



Anil Limited

Anil

ANNUAL REPORT
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COMPANY INFORMATION



Shri Amol Sheth
(Chairman & Managing Director)



Shri Kamal R. Sheth
(Independent Director)



Shri Anish K. Shah
(Independent Director)



Prof. Indira J. Parikh
(Independent Director)



Shri Anurag Kothawala
(Group Director)



Excellence Defined



Shri Shashin Desai
(Executive Director)

CHIEF FINANCIAL OFFICER
Shri Shashin Desai

COMPANY SECRETARY
Shri Chandresh Pandya

AUDITORS
M/s. Parikh & Majmudar
Chartered Accountants

Bankers

Bank of India | IDBI Bank Ltd. | Punjab National Bank
State Bank of India | J&K Bank Ltd.

REGISTERED OFFICE

P. O. Box – 10009,
Anil Road,
Ahmedabad – 380 025.
Tel: 079 – 40282000
Fax: +91 (79) 22200731
E-mail: investor-relations@anil.co.in
Website: www.anillimited.com
CIN: L15490GJ1993PLC019895

PLANT LOCATION

Anil Road,
Ahmedabad – 380 025.

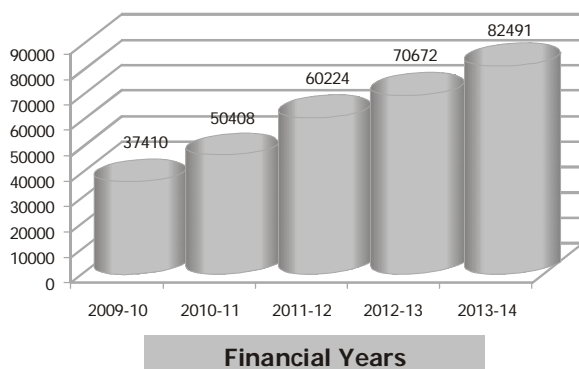
REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Unit: Anil Limited
Unit No. 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road, Navrangpura, Ahmedabad – 380 009.
Phone: 079-2646 5179 **Fax No.:** 079-2646 5179
Email: ahmedabad@linkintime.co.in

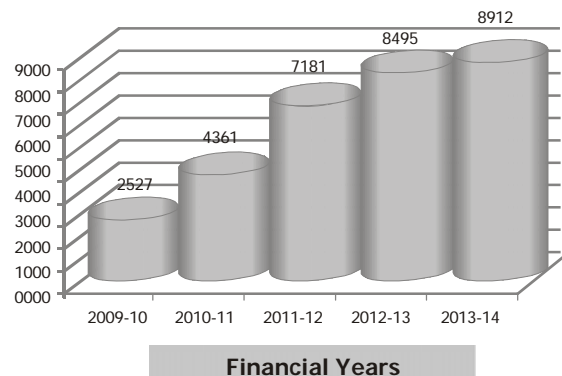
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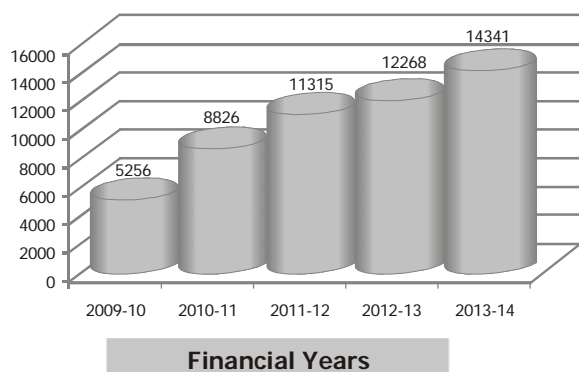
TURNOVER (₹ IN LACS)



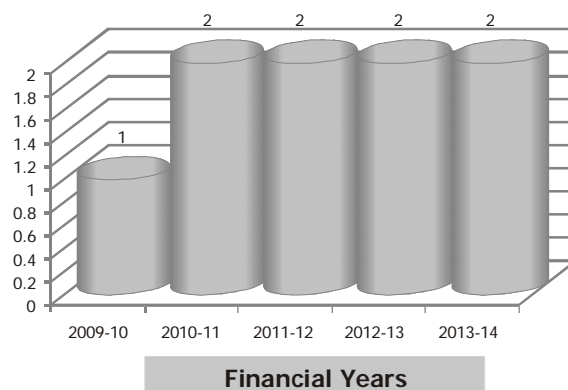
EARNINGS IN FOREIGN CURRENCY (₹ IN LACS)



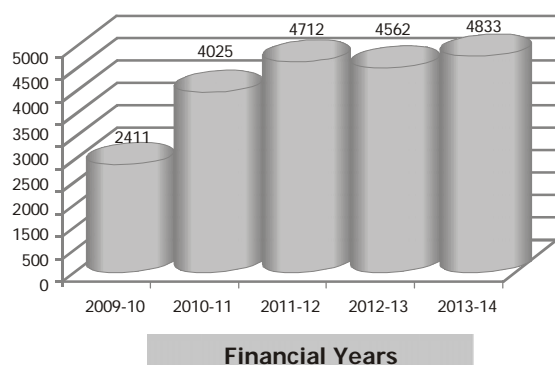
EBITDA (₹ IN LACS)



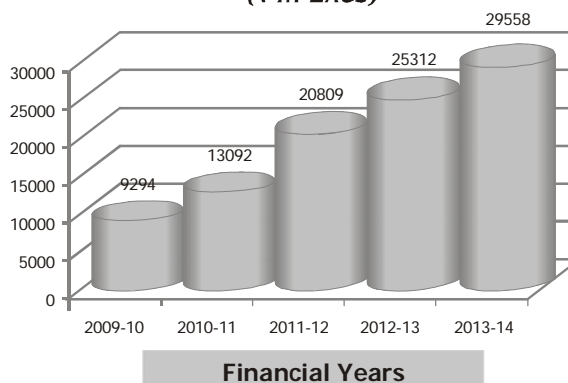
DIVIDEND (₹)



PAT (₹ IN LACS)



NET WORTH (₹ IN LACS)



MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW:

India's GDP grew by 4.7% in F.Y. 13-14 in comparison to 5% in 2012-13. Economic growth has slowed due to domestic structural and external factors. CAD, which represents the difference between inflows and outflows of foreign currency, reached 1.7% of GDP in 2013-14 as against 4.7% in 2012-13 due to remarkable turnaround by external sector after the first Quarter of 2013-14.

Maize is the third most important cereal crop in India after rice and wheat. It accounts for 9% of total food grain production in the country. Maize production in India has grown at a CAGR of 5.5 % over the last 10 years. Production of maize in India has increased in 2013-14 to 23 Mn MT from 22 Mn MT in 2012-13.

As per a research conducted by CRISIL, a normal monsoon year is expected, which will increase growth and help in controlling inflation. The GDP forecast for the next fiscal is expected to reach at 6% and the pick-up will be aided by implementation of stalled projects, partial unclogging of domestic policy logjam, improved global growth prospects and a recovery in industrial sector on higher external demand.

BUSINESS OVERVIEW:

Anil Limited is engaged in the business of manufacturing and marketing starches, starch derivatives and specialty starch products that cater to various industries, including Textile, Paper, Food & Beverages, Adhesive, Pharmaceuticals, Chemicals and Animal Feed Industry. Anil Limited has a large range of modified starches and starch derivatives that has a number of applications for more than 30 end user industries. Anil Ltd has aggressively expanded its geographical markets. Your company is exporting to more than 30 countries.

Research & Development (R&D) at Anil Limited focusses on new products and application development, keeping abreast with latest developments worldwide, process re-engineering 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.

ANIL has achieved a significant growth rate of 16.72% in revenue by attaining turnover of ₹ 82491.46 lacs in Financial Year 2013-14 in comparison to ₹ 70671.65 lacs in financial year 2012-13. ANIL has achieved a growth of 4.91% in Exports through continuous efforts in developing new markets and new products and recorded exports of ₹ 8912.07 lacs in 2013-14 in comparison to ₹ 8494.59 lacs

in 2012-13. Profit After Tax (PAT) of the Company increased to ₹ 4833.50 lacs in 2013-14 from ₹ 4562.33 lacs in 2012-13. The Earning per share (EPS) reached to ₹ 45.80 for the year 2013-14 from ₹ 43.31 in 2012-13. The total Shareholders funds increased to ₹ 29557.73 Lacs as at March 31, 2014 from ₹ 25311.99 Lacs as at March 31, 2013.

ENVIRONMENT, HEALTH AND SAFETY (EHS):

At ANIL we believe risks need to be identified, controlled, monitored and included in all applicable business decisions. Our Company statements outline the distribution of authority, responsibility and accountability for EHS throughout the Company. We put safety first on the agenda and we believe that one accident is one too many.

Environment

Your Company understands that business success today means not just a healthy bottom line, but a healthy triple bottom line that takes financial, social, and environmental performance into consideration— the essence of sustainability. ANIL fulfils its responsibility towards the community and makes a positive contribution to environment. Every year at ANIL we celebrate "The World Environment Day" on 5th of June. The United Nations Environment Program (UNEP) had invited people world over to observe the World Environment Day on 5th June 2013 with the theme "**Think.Eat.Save**". 'We love our Mother Nature' – Taking this pledge to conserve the environment, the employee & workers at ANIL planted more than 800 plants in our factory premises.

Health

We at ANIL share an understanding that a healthy work environment not only benefits employees through improved health and wellness but also benefits customers, shareholders and communities. At ANIL safety comes first and your Company creates healthy environment for its people and values its employees. ANIL supports pursuit of both personal and professional excellence for its employees.

During the year, your company had conducted significant lectures, workshops, camps and other health awareness programmes through which the company had tried to provide employee awareness and guidance concerning their health. Some of such programs which were conducted are listed below:

- Dental health check-up Camp
- Blood Donation Camp
- Health awareness Lecture
- Eye check-up Camp
- Health awareness Lecture on Anti - Ageing
- Women wellness Workshop
- Yoga awareness Workshop

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Safety

ANIL is committed to safe operations and practices, which prevent harm to people and damage to environment or property. At ANIL, the philosophy is that the entire corporation, from ownership to field operations, is responsible and accountable for the safety of our employees. ANIL conducts various training programmes to generate awareness among its employees and workers to prevent them from any accident or mishap.

During the year, Continuing with the trend at ANIL, we celebrated the safety awareness program for 2 weeks starting from 4th March, 2014 to 15th March, 2014. Banners received from the National Safety Council were displayed at several places in the Plant and safety badges were distributed as well to create awareness for safety. During the Safety Week celebrations, different types of competitions were arranged on the theme of safety for all employees and workers and a fire mock drill was also arranged for the awareness on how to use the Safety Equipments. During this occasion the company also acquired a brand new Ambulance Van to ensure quick treatment to any worker in case of any injury or accident.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY:

Our strong internal control system provides the framework for the accomplishment of management objectives, safeguarding of assets, accurate financial reporting and compliance with laws and regulations. ANIL has a separate Audit Team comprising of experts in the field of Audit and systems. The team carries extensive Audit of Systems and Accounts throughout the year and submits their report, suggestions, remarks, findings to management regularly.

ANIL has an audit committee of Board of directors, the details of which have been provided in the corporate governance report. The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out by an Independent Chartered Accountant firm in all the key areas of the operations and the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors.

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 focusses on collective prosperity. At ANIL, every employee works towards team goals and in turn towards the larger departmental and organizational goals. ANIL addresses four areas for their employees viz. compensation, benefits, recognition and growth.

As the organization moves closer towards growth, there comes an additional responsibility for every individual and your Company is focused on this area as well. One of the strong areas at ANIL is people management and the philosophy is that now matter what, the dignity and respect of every individual in the organization has to be maintained and honoured. At ANIL we create a work culture where an employee is motivated through talent recognition and opportunities for further advancement.

ANIL realizes that the employees spend a fairly large portion of their day at the work place and hence we at ANIL ensure that enough events and activities are carried out round the year to make the atmosphere energetic and vibrant. We have various tournaments and competitions conducted round the year which fosters healthy competition amongst the employees and also develops the spirit of sportsmanship. We also have cultural activities carried out periodically and have seminars and talks organized for the all round development of our employees.

OPPORTUNITY & THREATS:

Opportunity & Strength

ANIL enjoys a strong brand equity in the market because of the way we do our business. ANIL, right from its inception, has worked towards enhancing technological acumen, quality and service. Our Application Development team works in close association with our customers supported by the state of the Art R&D, which continuously develops cost effective solutions which adds value to customer products. The R&D also works closely with some of the leading scientific institutions of India. The Quality Management System at ANIL provides a framework for ensuring premium quality products and it is only because of this that ANIL is known as a supplier of quality products offering total solutions.

Apart from new product development and new application development, some of the other major strengths of ANIL are its emphasis on processes, systems and work practices. ANIL believes in institutionalizing business practices and puts in a lot of effort in developing good and sound processes.

Threats & Risks

Growth appears to be strengthening in both high-income and developing countries, but downside risks continue to threaten the global economic recovery. According to the World Bank report, in South Asia, weaker growth in India, following several years of rising inflation and current account deficits, has opened up a large negative output gap, which is projected to gradually close as the economy slowly recovers.

ANIL considers various internal and external threats and determines the impact they may have on the entire Company. These threats include malicious activity, natural disasters, technical disasters, and pandemics. ANIL analyses the

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potential results of the activity that gives rise to risks and minimises it through efficient planning and proper risk management techniques. Your Company makes required changes in its products, prices of products, its distribution channel and sales promotion techniques to minimise the risk.

FORWARD LOOKING STATEMENT:

Statements in the Management Discussion and Analysis Report that address expectations or projections about the future, product development, market position, expenditures

and financial results, are forward looking statements. These are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. Therefore, actual performance may differ from the projected performance as there are certain factors affecting the Company's performance such as Government policies and laws, changes in taxation policies, changes in the economic and climatic conditions affecting demand and supply etc. The Company assumes no responsibility to change/modify any forward-looking statement on the basis of any subsequent developments or events.

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Annual Report together with Audited Statement of Accounts of the Company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The standalone operating performance of your company for the financial year ended March 31, 2014 as compared to the previous financial year is given below:

(₹ in Lacs except per share data)

Particulars	2013-14	2012-13
Sales & Operating Income	82491.46	70671.65
Operating Profits (PBDIT)	14340.69	12268.00
Less Depreciation	1269.75	1096.39
Less Net Interest Expenses	6012.19	5189.77
Profit Before Exceptional Items & Tax	7058.75	5981.84
Less Extraordinary Items	(14.22)	(42.85)
Less Tax Expenses	2239.47	1462.36
Net Profit After Tax	4833.50	4562.33
Balance brought forward	15081.16	11578.07
Distributable Profits	19914.66	16140.40
Appropriated as under:		
Transfer to General Reserve	500.00	500.00
Proposed Equity Dividend	195.32	195.32
Proposed Dividend on Redeemable Preference Share	310.40	285.96
Dividend Distribution Tax	82.04	78.08
Balance Carried Forward	18826.90	15081.04
Earning Per Share (₹ per share)		
- Basic	45.80	43.31
- Diluted	45.80	43.31

OPERATIONS AND REVIEW (Company's Performance)

For the Financial Year 2013-14, the Company has registered strong working results by concentrated efforts of both management and employees. During the year under review total income of the Company has increased to ₹ 82491.46 Lacs from ₹ 70671.65 lacs in the previous year at a growth rate of 16.72%. Our Export revenue aggregated to ₹ 8912.07 lacs up by 4.91% from ₹ 8494.59 lacs in the previous year. The profit before Depreciation, Interest and Taxes (PBDIT) amounted to ₹ 14340.69 lacs as against ₹ 12268 lacs in the previous year.

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, 2014. The dividend, if approved by the shareholders, will be paid to

the eligible shareholders. 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 ₹ 18826.90 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 for the Financial Year 2013-14.

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, 2014, your company have three subsidiary companies namely Anil Bioplus (Europe) B. V., Anil Life Sciences Ltd. and Anil Mega Food Park Pvt. 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 of the Companies Act, 1956 in respect of Subsidiaries is attached herewith as Annexure I.

DIRECTORS

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

Shri Amol Sheth is the principal promoter member of ANIL Group of Companies. He is in the business for more than 15 years and is involved in all facets of business operations and management of Group Companies.

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Shri Amol Sheth brings a wealth of insight into business intricacies along with infectious enthusiasm for any initiative. Apart from different aspects of business operations, Shri Amol Sheth has strengths in areas of Strategy and Finance. He works on strategy formulation and is relentless in his pursuit of professionalizing the business and plotting a visionary path forward.

As a third-generation entrepreneur, Shri Amol Sheth's promising ideas and an inherently international outlook contributed to the growth and success of the ANIL Group. Amongst various first time initiatives, he was instrumental in getting an E.R.P. (SAP) implemented in Group Flagship Company, Anil Limited 10 years ago, which was the first of such implementation in the comparable sized companies in India. He emphasizes on systems & processes and has been keenly championing the adaptation of modern management & work practices like 5S, Kaizen, Quality Circles, TPM, TQM etc. with ANIL Group. Shri Amol Sheth believes in the power of people and leaves no stone unturned in ensuring that the employees' personal and professional needs in terms of self & professional development, work-life balance get addressed adequately.

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

CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs notified Section 135 of Companies Act, 2013 along with the Rules thereunder and revised schedule VII to the Act, which came into effect from 1st April, 2014.

In accordance with the abovementioned Rules, the Board of Directors at their meeting held on May 28, 2014 had constituted 'Corporate Social Responsibility' Committee comprising three directors namely Shri Kamal Sheth, Shri Anurag Kothawala and Shri Shashin Desai.

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 for a period of four years. The Company has received confirmation that their appointment will be within the limits prescribed under section 139 of the Companies Act, 2013.

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, 2014, 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) the Directors 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 and of the profit or loss of the company for that period;
- (iii) that the directors have taken proper and sufficient care 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 II to this report.

CORPORATE GOVERNANCE

Your Company is committed to good corporate governance practices as stipulated under the Listing Agreement with the stock exchanges.

SEBI vide its circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April 2014 has notified the revised clause 49 of the listing agreement to be applicable with effect from October 1, 2014. This Report therefore contains previous clause 49 of Listing Agreement according to which a detailed report on Corporate Governance along with the Compliance Certificate obtained from the practicing Company Secretary forms part of this Annual Report.

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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 FY 2014, 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 2013 had been filed within the due date.

For the Financial year 2014-15, the Board of Directors of the Company has 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

Your Directors express their deep appreciation to employees at all levels for their dedication, hard work and commitment. The Directors would also wish to convey their appreciation to the Shareholders, Customers, Suppliers, Bankers, Financial Institutions, Stakeholders and other agencies for their continuous efforts in company's growth and look forward for the same support in the future.

For and on behalf of the Board

Amol Sheth
Chairman & Managing Director

Place : Ahmedabad
Date : May 28, 2014