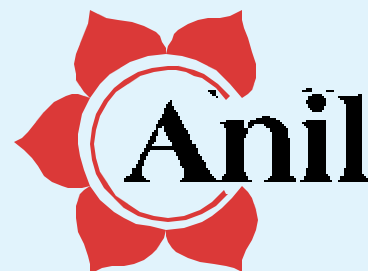


Anil Limited



Excellence Defined

Anil

ANNUAL 2012
REPORT 2013

COMPANY INFORMATION



Shri Amol Sheth
Chairman & Managing Director



Shri Kamal Sheth
Independent Director



Shri Anish Shah
Independent Director



Smt. Indira Parikh
Independent Director



Shri Anurag Kothawala
Group Director



Excellence In Business



Shri Shashin Desai
Executive Director

CHIEF FINANCIAL OFFICER

Shri Dipol Pakhiwala

COMPANY SECRETARY

Shri Chandresh Pandya

AUDITORS

M/s. Parikh & Majmudar
Chartered Accountants

BANKERS

Bank of India | Punjab National Bank | LICI Bank

REGISTERED OFFICE

P. O. BOX - 10009,
Anil Road, Ahmedabad - 380 025
Tel. : 079 - 40282000
Fax : 079 - 22200731
E-mail : investor-relations@anil.co.in
Website : www.anil.co.in

PLANT LOCATION

Anil Road,
Ahmedabad - 380 025

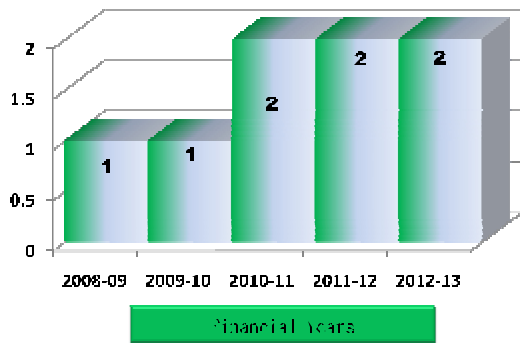
REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Unit: Anil Limited
Unit No 303, 3rd floor Shoppers Plaza V,
Opp. Municipal Market,
Behind Shoppers Plaza I,
Off C G Road, Ahmedabad 380009
Phone : 91-79-2646 5179
Fax No. 91-79-2646 5179
Email: ahmedabad@linkintime.co.in

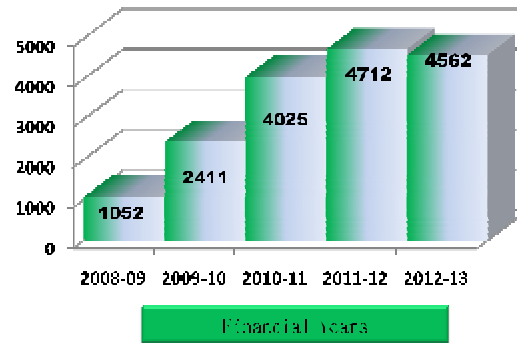
CONTENTS

Particulars	Page No.
Financial Highlights and Key Trends	2
Management Discussion and Analysis	3
Director Report	6
Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956 relating to subsidiary Companies	9
Corporate Governance Report	12
CSR At Anil	23
Stand Alone Financial Statements:	
Independent Auditors Report	24
Balance Sheet	28
Statement of Profit and Loss Account	29
Cash Flow Statement	30
Notes Forming Part of the Financial Statements	32
Consolidated Financial Statements:	
Independent Auditors Report	52
Balance Sheet	53
Statement of Profit and Loss Account	54
Cash Flow Statement	55
Notes Forming Part of the Financial Statements	57

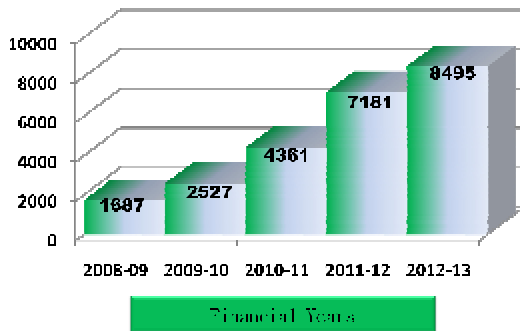
DIVIDEND (Rs.)



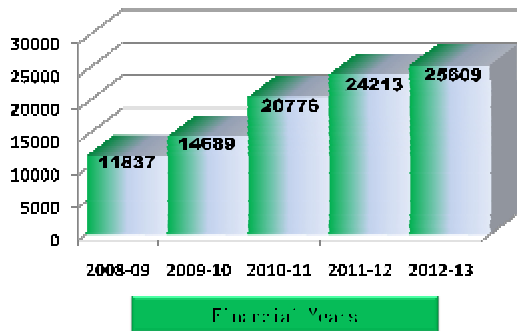
PAT (Rs. IN LACS)



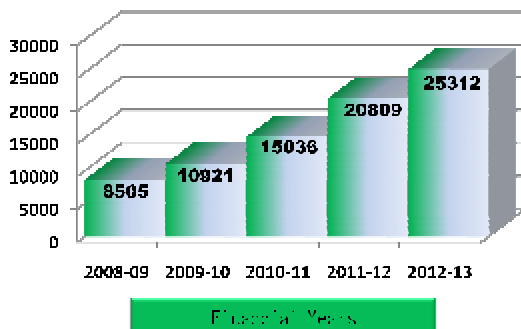
EARNINGS IN FOREIGN CURRENCY (Rs. IN LACS)



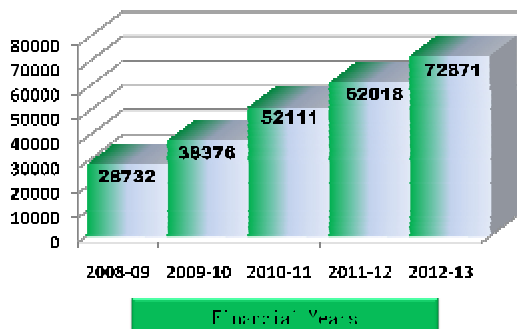
FIXED ASSETS (Rs. IN LACS)



NET WORTH (Rs. IN LACS)



TURNOVER (Rs. IN LACS)



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW:

The Indian economy grew at its slowest pace in a decade in 2012-13, posing another fresh challenge to India incorporation. Data released by the Central Statistical Organization (CSO) showed that the economy grew 5% in 2012-13, compared to 6.2% in the previous year. The Indian economy, Asia's third-largest, has slowed sharply from the scorching growth notched a few years ago due to a string of factors, including high inflation, high interest rates, slowing global economy, delay in implementation of projects, policy logjam, slowing industrial growth and declining business sentiment.

The high current account deficit, which widened to 6.7% in the December quarter, and stubborn inflation has acted as obstacles to easing monetary policy aggressively. What has been most disappointing is that industrial output growth in 2012-13 has been a mere 1%, posing a threat to job creation and overall growth.

With respect to GDP growth for the Financial Year 2012-13, the extent of divergence between the projected growth rate of the economy and the actual outcome is considerably large. The slowing growth rate in India during the Financial Year 2012-13 can be explained in terms of both global factors and domestic factors. The slowdown in growth in advanced economies and near recessionary conditions prevailing in Europe resulted not only in lower growth of international trade but also lower capital flows. However, a major cause of manufacturing sluggishness in this financial year has been the drop in investments as reflected in the slower rate of growth in disbursement of bank credit and lower investment in new projects.

CAD, which represents the difference between inflows and outflows of foreign currency, has touched a record high in the Financial Year 2012-13. Current Account deficit occurs when a country's total imports are greater than the Country's total exports. The high volume of gold imports, high international oil prices widening of the trade deficit has put pressure on CAD. On the other hand, global slowdown and internal uncertainties led to decline in exports, overseas remittances and fresh foreign inflows. All this led to eventual depreciation of rupee which consequently impacted inflation.

Due to erratic and deficient rainfall, area coverage under kharif crops has declined as compared to last year. Coarse cereals and pulses, grown mostly in rain fed conditions, have suffered a major decline in their area under cultivation. This has increased the price of maize considerably in comparison to the previous financial year.

BUSINESS OVERVIEW:

Anil Limited is engaged in the business of manufacturing starch and specialty starch products that cater across various industries, including Textile, Paper, Food & Beverages, Adhesive, Pharmaceuticals, Chemicals and Animal Feed Industry. The products that are supplied to these industries are value added products which offer higher realization, higher margins and better contribution. The range of products that Anil Limited manufactures is Native Starch, Chemical Starches, Modified Starches, Dextrins, Dextrose Monohydrate, Anhydrous Dextrose, Liquid Glucose, Corn Syrup, and Sorbitol. Anil Limited has a large range of modified starches that cater to various applications in these industries. Anil Ltd has aggressively expanded its geographical markets. Your company is exporting to more than 35 countries.

Research & Development (R&D) at Anil Limited focus on new products and application development, keeping abreast with latest developments worldwide, process reengineering to optimize product cost and providing customized solutions to customers. To cater to various applications, Anil Limited has reconfigured its R&D centre with application labs. ANIL has a team of well qualified scientists and industry specific specialists that gives total solutions to the customers in various industries. The R&D also works closely with some of the leading scientific institutions of India.

During the Financial year under review the revenue from operations has gone up to ₹ 70671.65 Lacs compared to ₹ 60224.05 Lacs in the previous year registering a growth of 17.35%. The export of the company have increased to ₹ 8494.59 Lacs during the year compared to ₹ 7181.44 Lacs in the previous year reflecting a growth of 18.29%. Profit after tax was ₹ 4562.33 Lacs as against ₹ 4711.70 Lacs for the previous year. The earnings per share (EPS) for the year was ₹ 43.31 as against ₹ 46.73 in the previous year.

ENVIRONMENT, HEALTH AND SAFETY (EHS):

In managing Health, Safety and Environment during the year, your company has focused on better, smarter operations, reduction in wastage of resources and strengthening systems to reduce potential health and safety incidences.

Environment

Your Company undertook various initiatives in Financial Year 2013 to adopt best environmental management practices and promote awareness on EHS management and also celebrates special events like "The World Environment Day".

This year the United Nations Environment Program (UNEP) observed the World Environment Day by following the theme "Green Economy". Since we too firmly believe in this theme your Company had decided to mark the World Environment Day on 5th June 2012 by planting as many trees as possible. "We love our Mother Nature" – by taking this pledge to conserve the environment, the employees & workers at ANIL participated in large numbers in the tree plantation activity and planted more than 600 plants.

Health

Maintaining a healthy and productive workforce is a smart strategy of business and promoting health is a proven key in health care practices. Life at ANIL is not just about work alone! Your Company ensure that it gives high priority to work life balance and hence undertakes various initiatives through employee engagement programs.

During the year, your company had conducted many significant lectures, workshops, blood donation camp and other health awareness camps through which the company had tried to give its employees awareness and guidance concerning their health.

Safety

ANIL also maintains high priority towards keeping the highest standards of safety norms while maintaining operational integrity. In pursuance to that, your company ensures that an employee and worker feels secured while undertaking his routine tasks with complete determination and confidence and thus safeguarding their health and life. ANIL also carries out various trainings, programs and celebrations to generate awareness amongst the employees and the workers so as to prevent them from any fatal or mishap.

Continuing the trend at ANIL, the first week of March was marked as the Safety Awareness Week and Celebrations were held from 4th March 2013 to 9th March 2013. Safety badges were distributed to create awareness for safety. Your Company has also organized training sessions, a safety quiz and competitions like essay writing, slogan writing and poster making during the year under review.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

Our Governance and compliance processes, which include the review of internal control over financial reporting, ensure that all the compliances to be made are complete. Your company has in place an adequate system of internal control. Professionally qualified

accountants and SAP experienced executives carry out extensive Internal Audit throughout the year. The Internal Audit results are used by management to create detailed action plans and Key findings are reported to the senior managements regularly. Audit Committee of the Board of Directors regularly reviews the adequacy and effectiveness of internal Audit and monitors the implementation of internal audit recommendations.

Certifications

Your Company is an ISO 9001:2008 certified Company and along with this the Company has obtained HALAL and GOTS Certificates also.

HUMAN RESOURCES / INDUSTRIAL RELATIONS:

Your Company's innovative human resources management strategies supported its business growth in a challenging environment. There has always been a strong emphasis on employment fulfilment at your Company to ensure that while there is continued focus on achieving goals, we always make time to have ensured that the work environment is conducive for work.

The work environment of your company enables its employees to work together in a trusting and respectful manner. Anil Limited always encourages discussion and debate on the new ideas. Your Company always provides a platform for development by organising various seminars and programmes.

OPPORTUNITY & THREATS:

Opportunity & Strength

Your Company is catering to various industries including Textile, Paper, Food & Beverages, Adhesive, Pharmaceuticals, Chemicals and Animal Feed Industry. The focus of Government of India for these industries is encouraging and they have good business development models. Our State of the art R&D is giving special attention on application based exclusive product development. It has dedicated application experts and labs for segments viz. Textile, Paper, Food & Pharma and Feed & Fertilizer etc. to take advantage of growth in all these segments.

At ANIL, we believe that competitive strengths include – Leadership in providing innovative solutions that enable our customers to deliver improved business results in addition to optimising the efficiency of their business.

Threats & Risks

While near term risks to global financial stability are retreating, the global economic climate continues to be volatile and uncertain. For India, economic activity is expected to show a modest improvement over last year, with a pick-up likely only in the second half of the year. Upside pressures on inflation, both at wholesale and retail levels, remains high stemming.

Any significant disruption of any of in-house facilities or third party locations due to internal, third party lapses even on the short term basis due to economic, political & social unrest or by any event which is Force Majeure, which may lead to impair or ability to produce and to market the same on a timely basis and could expose us to penalty & claim for customers. Consequently, your Company recognises the importance of a well structured system to identify and manage the different elements of risk. The inherent risks across operational, strategic and tactical issues are mapped in terms of likelihood of occurrence and materiality.

FORWARD LOOKING STATEMENT:

All statements that address to projections, expectations, anticipations, outlook, estimates and so on may constitute forward looking statements within the meaning of applicable laws and regulations. These are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are actual or realised. Actual results might differ materially from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments.

DIRECTORS' REPORT

Dear Members,

We are delighted to present the Annual Report together with Audited Statement of Accounts of the Company for the financial year ended March 31, 2013.

FINANCIAL RESULTS

The standalone operating performance of your company for the financial year ended March 31, 2013 as compared to the previous financial year is given below:

(` in Lacs except per share data)

Particulars	2012-13	2011-12
Sales & Operating Income	70671.65	60224.05
Operating Profits (PBDIT)	12119.33	11312.12
Less Depreciation	1096.39	970.15
Less Net Interest Expenses	5041.11	3994.74
Profit Before Exceptional Items & Tax	5981.83	6347.23
Less Extraordinary Items	(42.86)	4.09
Less Tax Expenses	1462.36	1631.44
Less Short/Excess Pro Of earlier year w/o	0.00	0.00
Net Profit After Tax	4562.33	4711.70
Balance brought forward	11578.07	7741.06
Distributable Profits	16140.40	12452.76
Appropriated as under:		
Transfer to General Reserve	500.00	500.00
Proposed Equity Dividend	195.32	195.32
Proposed Dividend on Redeemable Preference Share	285.96	127.07
Dividend Distribution Tax	78.08	52.30
Balance Carried Forward	15081.04	11578.07
Earning Per Share (` per share)		
- Basic	43.31	46.73
- Diluted	43.31	46.73

OPERATIONS AND REVIEW (COMPANY'S PERFORMANCE)

During the year under review, your Company has been able to register strong working results supported by our product offerings to varied industries; during the year under review total income of the Company has increased to ` 70671.65 Lacs from ` 60224.05 Lacs in the previous year at a growth rate of 17.35%. Our Export revenue aggregated to ` 8494.59

Lacs up by 18.29% from ` 7181.44 Lacs in the previous year. Our Gross profit amounted to ` 6024.70 Lacs as against ` 6343.14 Lacs in the previous year. The profit before Interest, Depreciation, Taxes and Amortization (PBDIA) amounted to ` 12119.33 Lacs as against ` 11312.12 Lacs in the previous year.

ISSUE OF REDEEMABLE PREFERENCE SHARES

Pursuant to resolution passed by the Members at the Annual General Meeting held on September 17, 2012 further 5,00,000 Redeemable Preference Shares aggregating to ₹ 5.00 Crores have been allotted on November 11, 2012. This has resulted increase in paid-up share capital of the Company from ₹ 43,56,61,660/- to ₹ 48,56,61,660/- consisting of 97,66,166 Equity Shares of ₹ 10/- each and 38,80,000 Redeemable Preference Shares of ₹ 100/- each.

DIVIDEND

Based on Company's performance, your Board of Directors are pleased to recommend dividend of ₹ 2.00/- per equity share (previous year ₹ 2.00/- per equity share) of face value ₹ 10/- each for the year ended March 31, 2013. The dividend, if approved by the shareholders, will be paid to the eligible shareholders within the period stipulated under the Companies Act, 1956. The proposed dividend would be tax free in the hands of the shareholders.

The Company proposes to transfer ₹ 500 Lacs to General Reserve out of the amount available for appropriation and amount of ₹ 15081.18 Lacs is proposed to be retained in Profit and Loss Account.

The Redeemable Preference Shares are entitled to a dividend of 8.00% per annum. Accordingly, the Directors have recommended, for approval of the Members, a dividend of ₹ 8.00 per Share on 38,80,000 Redeemable Preference Shares of ₹ 100/- each and ₹ 3.11 per Share on 5,00,000 shares issued during the year on November 11, 2012 on a pro-rata basis for the Financial Year 2012-13.

MANAGEMENT DISCUSSION AND ANALYSIS (MDA):

The Management Discussion and Analysis Report as required under clause 49 of the Listing Agreement with the Stock Exchange has been attached and forms part of this Directors' Report As Annexure.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

As on March 31, 2013, your company have Two subsidiary companies namely Anil Bioplus (Europe) B. V. and Anil Life sciences Ltd.

As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company have been prepared in accordance with Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India and attached herewith.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of Subsidiary Companies have not been attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the Subsidiary Companies and related detailed information to any member of the Company who may be interested in obtaining the same. The Annual Accounts of subsidiary Company will also be kept open for inspection at the Registered Office of the Company and that of the respective Subsidiaries Company. The Consolidated Financial Statements presented by the Company include the financial results of its Subsidiary Companies. The Statement pursuant to Section 212(1)(e) of the Companies Act, 1956 in respect of Subsidiaries is attached herewith as Annexure II.

DIRECTORS

Shri Kamal Sheth retires by rotation as director at the upcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri Kamal Sheth aged about 57 years is a B.Sc by qualification. He is having wide experience in the field of Marketing and business administration. He is also on the Board of various Companies and social organizations. He is the chairman of Audit Committee & Share Transfer committee cum investor grievance committee and member of the Remuneration committee of the Company. He does not hold any share of the Company.

The Board recommends his re-appointment at the forthcoming Annual General Meeting of the Company.

AUDITORS

M/s. Parikh & Majmudar, Chartered Accountants, Ahmedabad retire as auditors of the Company at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. The Audit Committee of the Board of Directors of the Company and Board of Directors has recommended that M/s. Parikh & Majmudar, Chartered Accountants, be appointed as auditors to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that their appointment will be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

FINANCE AND ACCOUNTS

The Notes on Financial Statements are referred to in the Auditors' Report are self explanatory and do not call for any further comments.

PUBLIC DEPOSITS

During the year under review your Company has neither accepted nor renewed any Public Deposits.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, in relation to the financial statements for the year ended on March 31, 2013, the Board of Directors state that:

- (i) the applicable accounting standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- (ii) in order to provide a true and fair view of the state of affairs of the Company as on March 31, 2013 and the profits for the period ended on that date, reasonable and prudent judgments and estimates have been made and generally accepted accounting policies have been selected and consistently applied;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the financial statements have been prepared on a going concern basis.

INSURANCE

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, are set out in Annexure III to this report.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements.

A detailed report on Corporate Governance along with the Compliance Certificate obtained from the practicing Company Secretary as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

There was no employee drawing remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and therefore not applicable to the Company.

COST AUDITORS

For the FY2013, the Board of Directors of the company had re-appointed on the recommendation of the Audit Committee, M/s. R. Nanabhoy & Co., Cost Accountants as cost auditors for auditing the cost accounts. Their appointment was approved by Central Government. In terms of the Companies (Cost Audit Report) Rules, 2011 the Cost Audit Report relating to the financial year ended 31st March 2012 had been filed within the due date.

For the Financial year 2013-14, the Board of Directors of the Company have appointed, on the recommendation of the Audit Committee, M/s. R. Nanabhoy & Co., as Cost Auditors of the Company for Auditing the cost accounts.

COMPULSORY TRADING IN DEMAT MODE

Trading of the equity shares of your Company are being traded compulsorily in DEMAT form from 23/03/2001 pursuant to circular of SEBI.

ACKNOWLEDGEMENTS

The Directors wish to express their appreciation of continued co-operation of the Governments, Bankers, Financial Institutions, esteemed Customers, business associates and other agencies. We place on record our appreciation of the contribution made by our employees at all levels. Directors also wish to thank all the shareowners and stakeholders for their continued support and look forward to have the same support in all future endeavors.

For and On behalf of the Board
Sd/-
Amol Sheth
Chairman & Managing Director

Place : Ahmedabad
Date : May 10, 2013