



ANIL PRODUCTS LIMITED

BOARD OF DIRECTORS

Shri Shripal C. Sheth - Chairman & Managing Director
Shri Amol S. Sheth - Managing Director
Shri Kamal R. Sheth - Director
Shri Anish K. Shah - Director
Smt. Indira J. Parikh - Director

AUDITORS

M/s. Deloitte Haskins & Sells
Chartered Accountants
Ahmedabad

COMPANY SECRETARY

Manan C. Bhavsar
(Till 29th June, 2008)

BANKERS

Bank of India
Punjab National Bank
HDFC Bank
Allahabad Bank

ISIN No.: INE125E01019

REGISTRAR & SHARE TRANSFER AGENT

M/s. Pinnacle Share Registry P. Ltd.
Ashoka Mills Compound, Naroda Road, Ahmedabad -380 025
Phone: 079-22200338
Fax No.: 079 - 22202963
Email: investor.service@psrpl.com

REGISTERED OFFICE

P. O. Box - 10009,
Anil Road,
Ahmedabad - 380 025



NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of September, 2008 at 9.45 a.m. at Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad – 380 009, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet and Profit & Loss Account for the year ended 31st March 2008 together with the Reports of the Board of Directors and the Auditors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anish K Shah, who retires by rotation under provisions of Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, pass with or without modification the following resolution as an Ordinary Resolution:
" Resolved that subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Parikh, Majmudar & co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting of the Company, in place of the retiring Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, to examine and audit the accounts of the Company for the financial year 2008-09, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors"

By the order of the Board of Directors

Date : 29th August, 2008

Place : Ahmedabad

Amol S. Sheth

Managing Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the Company.
2. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
3. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting.
4. Members desirous of obtaining any information concerning the accounts of the Company are requested to address their questions to the Company so as to reach at least 10 days before the date of the Annual General Meeting, so that the information required will be made available at the meeting, to the best extent possible.
5. The Register of Members and the Share transfer books of the Company will remain closed from 20th September 2008 to 29th September 2008 (both days inclusive).

ANNEXURE TO NOTICE

Explanatory Statement as required by section 173 of the Companies Act, 1956:

ITEM NO. 4

At present the company's accounts are being audited by M/s. Deloitte Haskins & Sells, Chartered Accountants. M/s. Deloitte Haskins & Sells, Chartered Accountants have informed the company that they not willing to be re-appointment as Statutory Auditors of the company. In view of the above, and based on the recommendation of the Audit committee, the Board of Directors has at its meeting proposed the appointment of M/s. Parikh and Majmudar, Chartered Accountants as the Statutory Auditors in place of M/s. Deloitte Haskins & Sells for the year 2008-09.

M/s Parikh and Majmudar, Chartered Accountants have expressed their willingness to act as auditors of the company if appointed, and have further confirmed that the said appointment would be in conformity with the provision of Section of the Act.

The Members approval is being sought for the appointment of M/s. Parikh and Majmudar, Chartered Accountants as the Statutory Auditors and to authorize the board to determine the remuneration payable to Auditors.

By the order of the Board of Directors

Date : 29th August, 2008

Place : Ahmedabad

Amol S. Sheth

Managing Director

**DIRECTORS' REPORT**

To
The Members,

Your Directors take the pleasure in presenting the Annual Report and Audited Accounts of the Company for the year ended 31st March 2008.

1. FINANCIAL RESULTS

| <u>Particulars</u> | (Rupees in Lacs) | |
|---|------------------|----------------|
| | <u>2007-08</u> | <u>2006-07</u> |
| Profit before Depreciation and tax | 1591.53 | 1147.78 |
| Less: Depreciation | 366.44 | 266.41 |
| Profit Before Tax | 1225.09 | 881.37 |
| Less: Provision for Taxation | | |
| Current Tax | 346.17 | 152.50 |
| Fringe Benefit Tax | 10.51 | 11.69 |
| Deferred tax | 139.42 | 168.78 |
| Short Provision for earlier years | 5.00 | 0.74 |
| Profit After Tax | 723.99 | 547.66 |
| Add: Balance of Profit of previous year | 1155.60 | 672.88 |
| Less : Proposed Dividend | 55.50 | 55.50 |
| Tax on dividend | 9.43 | 9.44 |
| Balance carried to Balance Sheet | 1810.49 | 1155.60 |

2. DIVIDEND

Considering various factors such as requirement of funds, present market conditions etc., for the year under review; your Directors have recommended a dividend of 7.50% on equity shares of the Company. The dividend and tax thereon will absorb Rs. 64.93 lacs for which necessary provision has been made in the accounts. During the year under review, the Company has transferred unclaimed dividend for the year 1999-00 amounting to Rs. 34,780/- to the General Revenue Account of the Central Government as required under sub-section (5) of section 205A of the Companies Act, 1956.

3. OPERATIONS

During the year under review, better monitoring & systemic controls in various functional areas has ensured greater operational efficiency. There has been a focus on improving efficiency in the utilization of Manpower, Machinery, Money and Material. There has been a conscious effort to control expenses, curb wastage of material and to improve overall efficiency and productivity in all the departments and functional areas. The improvement in demand supply position, change in product mix and focused cost reduction measures have lead to improvement in overall profitability and productivity. All these measures have manifested in better functioning of the Company with improvement in the bottom line.

During the year under report, the Company has achieved a gross turnover of Rs. 23924.76 lacs as compared to Rs. 21526.26 lacs during the previous year and the operations for the year under review have resulted into a net profit of Rs.723.99 lacs as against Rs. 547.66 lacs in the previous year. The net sales and net profit of the Company for the year under review increased by about 12.70% and 32.20% respectively in comparison to the previous year. Your Directors expect even better results for the current year.

4. ISSUE OF CONVERTIBLE WARRANTS AND BSE LISTING

During the year under report, with the consent of its members in the last AGM, the company issued 23,66,166 Warrants convertible into Equity Shares at a price of Rs. 60/-, having face value of Rs. 10/- each and a premium of Rs. 50/- per warrant, convertible at the option of the warrant holder within an aggregate time period of 18 months. As per the terms of issue, the company has already received 10% of the issue amount, the balance being payable on or before exercising the option of conversion of the warrants in to equity shares.

Looking in to the interest of its members and to provide liquidity, your company got its shares listed on Bombay Stock Exchange on 3rd December 2007.

5. INDUSTRIAL RELATIONS

Relations with the Staff members and the workmen continued to be cordial and satisfactory during the period under review. The Directors acknowledge and appreciate the determination and sincere efforts of all their employees.



6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of the Report.

7. INSURANCE

The Company's buildings, plant and machineries, stocks and other properties wherever necessary and to the extent required have been adequately insured.

8. DIRECTORS

Under Article 129 of the Articles of Association of the Company, Mr. Anish K Shah retires by rotation and being eligible offers himself for re-appointment.

9. PUBLIC DEPOSITS

Deposits accepted by the Company as at 31st March 2008 aggregated to Rs. 477.03 Lacs. Your Company has no over due deposits but deposits aggregating to Rs. 29.29 Lacs from 215 depositors though matured, had neither been claimed nor renewed until 31st March, 2008.

10. RELATED PARTY TRANSACTIONS

As a matter of policy, the Company enters into transactions with related parties on an arms-length basis. The details of related party transactions are given in notes forming part of accounts.

11. CORPORATE GOVERNANCE

The Company adheres to sound Corporate Governance practices as per clause 49 of the Listing Agreement. The philosophy of the Company on Corporate Governance is to ensure the long-term interest of the Shareholders, creation of transparency, maintaining management ethics and developing good corporate culture. The Management Discussion and Analysis Report as well as report on Corporate Governance are attached hereto as a part of this Annual Report.

12. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 217(2AA) of the Companies Act, 1956, your Directors confirm:

1. that in preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from it;
2. that we have 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 affairs of the Company at the end of the financial year ended on 31st March, 2008 and for the profit of the Company for that period;
3. that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
4. that we have prepared the annual accounts on a going concern basis.

13. PARTICULARS OF EMPLOYEES

The Company has not employed any person drawing remuneration aggregating not less than Rs. 2,00,000/- per month, hence information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, is not applicable.

14. AUDITORS AND AUDITORS' REPORT

M/s. Deloitte Haskins & Sells, the Chartered Accountants, Ahmedabad, retire as auditors of the Company at the ensuing Annual General Meeting and has not offered themselves for re-appointment. The Board accepts their retirement and recommends the appointment of M/s. Parikh and Majmudar as the Statutory Auditors of the Company. The specific notes forming part of the Accounts referred to in the Auditors Report are self explanatory and do not call for any further explanation under section 217 (3) of the Companies Act, 1956.

15. COST AUDITOR

As per the Order of the Central Government to appoint Cost Auditor pursuant to Section 233B of the Companies Act, 1956, your Company has appointed M/s. R. Nanabhoy & Co., the Cost Accountants, Mumbai as the Cost Auditor of the Company for the financial year 2008-09.

16. ACKNOWLEDGEMENTS

Your Directors are grateful and pleased to place on record their appreciation for the excellent support, guidance and cooperation extended by Suppliers, Banks, Government Authorities, Customers and Shareholders during the year under review. The Board also expresses its appreciation of the understanding and support extended by the employees of the Company.

For and on behalf of the Board

Date : 29th August, 2008
Place : Ahmedabad

Shripal C. Sheth
Chairman & Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation measures taken:

The conservation of energy resources is an ongoing process at the Plant and the Company is constantly striving to improve the performance so as to reduce energy consumption. The Company lays great emphasis on the conservation of energy and as part of continuous efforts for conservation of energy, several measures were taken such as: (i) Installation of variable frequency drives at various places (ii) Installation of condensate recovery system at various places (iii) New technology for online steam leakages.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Energy conservation measures have been given topmost priority across all the plants. A specific task force team has been formed to identify areas for saving in the steam and power cost. The team has been identifying areas for reduction in steam and power consumption as well for bringing in efficiencies in steam generation. Help of external experts in the field of energy has also been taken to identify areas and ways of reducing cost of energy. A study had been conducted across the entire factory to identify areas having a scope of energy saving.

(c) Impact of the measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The adoption of energy conservation measures have resulted in more efficient utilization of steam as well as power.

(d) Total energy consumption per unit of Production:

FORM A

I. POWER AND FUEL CONSUMPTION:

| Sr. | Particulars | 2007-08 | 2006-07 |
|-----|------------------------------|----------|----------|
| 1. | ELECTRICITY: | | |
| | Purchased | | |
| | Unit '000 KWH | 27593.14 | 24973.42 |
| | Total Amount (Rs. in Lacs) | 1054.88 | 955.80 |
| | Rate per unit | 3.82 | 3.83 |
| 2. | COAL-GRADES B TO E: | | |
| | Quantity (M.T.) | 1218.71 | 2150.64 |
| | Total Cost (Rs. in Lacs) | 61.01 | 75.81 |
| | Average Rate (Rs. per M.T.) | 5006.11 | 3524.95 |
| 3. | FURNACE OIL: | | |
| | Quantity (K.L.) | 379.02 | 948.66 |
| | Total Amount (Rs. in Lacs) | 89.95 | 192.90 |
| | Average Rate (Rs. per K.L.) | 22149.23 | 20334.00 |
| 4. | LIGNITE & OTHERS: | | |
| | Quantity (M.T.) | 46000.77 | 42944.74 |
| | Total Cost (Rs. in Lacs) | 831.84 | 664.51 |
| | Average Rate (Rs. per M.T.) | 1808.32 | 1547.35 |

II. CONSUMPTION PER M.T. OF PRODUCTION

| Particulars | ELECTRICITY | | STEAM | |
|-----------------|-------------|---------------------|-------|----------------------|
| | STD | Current Year KWH | STD | Current Year M.T. |
| Chemicals | — | 206 | — | 1.361 |
| | — | (210) | — | (1.425) |
| Processed Foods | — | 120 | — | 2.946 |
| | — | (131) | — | (3.03) |

NOTE: Figures in brackets relates to previous year.



B. TECHNOLOGY ABSORPTION

FORM B

RESEARCH AND DEVELOPMENT:

(a) Specific Areas in which Research & Development carried out by the Company:

The Company's Research & Development Center has been approved by the Department of Science & Technology since 1974 and it has been actively engaged in carrying out Research & Development in several areas including process and Product improvement. It has also been working on development of new products and newer applications for specific customers. The Research & Development efforts of the Company are directed towards quality control and improvement of in-house expertise.

(b) Benefits derived as a result of R&D

- (i) The Company has been able to develop and manufacture speciality starches suitable for specific end use and finding specific applications in the targeted industries.
- (ii) Reduction of cost of production and improvement in the quality of the products.

(c) Future plan of action

The Company will continue to lay emphasis on the main areas of Research & Development set out under para (a) above.

| (d) Expenditure on R&D Particulars | 2007-2008 | (Rs. in Lacs) 2006-2007 |
|---|------------------|------------------------------------|
| Capital | - | 7.25 |
| Recurring | 20.38 | 14.94 |
| Total | 20.38 | 22.19 |
| Total R&D Expenditure as percentage of total turnover | 0.09% | 0.11% |

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Through continuous interaction with Research & Development Center, efforts are made towards technology absorption, adoption and innovation. The thrust areas have been the increase in productivity through cost effective programs, improvement of quality of all the products and development of related products for various end uses.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information is given in Notes forming part of the accounts. Members are requested to refer the said notes.

**REPORT ON CORPORATE GOVERNANCE**

Your Company has implemented the Code of Corporate Governance in terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges.

1. Company's philosophy on Corporate Governance

For your Company Good Corporate Governance is encompassing good corporate practices, transparency, accountability, and compliance in all spheres of its operations and in dealing with the shareholders, employees, the Government and the creditors. The Company believes in establishing a framework, which would enable in strengthening the decision-making processes and enhance the overall effectiveness of the organization. Your Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders.

2. Board of Directors**(i) Composition**

There are five members on the Board of the Company comprising of two Executive Directors and three Non Executive and Independent Directors. There is no institutional nominee on the Board of Directors of the Company.

The list of composition and categories of Directors are:

| Sr | Name of director | Category | No. of other Directorship in other public limited companies | No. of Committee position held in other public companies | |
|----|-------------------------|----------|---|--|----------|
| | | | | Member | Chairman |
| 1. | Mr. Shripal C. Sheth | C.M.D. | 2 | - | 1 |
| 2. | Mr. Amol S. Sheth | M.D. | 1 | 1 | - |
| 3. | Mr. Kamal R. Sheth | NED (I) | 3 | - | - |
| 4. | Mr. Anish K. Shah | NED (I) | - | - | - |
| 5. | Dr. Indiraben J. Parikh | NED (I) | 2 | - | - |

CMD – Chairman cum Managing Director – Executive & Non Independent.

MD – Managing Director – Executive & Non Independent.

NED (I)– Non-Executive Director (Independent)

(ii) Board procedure:

Board meetings are governed by a structured agenda and any Director may bring up any matter for consideration of Board at the meeting, in consultation with the Chairman. Agenda papers are generally circulated to the members of the Board well in advance.

(iii) Board meetings and attendance

During the year, the Board of Directors met Six times, on May 4, 2007, July 31, 2007, August 29, 2007, October 12, 2007, October 31, 2007 and January 31, 2008.

The details of attendance at the meetings of the Board of Directors and at the previous Annual General Meeting are as given below:

| Name of Directors | No. of Meetings held | No. of meetings attended | Whether present at previous AGM |
|-----------------------|----------------------|--------------------------|---------------------------------|
| Shri Shripal C. Sheth | 6 | 4 | No |
| Shri Amol S. Sheth | 6 | 6 | Yes |
| Smt. Indira J. Parikh | 6 | - | No |
| Shri Kamal R. Sheth | 6 | 6 | Yes |
| Shri Anish K. Shah | 6 | 6 | Yes |

Details of the various committees constituted by the Board of Directors of the Company are as mentioned below. The terms of reference of these committees have been determined by the Board from time to time. The Board has laid down the Code of Conduct for all the Board members and the Senior Management Personnel of the Company. The same has been posted on the website of the Company.

(iv) Details of Directors seeking Appointment/Reappointment at the Annual General Meeting:

Mr. Anish K Shah retires by rotation and being eligible offers himself for re-appointment. Shri Anish K Shah is a Director of the Company since 1998. He is aged about 40 years and by qualification he is B.E. and having more than 12 years of experience in the business administration. He is an independent Director on the Board of the Company.

**3. Audit Committee:****(i) Composition, Meeting and Attendance during the year**

The Audit Committee comprises of three Independent and Non-Executive Directors. During the financial year ended March 31, 2008, the Committee met four times, on May 4, 2007, July 31, 2007, October 31, 2007 and January 31, 2008. The attendance of the each member of the Committee is given below:

| Directors | Chairman / Member | Category | No. of mtgs. Attended |
|----------------------|-------------------|--------------|-----------------------|
| Shri Kamal R Sheth | Chairman | I & N. E. D. | 4 |
| Smt. Indira J Parikh | Member | I & N. E. D. | 1 |
| Shri Anish K Shah | Member | I & N. E. D. | 4 |

The composition of the Audit Committee meets the stipulated minimum requirement of independent Directors. CFO and Company Secretary, General Manager- Finance, Statutory Auditors and Internal Auditors are invitees to the meeting. The Company Secretary acts as the secretary of the committee. The quorum is either two members or one third of the members of the audit committee whichever is higher with a minimum of two independent Directors.

(ii) Terms of reference

The Terms of Reference of this committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956, and are as follows:

- (a) Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- (c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.
- (d) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.
- (e) Reviewing with the management, external and internal auditors the adequacy of internal control system;
- (f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- (g) Reviewing with management, Management Discussion and Analysis of financial condition and results of operation.
- (h) Discussions with internal auditors any significant findings and follow up thereon.
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (j) Discussions with external auditors before the audit commence, about the nature and scope of the audit as well as have post-audit discussions to ascertain any area of concern.



- (k) Reviewing the Company's financial and risk management policies.
- (l) To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.

4. Remuneration Committee:

The Board of Directors of the Company constituted the "Remuneration Committee" to formulate Company's policy on specific remuneration packages for Executive Directors including pension rights and compensation payment.

(i) Composition, Meeting and Attendance during the year

| Directors | Chairman / Member | Category |
|-----------------------|-------------------|--------------|
| Shri Anish K. Shah | Chairman | I & N. E. D. |
| Smt. Indira J. Parikh | Member | I & N. E. D. |
| Shri Kamal R. Sheth | Member | I & N. E. D. |

During the year one meeting of the Remuneration Committee of Directors of the Company was held on May, 4, 2007. Shri Anish K. Shah and Shri Kamal R. Sheth were present at the meeting.

(ii) Remuneration Policy

Remuneration Committee determines and recommends to the Board, the compensation of the Directors. The key components of the Company's Remuneration policy are:

- Compensation will be a major driver of performance.
- Compensation will be competitive.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

(iii) The details of remuneration of Managing Directors of the Company for the financial year 2007-2008 are given below: -

(Rs. In Lacs)

| Particulars | Mr. Shripal C. Sheth, Chairman-cum-Managing Director | Mr. Amol S. Sheth, Managing Director |
|----------------------------------|---|---|
| Salary | 15.00 | 15.00 |
| Contribution to PF & Other Funds | 1.80 | 1.80 |
| Perquisites | 8.06 | 8.01 |
| Commission | 9.00 | 9.00 |
| Total | 33.86 | 33.81 |

The Company is not paying any remuneration to its Non-Executive Directors. The details of sitting fees paid to the Non-Executive Directors during the financial year 2007-2008 are given below:

| Sr. | Name of the Non-Executive Director | Sitting Fees (Rs.) |
|-----|------------------------------------|--------------------|
| 1. | Mr. Kamal R. Sheth | 18000 |
| 2. | Mr. Anish K. Shah | 18000 |

5. Share Transfer-Cum-Investors Grievances Committee

(i) Composition

| Directors | Chairman / Member | Category |
|---------------------|-------------------|--------------|
| Shri Kamal R. Sheth | Chairman | I & N. E. D. |
| Shri Anish K. Shah | Member | I & N. E. D. |
| Shri Amol S. Sheth | Member | M.D. |

(ii) Terms of reference

- A. To look into the redressal of investors grievances relating to
 - a) Transfer and Dematerialization / Rematerialization of shares
 - b) Issue of duplicate share certificates.
 - c) Non-receipt of shares, dividends etc.
- B. To look into other related issues towards strengthening investor's relation.
The members of Share transfer cum investors Grievances Committee normally meet twice every month.



During the year ended March 31, 2008, the Company received four complaints in the nature of demat credit and there are no complaints outstanding as on March 31, 2008.

The Company Secretary acts as the Compliance Officer of the Company.

6. General Body Meetings:

The last three Annual General Meetings of the Company were held as under:

| Day & Date of AGM | Time | Venue | Special Resolution passed |
|-------------------------------------|-----------|---|---------------------------|
| Thursday, the 22nd September, 2005 | 9.45 AM | Ahmedabad Textile Mills Association Hall, Ashram road, Ahmedabad. | No |
| Wednesday, the 27th September, 2006 | 9.45 AM | Ahmedabad Textile Mills Association Hall, Ashram road, Ahmedabad. | Yes |
| Friday, the 28th September, 2007 | 9.45 A.M. | Ahmedabad Textile Mills Association Hall, Ashram road, Ahmedabad. | Yes |

Resolutions at above annual general meetings were passed by show of hands. None of the resolutions were placed before the above-referred Annual General Meetings, which required to be passed by postal ballot.

7. Disclosures:

Disclosure regarding materially significant related party transactions

Transactions with related parties, if any, are disclosed in Notes on accounts annexed to the financial results of the Company for the year. There was no related party transaction during the year, having potential conflicts with the interest of the Company.

Disclosure on non-compliance by the Company

There were no instances of non-compliance or penalty imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three financial years.

8. Means of Communication:

- Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirement of Clause 41 of the Listing Agreement.
- The quarterly and half yearly results are published in National (English) and Regional (Gujarati) dailies. Half-yearly results are not sent to each of the shareholders. No presentation has been made to institutional investors or to analysts.
- Quarterly results and official news releases have been displayed on the Company's website: www.anil.co.in
- The management discussion and analysis report is attached with the Directors' Report in this Annual Report.

9. General Shareholder Information:

(a) Annual General Meeting:

The ensuing Annual General Meeting ("the AGM") of the Company will be held on 29th September 2008 at 09.45 AM at Ahmedabad Textile Mills Association Hall, Ashram Road, Ahmedabad – 380 009.

(b) Financial Calendar:

The Financial year of the Company is for a period of 12 months from 1st April to 31st March. The financial results of the Company during the financial year 2008-09 are scheduled to be published as under:

| | | |
|----|--|---------------------------|
| a. | Results for the first quarter ending on 30 th June, 2008 | By end of July, 2008 |
| b. | Results for the second quarter ending 30 th September, 2008 | By end of October, 2008 |
| c. | Results for the third quarter ending 31 st December, 2008 | By end of January, 2009 |
| d. | Results (Audited) for the financial year ending 31 st March, 2009 | By end of June, 2009 |
| e. | Annual General Meeting for the year ending March, 2009 | By end of September, 2009 |



(c) Dates of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from 20th September 2008 to 29th September 2008 (both days inclusive).

(d) Dividend Payment

The Board of Directors of the Company has recommended dividend of 7.50 % on equity shares for the financial year ended 31st March, 2008 and will be paid after approval of the same at the ensuing Annual General Meeting of the Company.

(e) Stock Exchange Listing

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE), 25th Floor, P. J. Tower, Dalal Street, Mumbai – 400001 and Ahmedabad Stock Exchange Limited (ASE), Kamdhenu Complex, Ambawadi, Ahmedabad and the Company has paid annual listing fees to the Stock Exchange.

(f) Stock Code

Bombay Stock Exchange Ltd. – Company Code: 532910 (ANILPRO)

Ahmedabad Stock Exchange Ltd. - Company Code: 04292 (ANILPRODUCT)

(g) Market Price Data

During the financial year 2007-2008, the monthly high & low market prices of shares are following:

| Month | High Price | Low Price |
|---------------|------------|-----------|
| December 2007 | 425.60 | 72.00 |
| January 2008 | 570.20 | 274.10 |
| February 2008 | 284.90 | 153.35 |
| March 2008 | 157.50 | 94.85 |

(h) Registrar and Share Transfer Agent

M/s. Pinnacle Share Registry P. Ltd,
Ashoka Mills Compound,
Naroda Road, Ahmedabad –380 025
Phone: 079- 22200338
Fax No. 079 - 22202963
Email: investor.service@psrpl.com

(i) Share Transfer system:

Shares Transfers in physical form is approved by the Share Transfer-cum-Investors Grievance Committee of Directors of the Company at regular intervals in order to ensure that Share transfers complete in all respects are given effect to within valid period from the date of receipts. Demat requests are confirmed within 21 days from the date of receipt of request.

(j) Shareholding pattern and Distribution of Shareholdings as on 31st March, 2008.

| Category | No. of Shares held | % of Shareholding |
|---------------------------------|--------------------|-------------------|
| Promoters | 4,346,120 | 58.73 |
| Banks, FIs, Insurance companies | 2,68,849 | 3.63 |
| Private Bodies Corporate | 3,11,860 | 4.21 |
| Non-Resident Indians | 8,830 | 0.12 |
| Indian Public | 24,64,341 | 33.31 |
| Total | 7,400,000 | 100.00 |

**Distribution of Shareholdings**

| No. of equity shares held | No. of shareholders | % of shareholders | No. of shares | % of shareholding |
|---------------------------|---------------------|-------------------|------------------|-------------------|
| 1-500 | 14,272 | 95.03 | 1,024,890 | 13.85 |
| 501-1000 | 424 | 2.82 | 304,435 | 4.11 |
| 1001-2000 | 188 | 1.25 | 271,203 | 3.67 |
| 2001-3000 | 53 | 0.35 | 131,490 | 1.78 |
| 3001-4000 | 16 | 0.11 | 57,200 | 0.77 |
| 4001-5000 | 16 | 0.11 | 74,116 | 1.00 |
| 5001-10000 | 24 | 0.16 | 161,299 | 2.18 |
| 10001 and Above | 26 | 0.17 | 5,375,367 | 72.64 |
| TOTAL | 15,019 | 100.00 | 7,400,000 | 100.00 |

(k) Dematerialization of equity shares

The Company's shares are available for dematerialization on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March 2008, total 6,420,607 equity shares amounting to 86.76% of the equity share capital of the Company has been dematerialized.

ISIN No. of the equity shares of the company is INE125E01019.

(l) Plant Locations:

Anil Road, Ahmedabad – 380 025.

(m) Address for Correspondence:

Shareholders may correspond with the Company at the Registered office of the Company at: Anil Products Ltd, Secretarial Department, Anil Road, Ahmedabad – 380 025 or directly correspond with the Share Transfer Agent of the Company at following address:

Pinnacle Share Registry Pvt. Ltd, Ashoka Mills Compound, Naroda Road, Ahmedabad –380 025 (Phone: 079-22200338)

10. Declaration on Compliance with Code of Conduct

The Board has formulated a code of conduct for the Board members and the Senior Management Personnel of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and the Senior Management Personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the Directors and Senior Management Personnel.

11. Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Anil Products, as evolved over the years, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance, so as to meet the expectations of all our stakeholders.

12. Certificate on Corporate Governance

Certificate on compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Directors' Report.

For and on behalf of the Board

Date : 28th June, 2008

Place : Ahmedabad

Shripal C. Sheth
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting this Management Discussion and Analysis Report for the year ended on 31st March, 2008.

The Company operates in the single business segment of manufacturing Corn Wet Milling products. The financial year 2007-08 was a year of growth for the Corn Wet Milling Industry (CWMI). The end user segments of CWMI also witnessed substantial growth throughout the year because of the global buoyancy and hence most of the products of the CWMI were in good demand. Moreover, because of the larger scale of operations that has been the order of the day for most industries, the bottom lines of most industries have improved as well.

The CWMI in general and your Company in particular has also benefited to a large extent by the overall national and global economic parameters as mentioned above. Although, the domestic starch market continued to reel under pressure of excessive competition, the major end user segments displayed a very bright outlook. As a result of this, alongwith a reasonable growth in the topline of the Company, there is a substantial increase in the profit before tax during the year 2007-08. Moreover, the Company has focused on several initiatives for sustaining and improving upon the bottomline. The Company has also put in a lot of effort towards new product development and sustained growth in the future.

2. Opportunities, Threats, Risks & Concerns

The global recession is surely a matter of concern. Globally, a lot of economies are reeling under the recessionary pressure. However, the Indian economy has a lot of intrinsic strength and will continue to grow inspite of adverse global scenario. International markets have already opened up. This will provide huge opportunities to the domestic CornWet Millers.

The end user segments like paper, food and pharma are also growing at a quick pace. The increase in the purchasing power of the Indian consumer, the changing life style pattern in urban India and the growth of the retail sector in both the urban as well as the rural parts of the country, augurs well for the ready to eat food industry and hence the packaging industry. This in turn is likely to provide tremendous opportunities for the products of the CWMI. However, the rising costs of most of the inputs due to increase in the price of crude oil and increase in inflation, is an area of concern for all industries, including the corn wet milling industry.

3. Review of Operations:

The current year was a year of steady growth alongwith cost management and efficiency improvements. The endeavor during the year was to improve operational efficiencies and increase sales of value added starches. As such, there has been a considerable reduction in various costs and improvement in overall efficiencies. It is because of these measures that the Company has been able to improve the bottomline substantially. Hence, not only have the gross sales increased from Rs.21526.26 lacs to Rs 23924.76 lacs, the profit before tax has increased from Rs 881.37 lacs in the previous year to Rs. 1225.09 lacs during the current year.

4. Future Outlook:

The corn wet milling industry now seems to have come of age. A lot of players are looking at increasing their capacities. Competition will keep on increasing. Efficiencies, quality products and prompt service is going to be the order of the day. The bright prospects envisaged by the end user industries like food, pharma and paper will surely lead to further increase in the demand of our products. Your Company is hopeful of consistently utilizing the production capacities created during the last couple of years and also contemplates to increase these capacities further. Various energy conservation measures have already been taken to reduce the cost of power and fuel, two of the major cost components. Your Company is also putting in a lot of efforts in developing market shares of the value-added products. The Company is also planning to make investments for capacity augmentation of value added products and efficiency improvement. With all these steps which are being taken for further growth and improvement in the margins of its products, your Company is confident of a substantial growth in the top line as well as the bottom line during the year 2008-09 as well.



5. Internal Control System and Adequacy:

The Company has proper and adequate system of internal controls commensurate with its size and nature of operations. Over the years, the Company has developed a strong Internal Control System to safeguard all its assets and to report and record properly all transactions. The Company has an adequate and independent internal audit department, which periodically reviews the internal systems as well as checks for compliance with the laid down policies and procedures.

The Company has an Audit Committee, which comprises of three Non-executive Directors viz. Smt. Indira J. Parikh, Mr. Kamal R. Sheth & Mr. Anish K. Shah. The Audit observations are followed up for implementation of corrective actions. During the current year, the Company is in the process of setting in various management control mechanisms and systems for more effective controls.

6. Contingent Liabilities:

Details of contingent liabilities are given in Schedule 15 of balance sheet and profit and loss account.

7. Human Resources:

Human Resources continue to get primary focus of the management and the Company regards its Human Resources amongst its most valuable assets. The Company has invested in people during the course of the year through various training programmes in order to keep its employees competent and updated in the changing business environment. Employees at all levels are exposed to continuous training and development. Various work place improvement techniques like Quality Circles are being implemented and practiced in the Company. Various seminars and conferences, internal as well as external, are regularly held for continuous skill up gradation of its employees. The Human Resources team has been further strengthened to nurture its Human Resource asset. Industrial relations continue to be cordial.

8. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



CERTIFICATE ON CORPORATE GOVERNANCE

To the members of Anil Products Limited

I have examined the compliance of the conditions of Corporate Governance by Anil Products Limited for the year ended on 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion of the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

I 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.

Kumud M. Shah
Company Secretary

C. P. No. 2706
Membership No. FCS 410

Place : Ahmedabad
Date : 28th June, 2008

AUDITORS' REPORT

To the members of
Anil Products Limited

1. We have audited the attached Balance Sheet of **Anil Products Limited** as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) Subject to as stated in para 4 (vi) (a) below, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;



- (ii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) Attention is invited to the following notes in schedule 18 to the financial statements:
 - a) Note 5: Regarding inventories of finished goods of Rs. 766.04 lacs lying with the consignment agents as at 31st March 2008, which inventories are subject to confirmations from the consignment agents. These are, therefore, subject to necessary adjustments, if any, on receipt of such confirmations. Under the circumstances, its effect, if any, on the profit for the year and on the value of the inventories as at the balance sheet date can not be ascertained
 - b) Note 6: Regarding non provision of doubtful debts and loans and advances of Rs. 291.10 lacs and Rs. 80.50 lacs respectively.
 - c) Note 7: Regarding Insurance Claim receivable for Rs. 102.37 lacs considered good and recoverable by the management for the reasons mentioned in the note.

Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes there on give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2008;
- b) in the case of the Profit and Loss Account, of the profit 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.

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

Place : Ahmedabad
Date : 28th June, 2008



**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)**

- i. The nature of the Company's activities during the year have been such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii. (a) The Company has maintained proper records showing full particulars, including situation of its fixed assets. The quantity details are being updated.
(b) As explained to us, the Company has designed a phased program of verification of fixed assets to cover all the items over a period of two years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, some part of fixed assets was physically verified by the management during the year. According to information and explanations given to us, no material discrepancies were noticed by the management on such verification.
(c) The Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- iii. (a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals, except for stock of finished goods lying with the consignees amounting to Rs. 766.04 lacs which is subject their confirmation. In our opinion, the frequency of verification is reasonable.
(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) The Company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification of inventory were properly dealt with in the books of accounts.
- iv. According to the information and explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (a) The company has granted unsecured loans to a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 978.00 lacs and no amount was outstanding at the year end.
 - (b) In our opinion, the rate of interest and other terms and conditions of the loans granted as stated in (a) above, are not prima facie, prejudicial to the interest of the Company.
 - (c) As regards, the loans granted as stated in (a) above, terms of repayment have not been stipulated and hence the question of any overdue amount does not arise.
 - (d) The Company has taken unsecured loans from two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 355.00 lacs and no amount was outstanding at the year end.
 - (e) In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not, prima facie, prejudicial to the interest of the Company.
 - (f) As regards, the loans taken as stated in (d) above, terms of repayment have not been stipulated and hence the question of any overdue amount does not arise.
- v. 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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- vi. (a) In our opinion and according to the information and explanations given to us, transactions that needed to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) According to the information and explanations given to us, the comparative prices for the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5.00 lacs or more in respect of such parties are not



available. Hence, we are unable to comment whether these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- vii. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder with regards to the deposits accepted from the public. We are informed that no order has been passed by the Company Law Board.
- viii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- ix. We have broadly reviewed the books of account relating to materials, labour and other items of the cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- x. According to the information and explanations given to us in respect of statutory and other dues:
 - (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, sales-tax, customs duty, excise duty, income-tax, wealth-tax, service-tax, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, wealth-tax, service-tax, custom duty and excise duty were in arrears as at 31st March, 2008 for a period of more than six months from the date they became payable, except a sum of Rs. 0.37 lacs in respect of investor education and protection fund and Rs. 15.16 lacs in respect of education cess on municipal tax.
 - (c) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited as on 31st March, 2008 on account of any dispute are given below:

| Sr. | Nature of dues | Amount (Rs. in Lacs) | Period to which the amount relates | Forum where the dispute is pending |
|----------------------------|---|----------------------|------------------------------------|--|
| SALES TAX | | | | |
| 1. | Sales Tax Demand | 218.20 | 1995-1996 | Gujarat High Court |
| 2. | Sales Tax Demand | 49.83 | 1994-1997 | Gujarat High Court |
| 3. | Sales Tax Demand | 35.55 | 2003-2004 | Gujarat Sales Tax Tribunal |
| 4. | Sales Tax Demand | 6.88 | 2001-2002 | Commissioner of Sales Tax – Gujarat |
| 5. | Central Sales Tax Demand | 2.47 | 2001-2002 | Commissioner of Sales Tax – Gujarat |
| 6. | Central Sales Tax Demand | 309.56 | 1995-1996 | Gujarat High Court |
| CENTRAL EXCISE DUTY | | | | |
| 1. | Excise demand for product classifications | 147.92 | 01.04.1998 to 29.02.2000 | Customs, Excise and Service Tax Appellate Tribunal - Mumbai |
| 2. | Excise demand for product classifications | 144.94 | 01.09.1996 to 31.05.1997 | Customs, Excise and Service Tax Appellate Tribunal - Mumbai |
| 3. | Excise demand for product classifications | 101.90 | 01.01.2006 to 31.03.2006 | Customs, Excise and Service Tax Appellate Tribunal-Ahmedabad |
| INCOME TAX | | | | |
| 1. | Regular Income Tax Assessment | 3.73 | 01.04.2002 to 31.03.2003 | Commissioner of Income Tax (Appeal)- Ahmedabad |
| 2. | Regular Income Tax Assessment | 18.39 | 01.04.2003 to 31.03.2004 | Commissioner of Income Tax (Appeal)- Ahmedabad |

- xi. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.



- xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xiii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv. According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks and financial institutions, are not, prima facie prejudicial to the interest of the Company.
- xv. According to the information and explanations given to us, term loans availed by the Company were applied for the purposes for which they were raised.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xvii. During the year, the Company has made preferential allotment of Equity Warrants, as stated in Note no. 4 of Schedule 18, to companies covered in the register maintained under section 301 of the Act. Such preferential issue has to be in accordance with the pricing related requirements of the SEBI (Disclosure and Investment Protection) Guidelines, 2000. As per the information and explanations given to us, since during the six months preceding the relevant date, there was no transaction of sale / purchase reported on the stock exchange on which the equity shares of the Company are listed, the pricing for the preferential allotment of the Equity Warrants could not be determined as per the requirements of the SEBI (Disclosure and Investment Protection) Guidelines, 2000. Under the circumstances, we are unable to comment whether the price at which the Equity Warrants have been issued is prejudicial to the interest of the Company or not.
- xviii. The Company has not issued any debentures during the year and hence, the question of creation of security does not arise.
- xix. During the year, the Company has not raised any money by public issue.
- xx. 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 Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

Place : Ahmedabad
Date : 28th June, 2008

**BALANCE SHEET AS AT 31ST MARCH, 2008**

| | | (Rupees in Lacs) | |
|--|----------|------------------------|------------------------|
| | Schedule | 31st Mar 08 | 31st Mar 07 |
| SOURCES OF FUNDS: | | | |
| 1. Shareholders' Funds: | | | |
| (a) Share Capital | 1 | 740.00 | 740.00 |
| (b) Equity Share Warrants (Refer Note No. 4 of Schedule 18) | | 141.97 | - |
| (c) Reserves and Surplus | 2 | <u>4331.62</u> | <u>3676.73</u> |
| | | 5,213.59 | 4416.73 |
| 2. Loan Funds: | | | |
| (a) Secured Loans | 3 | 6766.28 | 5603.73 |
| (b) Unsecured Loans | 4 | <u>1091.41</u> | <u>1232.82</u> |
| | | 7857.69 | 6836.55 |
| 3. Deferred tax liability (Net) | | <u>867.31</u> | <u>730.04</u> |
| Total | | <u>13938.59</u> | <u>11983.32</u> |
| APPLICATION OF FUNDS: | | | |
| 1. Fixed Assets | 5 | | |
| (a) Gross Block | | 10363.89 | 9428.08 |
| (b) Less: Depreciation & Amortisation | | <u>1591.45</u> | <u>1238.81</u> |
| Net Block | | 8772.44 | 8189.27 |
| (c) Capital Work-in- Progress | | <u>480.68</u> | <u>123.72</u> |
| | | 9253.12 | 8312.99 |
| 2. Investments | 6 | 48.68 | 56.24 |
| 3. Current Assets, Loans and Advances: | | | |
| (a) Inventories | 7 | 3638.50 | 2614.85 |
| (b) Sundry Debtors | 8 | 4425.94 | 3885.39 |
| (c) Cash and Bank Balances | 9 | 172.38 | 162.73 |
| (d) Loans and Advances | 10 | <u>845.28</u> | <u>1815.04</u> |
| | | 9082.10 | 8478.01 |
| Less: Current Liabilities and Provisions: | 11 | | |
| (a) Liabilities | | 3994.03 | 4568.80 |
| (b) Provisions | | <u>451.28</u> | <u>295.71</u> |
| | | 4445.31 | 4864.51 |
| Net Current Assets | | 4636.79 | 3613.50 |
| 4. Miscellaneous Expenditure (To the extent not written off or adjusted) | 12 | - | 0.59 |
| Total | | <u>13938.59</u> | <u>11983.32</u> |
| Notes forming part of the Accounts and Significant Accounting Policies | 18 | | |

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 28/06/2008

For and on behalf of the Board of Directors

Amd S. Sheth
Managing Director

Manan Bhavsar
Company Secretary

Kamal R. Sheth
Director

Anurag V. Kothawala
Chief Operating Officer

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008**

| | Schedule | (Rupees in Lacs) | |
|--|----------|------------------|-----------------|
| | | 2007-08 | 2006-07 |
| INCOME: | | | |
| Gross Sales - Manufacturing | | 21331.04 | 18273.06 |
| Less : Excise Duty | | <u>1427.67</u> | <u>1251.42</u> |
| Net Sales - Manufacturing | | 19903.37 | 17021.64 |
| Sales - Goods Traded - in | | 2593.72 | 3253.20 |
| Other Income | 13 | <u>545.46</u> | <u>171.74</u> |
| | | 23042.55 | 20446.58 |
| EXPENDITURE: | | | |
| Materials Consumed and Purchase of Goods Traded-In | 14 | 14663.28 | 13208.65 |
| Employees' Emoluments | 15 | 1017.63 | 975.94 |
| Manufacturing and Other Expenses | 16 | 4774.15 | 4376.48 |
| Interest and Finance Charges | 17 | 995.96 | 737.73 |
| Depreciation & Amortisation | | <u>366.44</u> | <u>266.41</u> |
| | | 21817.46 | 19565.21 |
| Profit before Tax | | 1225.09 | 881.37 |
| Provision for Tax: | | | |
| a) Current Tax | | 346.17 | 152.50 |
| b) Fringe Benefit Tax | | 10.51 | 11.69 |
| c) Deferred Tax | | 139.42 | 168.78 |
| d) Short provision for earlier years | | <u>5.00</u> | <u>0.74</u> |
| | | 501.10 | 333.71 |
| Profit after tax | | 723.99 | 547.66 |
| Add : Balance brought forward from previous year | | 1155.60 | 672.88 |
| Less : Adjustment towards transitional liability for employee benefits (Net of deferred tax) [See note 14 of Schedule 18] | | <u>(4.17)</u> | <u>-</u> |
| Balance available for appropriations | | 1875.42 | 1220.54 |
| Appropriations | | | |
| Proposed Dividend | | 55.50 | 55.50 |
| Tax on Proposed Dividend | | 9.43 | 9.44 |
| Balance carried to Balance Sheet | | <u>1810.49</u> | <u>1155.60</u> |
| | | 1875.42 | 1220.54 |
| Earning per share (Face value per share Rs.10) | | | |
| Basic | | 9.78 | 7.40 |
| Diluted | | 7.97 | 7.40 |
| (Refer Note no. 17 of Schedule 18) | | | |
| Notes forming part of the Accounts & Significant Accounting policies. | 18 | | |

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants

Gaurav J. Shah
Partner

Place : Ahmedabad
Date : 28/06/2008

For and on behalf of the Board of Directors

Amd S. Sheth
Managing Director

Kamal R. Sheth
Director

Manan Bhavsar
Company Secretary

Anurag V. Kothawala
Chief Operating Officer



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2008

| | | | | |
|--|-------|-------|-------|-------|
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | _____ | _____ | _____ | _____ |
| | ===== | ===== | ===== | ===== |
| | _____ | _____ | _____ | _____ |
| | ===== | ===== | ===== | ===== |
| | ===== | ===== | ===== | ===== |
| | _____ | _____ | _____ | _____ |

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants
Gaurav J. Shah
Partner
Place : Ahmedabad
Date : 28/06/2008

For and on behalf of the Board of Directors

Amd S. Sheth
Managing Director

Manan Bhavsar
Company Secretary

Kamal R. Sheth
Director

Anurag V. Kothawala
Chief Operating Officer



Schedule '1' to '18' annexed to and forming part of Balance Sheet as at and Profit and Loss Account for the year ended 31st March 2008

(Rupees in Lacs)

| Particulars | 31st Mar 08 | 31st Mar 07 |
|--|------------------------|------------------------|
| SCHEDULE '1': SHARE CAPITAL: | | |
| Authorised: | | |
| 2000000 Equity Shares of Rs.10/- each | <u>2,000.00</u> | <u>2,000.00</u> |
| Issued, Subscribed & Paid-up : | | |
| 7400000 Equity Shares of Rs.10/- each | <u>740.00</u> | <u>740.00</u> |
| Total | <u>740.00</u> | <u>740.00</u> |
| Note : | | |
| Out of the above shares:- | | |
| 7000000 Equity shares were allotted as fully paid up to the shareholders of erstwhile The Anil Starch Products Ltd (ASPL) pursuant to a scheme of amalgamation without payment being received in cash. | | |
| SCHEDULE '2': RESERVES AND SURPLUS: | | |
| Capital Reserve | | |
| As per last Balance Sheet | 11.09 | 11.09 |
| Amalgamation Reserve | | |
| As per last Balance Sheet | 2,510.04 | 2,510.04 |
| (On Amalgamation of The Anil Starch Products Ltd. And Anil Consumer Products Ltd. with the company with effect from 1st April, 2001) | | |
| Surplus as per the Profit & Loss Account | <u>1,810.49</u> | <u>1,155.60</u> |
| Total | <u>4,331.62</u> | <u>3,676.73</u> |
| SCHEDULE '3': SECURED LOANS: | | |
| From Banks: | | |
| Term Loans : | | |
| (i) Term Loan - I | 1,782.48 | 1,206.15 |
| (ii) Term Loan - II | 453.97 | 1181.88 |
| Cash Credit Accounts : | | |
| (i) In Foreign Currency | 2,405.74 | 1,383.75 |
| (ii) In Rupees | <u>2,046.26</u> | <u>1,779.48</u> |
| | 6,688.45 | 5,551.26 |
| Vehicle Loans | | |
| (Secured by vehicles purchased there from) | 43.04 | - |
| From Others : | | |
| Kotak Mahindra Finance Ltd. | 2.47 | 8.47 |
| (Secured by Vehicles Purchased there from) | | |
| S.I.D.B.I. | 15.22 | 25.65 |
| (Secured by Guarantee given by companies bankers against hypothecation of machinery purchased therefrom) | | |
| Interest accrued and due | 17.10 | 18.35 |
| Total | <u>6,766.28</u> | <u>5,603.73</u> |

**(Rupees in Lacs)****31st Mar 08** **31st Mar 07****Particulars****Notes:**

- (a) Secured by first charge on Pari Passu basis on fixed assets under the term loans.
- (b) Secured by first charge on Pari Passu basis on entire fixed assets of the company.
- (c) Secured by first charge on Pari Passu basis on stock of Raw Material, Stock in-process, Finished goods Stores and spares, and book debts.
- (d) Secured by way of equitable mortgage by deposit of title deeds of the company's immovable properties consisting of Land, Building, Fixed machinery, Plant & Fixtures, fittings (Both present and future) situate at company's main plant at Naroda, Ahmedabad & at Karanagar, Near Kadi; charge ranking Pari Passu in favour of all banks.
- (e) Principal Amount Payable within 12 months Rs.810.00 Lacs (P.Y. Rs.715.00 Lacs)

SCHEDULE '4': UNSECURED LOANS :**Unsecured loans:**

From Companies **605.75** 627.20

Fixed Deposits:

From Members **2.81** 3.70

From Public **474.22** 583.63

477.03 587.33

Interest accrued and due **8.63** 18.29

Total

1,091.41 **1,232.82**

Notes :

Payable within 12 months : Rs. 932.32 Lacs (P.Y. Rs. 792.33 Lacs)

Schedule '5': Fixed Assets:**(Rupees in Lacs)**



(Rupees in Lacs)

| Particulars | 31st Mar 08 | 31st Mar 07 |
|---|-----------------|-------------|
| SCHEDULE '6': INVESTMENTS (AT COST): | | |
| In Government and Trust Securities: | | |
| <u>Quoted:</u> | | |
| 7924 US 64 Bonds of Rs.100 each (73832 Units of Rs.10/- each in Unit Trust of India converted into 7924 US 64 Bonds w.e.f.01/06/2003) | 8.68 | 8.68 |
| <u>Unquoted:</u> | | |
| 7 Years National Savings Certificates of the face value of Rs.11,000/- * | 0.11 | 0.11 |
| 6 years National Savings Certificates of the face value of Rs.30,500/- * | 0.30 | 0.30 |
| | 9.09 | 9.09 |
| * (Deposited with Government department as security Deposit) | | |
| In Shares, and Debentures, other than trade: | | |
| <u>Quoted:</u> | | |
| 2567 fully paid Equity Shares of Rs.10/- each in Gujarat State Fertilizer's Co. Ltd. | 5.24 | 5.24 |
| 5425 fully paid Equity Shares of Rs.10/- each of The Arvind Mills Ltd. | 12.63 | 12.63 |
| 200 fully paid Equity Shares of Rs.10/- each in Corporation Bank. | 0.16 | 0.16 |
| 28700 fully paid Equity Shares of Rs.10/- each in Bank of India. | 12.92 | 12.92 |
| <u>Unquoted :</u> | | |
| 5 fully paid share of Rs. 25/- each in The Ahmedabad Peoples' Co-operative Bank Ltd. (Rs.130/-) | - | - |
| 2000 fully paid shares of Rs.10/- each in The Kapole Co-operative Bank Ltd. | 0.20 | 0.20 |
| 20000 fully paid Equity Shares of Rs.10/- each in Anil Commodities Ltd. | 2.00 | 2.00 |
| 20000 fully paid Equity Shares of Rs.10/- each in Anil Tradecom Ltd. | 2.00 | 2.00 |
| 120000 fully Paid Equity Shares of Rs.10/- each in Anil Biochem Ltd. | 12.00 | 12.00 |
| | 56.24 | 56.24 |
| Less : Diminution in Value of Investment | (7.56) | - |
| | 48.68 | 56.24 |
| Quoted Investments | | |
| Cost Price | 39.63 | 39.63 |
| Market Value | 80.09 | 63.46 |
| Unquoted | | |
| Cost Price | 16.61 | 16.61 |
| SCHEDULE '7': INVENTORIES | | |
| Inventories: | | |
| Stores, Spares and Fuel | 453.49 | 610.68 |
| Stock-in-trade (at cost or net realisable value whichever is lower) : | | |
| Raw Materials | 1,387.43 | 629.63 |
| Materials in Process | 152.50 | 142.40 |
| Finished Products | 1,645.08 | 1,232.14 |
| | 3,638.50 | 2,614.85 |



(Rupees in Lacs)

| Particulars | 31st Mar 08 | 31st Mar 07 |
|--|-----------------|-----------------|
| SCHEDULE '8': SUNDRY DEBTORS (Unsecured) | | |
| i) Outstanding for more than six months | | |
| - Considered Good | 165.08 | 566.92 |
| - Considered Doubtful | 728.21 | 418.00 |
| ii) Others | | |
| Considered Good | 3,968.96 | 3,318.47 |
| | 4,862.25 | 4,303.39 |
| Less : Provision for doubtful debtors | (436.31) | (418.00) |
| | 4,425.94 | 3,885.39 |
| SCHEDULE '9': CASH AND BANK BALANCES: | | |
| Cash on hand | 11.18 | 6.13 |
| Bank Balances: | | |
| With Scheduled Banks: | | |
| In Current Accounts | 54.75 | 46.44 |
| In Margin Deposits (Lodged with banks as securities) | 106.45 | 110.16 |
| With Non-Scheduled Banks: | | |
| In Current Account with : | | |
| The Ahmedabad Peoples' Co-operative Bank Ltd. | - | - |
| (Maximum balance during the year Rs.324) (Previous year Rs. 324) | | |
| | 172.38 | 162.73 |
| SCHEDULE '10': LOANS & ADVANCES (Unsecured) | | |
| Considered Good | | |
| Advances recoverable in cash or in kind or for value to be received | 227.91 | 249.57 |
| Advances to Suppliers | 457.80 | 1517.91 |
| Balance with Excise Department | 48.07 | 35.88 |
| Interest Receivable | 30.92 | 11.68 |
| Considered Doubtful | | |
| Advances recoverable in cash or in kind or for value to be received | 4.44 | 6.48 |
| Advances to Suppliers | 80.58 | - |
| | 849.72 | 1,821.52 |
| Less : Provision for doubtful loans & advances | (4.44) | (6.48) |
| Total | 845.28 | 1,815.04 |
| SCHEDULE '11': CURRENT LIABILITIES AND PROVISIONS : | | |
| a) Current Liabilities: | | |
| Acceptance (Bills Payable) | 1,080.15 | 876.23 |
| Sundry Creditors | | |
| Micro, Small and Medium Enterprises | | |
| (To the extent identified with available information) | | |
| Others | 2,807.72 | 3,285.58 |
| Investor Education and Protection Fund * | | |
| a) Unclaimed Dividends | 13.05 | 2.66 |
| b) Unclaimed Matured Fixed Deposit | 29.29 | 28.01 |
| c) Unclaimed Matured Fixed Deposit Interest | 1.66 | - |
| * (Does not include any amount due and outstanding, to be credited to "Investor Education and Protection Fund" except Rs. 0.68 lacs) | | |
| Interest accrued but not due on loans | 24.91 | 28.07 |
| Other liabilities | 37.25 | 348.25 |
| | 3,994.03 | 4,568.80 |
| b) Provisions: | | |
| Provision for taxation (Net of advance tax) | 324.66 | 145.40 |
| Proposed Dividend | 55.50 | 55.50 |
| Provision for Tax on dividend | 9.43 | 9.44 |
| Provision for Gratuity | 14.52 | 56.00 |
| Provision for Leave Salary | 37.17 | 29.37 |
| | 451.28 | 295.71 |
| Total | 4,445.31 | 4,864.51 |



(Rupees in Lacs)

| Particulars | 31st Mar 08 | 31st Mar 07 |
|--|------------------|------------------|
| SCHEDULE '12' MISCELLANEOUS EXPENDITURE | | |
| (To the extent not written off or adjusted) | | |
| Deferred Revenue Expenditure : | 0.59 | 1.18 |
| Less: Written off during the year | (0.59) | (0.59) |
| Total | - | 0.59 |
| SCHEDULE '13': OTHER INCOME: | | |
| Dividend | 0.57 | 1.06 |
| Income from units of Unit Trust of India | 0.38 | 0.45 |
| Interest (Gross) (Tax deducted Rs. 9.05 Lacs, previous year Rs. 4.08 lacs) | 46.05 | 21.15 |
| Profit on Sale of Assets | 14.11 | 59.79 |
| Sundry balances written off | 394.12 | 35.65 |
| Provisions no longer required written back | 6.48 | - |
| Miscellaneous Income | 83.75 | 53.64 |
| Total | 545.46 | 171.74 |
| SCHEDULE '14': MATERIALS CONSUMED AND PURCHASE OF GOODS TRADED-IN : | | |
| (a) Raw Materials Consumed: | | |
| Stocks at Commencement | 629.63 | 1,621.49 |
| Purchases | 13,283.21 | 9,392.31 |
| | 13,912.84 | 11,013.80 |
| Less: Stocks at Close | 1,387.43 | 629.63 |
| | 12,525.41 | 10,384.17 |
| (b) Purchase of Goods traded-in | 2,580.52 | 2,867.82 |
| (c) Increase/Decrease in Stocks: | | |
| Stocks at Close: | | |
| Materials in process | 152.50 | 142.40 |
| Finished Products (Manufacturing) | 1,645.08 | 1,232.14 |
| Less: Stocks at Commencement: | | |
| Materials in process | 142.40 | 123.09 |
| Finished Products (Manufacturing) | 1,232.14 | 1,000.36 |
| Finished Products (Trading) | - | 207.75 |
| | 423.04 | 43.34 |
| | 14,682.89 | 13,208.65 |
| Less: Capitalised on Trial Run | (19.61) | - |
| Total | 14,663.28 | 13,208.65 |
| SCHEDULE '15': EMPLOYEES' EMOLUMENTS: | | |
| Salaries, Wages, Bonus, Gratuity, etc. | 870.25 | 750.57 |
| Contribution to Provident and Other Funds | 82.93 | 152.01 |
| Welfare Expenses | 64.45 | 73.36 |
| Total | 1,017.63 | 975.94 |



(Rupees in Lacs)

| Particulars | 31st Mar 08 | 31st Mar 07 |
|---|-----------------|-----------------|
| SCHEDULE '16': MANUFACTURING AND OTHER EXPENSES: | | |
| Stores Consumed | 1,385.91 | 1,021.41 |
| Power, Fuel & Water | 2,071.93 | 1,938.88 |
| Process Charges | 26.78 | 22.96 |
| Repairs | | |
| Building | 23.41 | 15.66 |
| Machinery | 334.80 | 283.38 |
| Others | 34.16 | 35.12 |
| Rent | 7.83 | 2.70 |
| Rates & Taxes | 24.63 | 25.26 |
| Insurance | 33.86 | 35.65 |
| Freight, Excise Duty | 265.56 | 278.95 |
| Excise duty provided on stocks | (36.18) | 75.51 |
| Selling Commission | 98.72 | 86.73 |
| Brokerage & Discount | 109.34 | 140.61 |
| Sales Tax | 15.96 | 10.37 |
| Auditors' Remuneration | 4.42 | 5.34 |
| Legal & Professional Charges | 80.68 | 36.88 |
| Directors' Fees & Travelling Expenses | 0.36 | 0.17 |
| Miscellaneous Expenses | 256.27 | 258.46 |
| Loss on Assets Sold & Discarded | 6.37 | 4.42 |
| Prior period Expenses | 0.02 | 32.38 |
| Bad Debts and Sundry Debit Balances Written Off | - | 38.05 |
| Provision for Doubtful Debts and Advances | 18.31 | 24.48 |
| Loss on Foreign Exchange Rate Differences | 2.86 | 2.52 |
| Deferred Revenue Expenses Written Off | 0.59 | 0.59 |
| Diminution in Value of Investments | 7.56 | - |
| Total | 4,774.15 | 4,376.48 |

SCHEDULE '17': INTEREST AND FINANCE CHARGES:

| | | |
|--------------------------|---------------|---------------|
| On Fixed Loans | 673.91 | 436.12 |
| On Director's loan | - | 0.15 |
| Other Interest | 186.74 | 216.37 |
| Other Finance Charges | 129.30 | 47.68 |
| Bill Discounting Charges | 6.01 | 37.41 |
| Total | 995.96 | 737.73 |

SCHEDULE "18"**(A) Significant Accounting Policies :****1. System of Accounting:**

- i) The Company generally follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis, except in case of significant uncertainties.
- ii) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

2. **Use of Estimates :** The preparation of financial statements requires estimates and assumption to be made, that affect the reported amount of assets and liabilities on date of financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.



3. **Fixed Assets** : Fixed Assets are carried at cost of acquisition or construction including financial costs till commencement of commercial production and incidental expenses related to acquisition & installation on concerned assets, less accumulated depreciation (except on free hold land) and amortization.
4. **Depreciation and Amortization:**
- i) Depreciation on Fixed Assets is provided on Straight Line Basis in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the said Act.
 - ii) Depreciation on additions to Plant and Machinery during the year is being provided on pro-rata basis with reference to month of acquisition/installation as required by Schedule XIV to the Companies Act, 1956 where as the depreciation on additions to other assets is provided for the full year.
 - iii) Depreciation on assets sold, scrapped or demolished during the year is provided at their respective rates up to the date on which such assets are sold, scrapped or demolished, as required by Schedule XIV of the Companies Act, 1956
5. **Impairment of Assets** : The company evaluates the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment loss is then recognized for the amount by which the carrying amount of assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest levels for which there are separately identifiable cash flows.
6. **Investments:** Long term Investments are stated at cost. Provision for diminution in value of long-term investments is made only if, such a decline is other than temporary in the opinion of the management.
7. **Inventories:** Inventories are valued at lower of cost or net realizable value. Cost is arrived as under:
- Stores & Fuel : FIFO basis
 - Raw Materials : FIFO basis
 - Work-in-Progress : Full Absorption Cost basis
 - Finished Goods : Full Absorption Cost basis
8. **Foreign Currency Transaction:** Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are restated at the year end rates. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account. In case of forward contracts, difference between the forward rate and exchange rate on the date of contract is recognised as income or expense over the life of the contract. Exchange differences on such a contract are recognised in the profit and loss account in the period in which the exchange rates change.
9. **Revenue Recognition:** In appropriate circumstances, Revenue (income) is recognized when no significant uncertainty as to determination or realization exists.
10. **Sales:** Sales are recognized when goods are supplied and invoiced. Export sales are recorded on the date of Bill of lading.
11. **Research & Development Expenditure:** Research & Development Expenditure is charged to revenue. Capital expenditure on research and development is reported as fixed assets under the relevant head. Depreciation on research and development fixed assets are not classified as research and development expenses and instead included under depreciation expenses.
12. **Retirement Benefits:**
- Defined Contribution Plan
- The Company's contributions paid / payable for the year to Provident Fund are recognised in the profit and loss account.
- Defined Benefit Plan
- The Company's liability towards gratuity is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.



13. **Cenvat Credit:** Cenvat Credit is accounted for on accrual basis on purchase of materials.
14. **Prior Period Expenses/Income:** Material items of prior period expenses/income are disclosed separately.
15. **Borrowing Cost:** The borrowing costs that are attributable to the acquisition / construction / production of qualifying assets are capitalized as part of cost of assets. A qualifying asset is one that necessarily take a substantial period of time and to get ready for its intended use. All other borrowing costs are charged to revenue.
16. **Leases:** Lease Transactions entered into on or after April 1, 2001.
- (1) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalized at the inception of the Lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- (2) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis.
17. **Taxes on Income:** Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized if, in the opinion of the management, there is virtual certainty that there will be sufficient future taxable income available to realize such losses.
18. **Provisions, Contingent Liabilities and Contingent Assets:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are not recognized but are disclosed in the notes.
19. **Miscellaneous Expenditure:** Expenditure of enduring benefits is treated as 'Deferred Revenue Expenditure' and is being amortized over a period as estimated by the Management. Preliminary expenses are written off equally over a period of ten years.

| Particulars | 31st Mar 08 | 31st Mar 07 |
|-------------|-------------|-------------|
|-------------|-------------|-------------|

(B) NOTES FORMING PART OF THE ACCOUNTS:**1. Contingent Liability/ Capital Commitments not provided for in respect of:**

| | | |
|---|---------|---------|
| (a) Claims against the Company not acknowledged as Debts | 23.71 | 23.78 |
| (b) Disputed Sales Tax Demands – matter under appeal | 622.49 | 689.88 |
| (c) Disputed Excise Demand – matter under appeal | 394.76 | 317.86 |
| (d) Disputed Income Tax Liability – matter under appeal | 22.12 | - |
| (e) Guarantees of s. 2,970 Lacs (P.Y. Rs. 1500.00 Lacs) given by the Company for loan taken by others from banks. The balance outstanding is | 1475.01 | 1408.00 |
| (f) Guarantee and Letter of Credit Facility limits of Rs.525.00 lacs (Previous year Rs. 525.00 lacs) | 290.34 | 422.51 |

Capital Commitments

| | | |
|--|------|-----|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for | 6.19 | Nil |
|--|------|-----|

2. Excise duty shown as deduction from Gross Sales-Manufacturing represents the amount of excise duty collected on sales. Excise duty expensed under Schedule-“13 Manufacturing and other Expenses”, represents the difference between excise duty element in the amounts of closing stocks & opening stocks and excise duty paid which is not recoverable from sales.

3. The Company uses forward contracts to hedge its risk associated with foreign currency fluctuation. The Company does not use forward contracts for speculative purposes.

The following are the outstanding foreign exchange contracts as at 31st March, 2008.

| | |
|------------------|------------------|
| No. of Contracts | 3 |
| USD Equivalent | USD 6.05 Million |
| INR Equivalent | 2405.74 Lacs |

Foreign currency exposure not hedged by derivative instruments as at 31st March,2008 on Exports /Import amounts to Rs.54.72 Lacs.



4. In terms of the approval of the shareholders of the Company and as per the applicable statutory provisions including Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines 2000, the Company, on October 12, 2007, has issued and allotted 23,66,166 warrants convertible into equal number of equity shares at a price of Rs. 60/-, having face value of Rs. 10/- each and a premium of Rs. 50/- per warrant on preferential basis to Promoter Companies. The warrant holders have a right to offer for conversion of warrants into equity shares at any time within a period of 18 months from the date of allotment of the warrants. The warrant holders have paid 10% of the conversion price per warrant aggregating to Rs. 141.97 Lacs, which has been disclosed as Equity Share Warrants in the balance sheet, the balance 90 % of the conversion price is payable along with the notice of exercise of the option of conversion. The proceeds have been utilized for capital expenditure.
5. Finished goods amounting to Rs.766.04 Lacs (Previous Year Rs.701.55 Lacs) with consignment agents at close of the year are subject to confirmations.
6. No provision is made for book debts of Rs. 291.10 Lacs and loans and advances of Rs. 80.50 Lacs considered doubtful of recovery.
7. Loans and advances include an amount of Rs.102.37 Lacs (Previous Year Rs.102.37 Lacs) being insurance claim recoverable from an insurance company in respect of loss and damages suffered due to earthquake that took place in January, 2001. The amount is recoverable as per an award dated March 1, 2005 passed by the Arbitral Tribunal in the matter of Arbitration between the two parties. Against the said award, the insurance company has preferred an application u/s.34 of the Arbitration and Conciliation Act, 1996. The Company has received an order dated 18th Sept 2007 passed by the City Civil Court, Ahmedabad stating that the said application preferred by the insurance company came to be dismissed on 18th June 2007, in view of that matter the award has become final and Company is entitled to execute the said award in consonance with Sec 35 of the Arbitration Act. In view of the above, the insurance claim receivable has been considered as good and recoverable and no provision is considered necessary in the accounts in respect thereof.
8. Loans and Advances include following advances given to parties within the same management as defined under section 370(1B) of the Companies Act, 1956:

(Rs. in Lacs)

| Sr No | Name of the party | Out standing balance As at 31 st March 2008 | Maximum balance during the year 2007-08 |
|-------|-----------------------|---|--|
| 1 | Anil Commodities Ltd. | 341.57 | 1398.22 |
| 2 | Rahil Trading Pvt.Ltd | 3.81 | 3.81 |

9. **Payment to Auditors:**

| | For the Year ended on 31 st Mar 2008 | For the Year ended on 31 st Mar 2007 |
|--|--|--|
| a) Statutory Auditors: | | |
| i) As Auditors (including service tax) | 1.96 | 1.96 |
| ii) In other capacity: For Tax Audit | 0.84 | 0.84 |
| For Certification & other matters | 1.53 | 2.44 |
| | 4.33 | 5.24 |
| b) Cost Auditors: | | |
| i) As Auditors | 0.10 | 0.10 |
| | 0.10 | 0.10 |

10. **Managerial Remuneration:**

Profit and loss account includes payments and provisions on account of remuneration to managing directors as under:

(Rs. in Lacs)

| | For the Year ended on 31 st Mar 2008 | For the Year ended on 31 st Mar 2007 |
|---|--|--|
| Chairman and Managing Director | | |
| Salary | 15.00 | 15.00 |
| Contribution to Provident & other funds | 1.80 | 1.80 |
| Perquisites | 8.06 | 6.80 |
| Commission | 9.00 | 9.00 |
| | 33.86 | 32.60 |



| | (Rs. in Lacs) | |
|---|--|--|
| | For the Year ended on 31st Mar 2008 | For the Year ended on 31st Mar 2007 |
| Managing Director | | |
| Salary | 15.00 | 15.00 |
| Contribution to Provident & other funds | 1.80 | 1.80 |
| Perquisites | 8.01 | 6.76 |
| Commission | 9.00 | 9.00 |
| | 33.81 | 32.56 |

(b) Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956.

| | (Rs. in Lacs) | |
|--|--|-----------------------------|
| | For the Year ended on 31st Mar 2008 | |
| Profit before tax as per P & L a/c | | 1225.09 |
| Add: | | |
| Managerial Remuneration | 67.67 | |
| Directors Sitting Fees | 0.36 | |
| Loss on sale of Fixed Assets | 6.36 | |
| Depreciation as per accounts | 366.44 | |
| Provision for Doubtful Debts and Advances | 18.31 | |
| Diminution in Value of Investment | 7.56 | |
| Less: | | 1691.79 |
| Depreciation as per Sec 350 | 366.44 | |
| Profit on sale of Fixed Assets | 14.96 | |
| Net Profit available for Managerial Remuneration | | 1310.39 |
| 10% of the eligible amount of Commission (subject to the Overall ceiling laid down in Section 198 and Section 309 Of the Companies Act, 1956 | | 131.04 |
| (i) 2.5% of Net Profit to Chairman and Manager Director And Restricted to | | 32.76 9.00 |
| (ii) 2.5% of Net Profit to Chairman and Manager Director And Restricted to | | 32.76 9.00 |

11. In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.
12. The Company is engaged in manufacturing of starches and its derivatives and hence management is of the opinion that it does not have a reportable primary segment identifiable in accordance with the Accounting Standard 17 issued by the Institute of Chartered Accountants of India.
13. Employee Benefits
 - a) Hitherto the Company was accounting the provision for the employee retirement benefits as per the Accounting Standard 15 "Accounting for Retirement Benefits". During the year, the Company has adopted the Accounting Standard 15 (Revised 2005) "Employee Benefits". Accordingly, the Company has made a provision for certain defined employee benefit plans aggregating to Rs. 26.50 Lacs. Further in accordance with the transitional provision in the revised Accounting Standard, Rs. 4.17 Lacs (Net of tax of Rs. 2.15 Lacs) has been adjusted to the General Reserves.



b) Defined Benefit Plans

(Rs. in Lacs)

| Particulars | Gratuity | Leave En cashment |
|--|-------------|-------------------|
| i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2008 | | |
| Current service cost | 14.96 | 5.65 |
| Interest Cost | 22.20 | 2.35 |
| Expected return on plan assets | (17.22) | 0.00 |
| Net actuarial losses (gains) | (11.75) | 10.30 |
| Total Expenses | 8.20 | 18.30 |

(Rs. in Lacs)

| Particulars | Gratuity | Leave En cashment |
|--|------------------------------|-------------------|
| ii Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation | | |
| Opening defined benefit obligation as on April 1, 2007 | 277.52 | 29.37 |
| Service cost | 14.96 | 5.65 |
| Interest cost | 22.20 | 2.35 |
| Actuarial losses (gains) | 0.04 | 10.30 |
| Losses (gains) on curtailments | 0.00 | 0.00 |
| Liabilities extinguished on settlements | 0.00 | 0.00 |
| Benefits paid | (21.59) | (10.50) |
| Closing defined benefit obligation as at March 31, 2008 | 293.13 | 37.17 |
| iii Reconciliation of Opening and Closing balances of changes in fair value of plan assets | | |
| Opening fair value of plan assets as at April 1, 2007 | 215.20 | 0.00 |
| Expected return on plan assets | 17.22 | 0.00 |
| Actuarial gains and (losses) | 11.78 | (10.30) |
| Assets distributed on settlements | 0.00 | 0.00 |
| Contributions by employer | 56.00 | 10.50 |
| Benefits paid | (21.59) | (10.50) |
| Closing balance of fair value of plan assets as at March 31, 2008 | 278.60 | 0.00 |
| iv Net Liability recognized in the Balance Sheet as at March 31, 2008 | | |
| Defined Benefit Obligation as at March 31, 2008 | 293.13 | 37.17 |
| Fair Value of plan assets as at March 31, 2008 | 278.60 | 0.00 |
| Present Value of unfunded obligation recognized as liability as at March 31, 2008 | 14.52 | 37.17 |
| v Actual Return On Plan Assets | 29.00 | 0.00 |
| vi Actuarial Assumptions As at 31st Mar 2008 | | |
| Discount Rate | 8% | |
| Expected rate of return on plan assets | 8% | |
| Expected rate of salary increase | 5% | |
| Mortality | 1994-96 LIC ULT TABLE | |
| Withdrawal Rates | Age Related | |
| Retirement Age | 60 years | |
| Actuarial Valuation Method | Projected Unit Credit Method | |

c) Defined Contribution Plans.

Rs. 82.93 recognised as an expense and included in the Schedule 15 of Profit and Loss Account under the head "Contribution to Provident and other funds".

As this is the first year of implementation of AS- 15 (Revised 2005), necessary disclosures for the previous year and for the preceding three years have not been made.



14. Related Party disclosure as required by AS-18:

NAME OF THE RELATED PARTIES AND NATURE OF RELATIONSHIP WHERE CONTROL EXISTS

SR NO. NAME OF RELATED PARTY

(I) ASSOCIATE COMPANY/ENTERPRISES

| | |
|--------------------------------------|------------------------------|
| 1 ANIL BIOCHEM LTD | 2 ANIL TRADECOM LTD |
| 3 ANIL COMMODITIES LTD | 4 AGRANIL MARKETING LTD |
| 5 AUGHT INVESTMENTS PVT LTD | 6 ABLOOM INVESTMENTS PVT LTD |
| 7 AGALLOCHUN INVESTMENTS PVT LTD | 8 NAIMESH TRADING PVT LTD |
| 9 ASEEM REALTY PVT LTD | 10 ASCENT LEARNING PVT LTD |
| 11 BHARTI CONSUMER MARKETING PVT LTD | |

(II) KEYMANAGEMENT PER SONNEL

| | |
|-------------------------|------------------------------|
| 1 SHRI SHRIPAL C. SHETH | CHAIRMAN & MANAGING DIRECTOR |
| 2 SHRI AMOL S. SHETH | MANAGING DIRECTOR |

(III) RELATIVES OF KEY MANAGEMENT PER SONNEL

| | |
|-------------------------|------------------------------------|
| 1 SHRI SHREYAS C. SHETH | : BROTHER OF SHRI SHRIPAL C. SHETH |
|-------------------------|------------------------------------|

(IV) ENTERPRISE IN WHICH RELATIVE OF KEY MANAGEMENT PER SONNEL ARE INTERESTED

| |
|---------------------|
| 1 AMOL DICALITE LTD |
|---------------------|

THE FOLLOWING TRANSACTIONS WERE CARRIED WITH THE RELATED PARTIES IN THE ORDINARY COURSE OF BUSINESS

(Rs. In Lacs)

**15. Leases:**

- (I) In accordance with accounting standard 19 'Leases' issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after April 1st, 2001 are capitalized and a loan liability recognized. Consequently, depreciation is provided on such assets. Installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.
- (II) Assets acquired on Lease agreements mainly comprise of Cars. The agreements provide for reimbursement of taxes, levy, etc. imposed by any authorities in future. There are no exceptional/ restrictive covenants in the Lease Agreements.

The minimum installments as at 31st March, 2008 and the present value as at 31st March 2008 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

| Minimum Installments | (Amount in Lacs) |
|---|-------------------------|
| | 31st March, 2008 |
| I) Payable not later than 1 year | 23.91 |
| ii) Payable later than 1 year and not later than 5 years | 27.17 |
| ii) Payable later than 5 years | - |
| Total minimum installments | 51.07 |
| Less: Future finance charges | 5.56 |
| Present value of minimum installments | 45.51 |
| Present Value of Minimum Installments | |
| I) Payable not later than 1 year | 20.16 |
| ii) Payable later than 1 year and not later than 5 years. | 25.35 |
| ii) Payable later than 5 years | - |
| Present value of minimum installments | 45.51 |

**16. Calculations of Earnings Per Share (EPS)**

The numerators and denominators used to calculate the basic and diluted EPS are as follows:

| | | Year ended | | |
|--------------------------------|---|------------|-----------|-----------|
| | | 31/03/08 | 31/03/07 | |
| Basic earning per share | | | | |
| A. | Profit after tax attributable to shareholders | Rs. Lacs | 723.99 | 547.65 |
| B. | Basic and weighted average number of equity shares outstanding during the year. | Nos. | 7,400,000 | 7,400,000 |
| C. | Nominal value of equity share | Rs. | 10 | 10 |
| D. | Basic earning per share | Rs. | 9.78 | 7.40 |

| | | Year ended | | |
|----------------------------------|--|------------|-----------|-----------|
| | | 31/03/08 | 31/03/07 | |
| Diluted earning per share | | | | |
| A. | Profit after tax attributable to shareholders | Rs. Lacs | 723.99 | 547.65 |
| B. | Basic and weighted average number of equity shares outstanding during the year. | Nos. | 7,400,000 | 7,400,000 |
| C. | Add : Dilutive potential equity shares | Rs. | 16,85,534 | - |
| D. | Basic and weighted average number of equity shares outstanding during the year for diluted earning per share | Rs. | 90,85,534 | 74,00,000 |
| E. | Nominal value of equity share | Rs. | 10 | 10 |
| F. | Diluted earning per share | Rs. | 7.97 | 7.40 |

17. Deferred Tax Assets/(Liability).

| | (Rs. In Lacs) | |
|-----------------------------------|-----------------------------------|-----------------------------------|
| | As at 31 st March 2008 | As at 31 st March 2007 |
| i) Deferred tax liabilities | | |
| Depreciation | (908.39) | (751.62) |
| Deferred Revenue Expenditure | - | 0.20 |
| | (908.39) | (751.82) |
| ii) Deferred tax assets | | |
| Disallowances under I.T. Act 1961 | 41.08 | 21.78 |
| iii) Net Deferred tax liability | (867.31) | (730.04) |

18. CIF Value of Imports, Expenditure and Earnings in Foreign Currencies:

| | (Rs. in Lacs) | |
|--------------------------------------|---------------|-----------|
| | 2007-2008 | 2006-2007 |
| (a) CIF value of Imports: | | |
| - Stores and Spares | 59.59 | 63.67 |
| - Capital Goods | 27.95 | 229.84 |
| (b) Expenditure in Foreign Currency: | | |
| - Traveling | 12.02 | 9.74 |
| - Others | 1.10 | 1.40 |
| (c) Earnings in Foreign Currency: | | |
| - F.O.B. value of Exports | 498.99 | 302.37 |

19. Raw Materials Consumption, Imported & Indigenous Consumption and goods traded in:

| (a) Raw Materials Consumption: | 2007-2008 | | 2006-2007 | |
|--------------------------------|-----------|-----------------|-----------|-----------------|
| | M.T. | Rs.in Lacs | M.T. | Rs.in Lacs |
| Maize | 128032.16 | 10459.12 | 125777.00 | 9417.05 |
| Feed | 11640.28 | 1690.24 | 6487.99 | 952.14 |
| Maize Gluten | | | - | - |
| Others | | 376.05 | - | 14.98 |
| Total | | 12525.41 | | 10384.17 |



| (b) Imported & Indigenous | 2007-2008 | | 2006-2007 | |
|----------------------------|-----------------|-------------|-----------------|-------------|
| | Rs.in Lacs | Percentage | Rs.in Lacs | Percentage |
| Raw Materials Consumption: | | | | |
| Imported | - | - | - | - |
| Indigenous | 12525.41 | 100% | 10384.17 | 100% |
| Total | 12525.41 | 100% | 10384.17 | 100% |
| Stores Consumption : | | | | |
| Imported | 59.59 | 4% | 63.67 | 6% |
| Indigenous | 1326.32 | 96% | 957.74 | 94% |
| Total | 1385.91 | 100% | 1021.41 | 100% |

| (c) Goods-Traded-in-Purchases: | 2007-2008 | | 2006-2007 | |
|--------------------------------|-----------|----------------|-----------|----------------|
| | M.T. | Rs.in Lacs | M.T. | Rs.in Lacs |
| (i) Maize Oil | - | - | - | - |
| (ii) Gluten | - | - | - | - |
| (iii) Maize | 31262.61 | 2580.52 | 38530.98 | 2867.82 |
| (iv) Feed 1 | - | - | - | - |
| Total | | 2580.52 | | 2867.62 |

20. Licensed and Installed Capacity, Production, Stocks and Turnover:

(A) Licensed* & Installed Capacity and Production:

| Class of Goods | (i) | | (ii) | | (iv) | |
|-----------------|--------------------|-----------|-------------------|-----------|------------------|-----------|
| | Installed Capacity | | Actual Production | | Production meant | |
| | Per annum** | | Per annum | | for sale | |
| | 2007-2008 | 2006-2007 | 2007-2008 | 2006-2007 | 2007-2008 | 2006-2007 |
| | M.T. | M.T. | M.T. | M.T. | M.T. | M.T. |
| Chemicals | 93440 | 93440 | 85615 | 76049 | 54187 | 49972 |
| Processed Foods | 40515 | 38690 | 35534 | 31118 | 26290 | 22078 |

* The Company's products are not required to have licensing as per prevailing Industrial Policy.

** As certified by Management and accepted by Auditors, being a technical matter.

(B) Stocks and Turnover:

| Class of Goods (a) | | (ii) | | (iii) | | (iv) | |
|--------------------|------------------|--------------|----------------|-----------|----------------|----------|-----------------|
| | | Stocks at | | Stocks at | | Turnover | |
| | | Commencement | | close | | M.T. | |
| | | M.T. | Rs. | M.T. | Rs. | M.T. | Rs. |
| | | in Lacs | | in Lacs | | in Lacs | |
| Chemicals | 2007-2008 | 6139 | 656.47 | 7489 | 894.28 | 52837 | 8570.29 |
| | 2006-2007 | 5056 | 480.76 | 6139 | 656.47 | 48889 | 7481.42 |
| Processed Foods | 2007-2008 | 2571 | 498.62 | 3240 | 596.23 | 25621 | 4617.35 |
| | 2006-2007 | 2137 | 308.56 | 2571 | 498.62 | 21644 | 4077.64 |
| Others | 2007-2008 | - | 77.05 | - | 154.57 | - | 6715.73 |
| | 2006-2007 | - | 211.04 | - | 77.05 | - | 5462.58 |
| Goods Traded in: | | | | | | | |
| Maize Oil | 2007-2008 | - | - | - | - | - | - |
| | 2006-2007 | 4 | 1.50 | - | - | - | - |
| Maize | 2007-2008 | - | - | - | - | 31262 | 2593.71 |
| | 2006-2007 | - | - | - | - | 38531 | 3046.28 |
| Feed1 | 2007-2008 | - | - | - | - | - | - |
| | 2006-2007 | 858 | 206.25 | - | - | 858 | 206.92 |
| Gluten | 2007-2008 | - | - | - | - | - | - |
| | 2006-2007 | - | - | - | - | - | - |
| Total.. | 2007-2008 | | 1232.14 | | 1645.08 | | 22497.08 |
| | 2006-2007 | | 1208.11 | | 1232.14 | | 20274.84 |



21. Material loss during trial runs of machineries amounting to Rs.19.61 lacs (P.Y. Nil) has been capitalized to respective fixed assets.
22. Amounts less than Rs.500/- which are required to be shown separately have been shown at actual in brackets.
23. Previous year's figures have been regrouped and rearranged wherever necessary.
24. Information required in terms of Part IV of Schedule VI to the Companies Act 1956 as compiled by the Company is attached.

As per our report of even date
For Deloitte Haskins & Sells
Chartered Accountants
Gaurav J. Shah
Partner
Place : Ahmedabad
Date : 28/06/2008

For and on behalf of the Board of Directors

Amd S. Sheth
Managing Director
Manan Bhavsar
Company Secretary

Kamal R. Sheth
Director
Anurag V. Kothawala
Chief Operating Officer



**Statement pursuant to part IV of Schedule VI of the Companies Act, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
NAME OF THE COMPANY : ANIL PRODUCTS LTD.**

I. REGISTRATION DETAILS

| | |
|--------------------|------------|
| Registration No. | State Code |
| 1 9 8 9 5 | 0 4 |
| Balance Sheet Date | |
| 3 1 0 3 2 0 0 8 | |

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

| | |
|--------------|-------------------|
| Public Issue | Rights Issue |
| N I L | N I L |
| Bonus Issue | Private Placement |
| N I L | 1 4 1 9 7 |

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

| | |
|------------------------------|----------------------|
| Total Liabilities | Total Assets |
| 1 8 3 8 3 9 0 | 1 8 3 8 3 9 0 |
| Sources of Funds | |
| Paid up Capital | Reserves and Surplus |
| 7 4 0 0 0 | 4 3 3 1 6 2 |
| Secured Loans | Unsecured Loans |
| 6 7 6 6 2 8 | 1 0 9 1 4 1 |
| Deffered Tax Liability (Net) | |
| 8 6 7 3 1 | |
| Application of Funds | |
| Net Fixed Assets | Investments |
| 9 2 5 3 1 2 | 4 8 6 8 |
| Net Current Assets | Misc. Expenditure |
| 4 6 3 6 7 9 | N I L |
| Accumulatated Losses | |
| N I L | |

IV. PERFORMANCE OF COMPANY (Amounts in Rs. Thousands)

| | |
|--------------------------|-----------------------|
| Turnover* | Total Expenditure |
| 2 3 0 4 2 5 5 | 2 1 8 1 7 4 6 |
| * Including other income | |
| Profit/Loss Before Tax | Profit/Loss After Tax |
| + 1 2 2 5 0 9 | + 7 2 3 9 9 |
| Earning Per Share in Rs. | Dividend Rate % |
| 9 . 7 8 | 7.5% |

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

| | |
|--------------------------|---------------------------|
| Item Code No. (ITC Code) | Product Description |
| 1 1 0 8 1 2 | S T A R C H |
| Item Code No. (ITC Code) | Product Description |
| 1 7 0 2 4 0 | L I Q U I D G L U C O S E |

For and on behalf of the Board of Directors

Amd S. Sheth
Managing Director
Manan Bhavsar
Company Secretary

Kamal R. Sheth
Director
Anurag V. Kothawala
Chief Operating Officer



ATTENDANCE SLIP
ANIL PRODUCTS LIMITED



Registered Office : Anil Road, Ahmedabad-380 025.

Folio No. _____ DPID No. _____ Client I.D. No. _____

Name and address of Shareholder : _____

No. of Share(s) held : _____

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held at Ahmedabad Textile Mills Association (ATMA) Hall, Ashram Road, Ahmedabad at 9.45 a.m. on Monday, the 29th September, 2008.

Signature of the member/proxy/
Representative attending the meeting _____

Notes : Please fill in the Attendance Slip and hand it over at the entrance of the meeting venue.



FORM OF PROXY
ANIL PRODUCTS LIMITED



Registered Office : Anil Road, Ahmedabad-380 025.

I/We _____

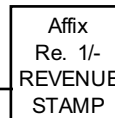
of _____ being a Member(s) of the Anil Products Ltd. hereby
appoint _____ of _____ or
failing him _____ of _____ as
my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of Anil Products Ltd. to be held at 9.45
a.m. on Monday, the 29th September, 2008 and at any adjournment thereof.

Folio No. _____ DPID No. _____ Client I.D. No. _____

No. of Share(s) held : _____

Signed this _____ day of _____ 2008

Signature _____



Notes :

- 1) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- 2) A proxy need not to be a Member.
- 3) The completed form should be deposited at the Registered Office of the Company at Anil Road, Ahmedabad - 380 025, atleast 48 hours before the time of the meeting.

BOOKS
BY
THE
AUTHOR

BOOKS