ being a member / members of the above named Company, hereby appoint _____ or falling him _____ of _____ district of _____ as my / our proxy to vote on my / our behalf at the Annual General Meeting of the Company, to be held on 07.09.13 at 11.30 a.m. and at any adjournment thereof.

Name:

Address:

Signed this _____ day of _____ 2013

Rs. 1/- Revenue Stamp
