



# **CHEMIESYNTH (VAPI) LIMITED**

**ANNUAL REPORT  
2011 - 12**

## **Board of Directors**

Mr. SATISH BHOGILAL ZAVERI  
MR. SANDIP SATISHBHAI ZAVERI  
Mr. BHANURAI NAGINDAS MEHTA

## **Auditors**

M/S. Manoj Shah & Co.  
Chartered Accountants

## **Registered Office**

Plot No 27 GIDC  
Vapi Dist. Bulsar  
Gujarat- 396195

## **Registrar & Share Transfer Agents**

M/s. Purva Shareregistry (I) Pvt. Ltd

Address: Unit No. 9, Shiv Shakti Ind. Estate  
J.R. Boricha Marg, Opp. Kasturba Hospital Lane  
Lower Parel (East), Mumbai – 400 011  
Tel: 022-23016761/8261  
Fax: 022-23012517  
Email ID: [busicomp@vsnl.com](mailto:busicomp@vsnl.com)  
Website: [www.purvashare.com](http://www.purvashare.com)

## **Annual General Meeting**

Day	-	Saturday
Date	-	29 <sup>th</sup> September, 2012
Venue	-	Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195
Time	-	11.30 a.m.

**CHEMIESYNTH (VAPI) LIMITED**

Regd. office: Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195

NOTICE is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of the Company will be held at its Registered Office at : Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195, on Saturday, the 29<sup>th</sup> September, 2012 at 11.30 a.m. to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March 2012 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Satish Zaveri, who retires by rotation and is eligible for re-election;
3. To appoint Auditors of the Company and to fix their remuneration.

Registered Office :  
Plot No 27 GIDC  
Vapi Dist. Bulsar, Gujarat- 396195

By order of the Board  
For CHEMIESYNTH (VAPI) LIMITED  
Sd/-

Dated: 6<sup>th</sup> September, 2012  
Place: Vapi

Sandip Zaveri  
Director

**Notes:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a Member of the Company.
2. The instrument of proxy in order to be effective must be deposited at the Company's registered office not less than 48 hours before the meeting.
3. The Register of Members of the Company not closed during the Financial year.



### **DIRECTORS' REPORT**

To,  
The Members of,  
Chemiesynth (Vapi) Limited  
Vapi - Gujarat.

Your Directors' have pleasure in presenting herewith the Annual Report together with the accounts for the period ended 31<sup>st</sup> March 2012.

#### **FINANCIAL RESULTS :**

During the year under review, the financial results on the operations of the Company are as under:

	(Amount in Rupees)	
	31/03/2012	31/03/2011
Gross Income	98,327,552	90,043,600
Profit before Depreciation	7,450,328	3,244,899
Less : Depreciation	6,774,081	6,732,883
Profit (Loss) before Tax	676,247	(3,487,979)
Less Provision for Tax : Current Tax		---
: Deferred	(130,000)	
Tax	(289,342)	991,068
Profit (Loss) for the year	256,905	(2,496,911)

#### **DIVIDEND:**

In order to conserve the resources of the Company, Directors have thought it advisable not to recommend any dividend to the shareholders for the year.

#### **DEPOSITS :**

The Company has not accepted any public deposits.

#### **ENVIRONMENT AND ENERGY CONSERVATION:**

The company accords high priority to control environment and conservation of energy, which is an on going process. The Company has planted a number of trees to control and maintain environment surrounding of the factory. As required by the provisions of

Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy and technology absorption are given in the prescribed Form A in Annexure to this report. Various measures taken by the company on these matters includes:

- a) Improving Natural Light by opening Windows, studying illumination of tube lights by CFL lamps etc.
- b) Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
- c) Minimising idle running of machinery.

The above measures undertaken have resulted in savings in the cost of production.

#### **SAFETY AND HEALTH**

The Company gives highest priority to safety and occupational health. The factory buildings and machinery are maintained in safe condition. Process operations and handling of chemicals at the factory are reviewed frequently for safety.

#### **PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

The Company did not have any employee during the year covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

#### **TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption are given in Form B in the Annexure to this report.

#### **DIRECTORS :-**

Pursuant to the provisions of Section 255/256 of the Companies Act, 1956 read with Article No.115 of Articles of Association, Mr. Satish Zaveri, Director of the Company retires at the ensuing annual general meeting and being eligible offers himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:-**

It is hereby stated that:

- a) In the preparation of annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors selected the 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.

- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on going concern basis.

**AUDITORS:**

M/s Manoj Shah & Co, Chartered Accountants, statutory auditors retire at the ensuing Annual General Meeting and are eligible for re-appointment.

As regards, auditor's observation about accounting of retirement benefit on cash basis, the company is in the process of accounting of liability on the basis of actuarial valuation.

**APPRECIATION:**

Directors would like to place on record their appreciation of the co-operation and assistance extended by the company's bankers. Thanks are also due to the company's employees, staff and executives of the Company for their co-operation and contribution. In concluding this report, the Board acknowledges their deep sense of gratitude to the shareholders for the confidence they have reposed in the Directors.

**For and On behalf of the Board of Directors  
CHEMIESYNTH (VAPI) LIMITED**

<b>Sd/-</b>	<b>sd/-</b>
<b>Satish Zaveri</b>	<b>Sandip Zaveri</b>
<b>Director</b>	<b>Director</b>

**Place: Vapi**  
**Date : 06/09/2012**

**ANNEXURE TO DIRECTORS' REPORT**

**FORM – A**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**POWER & FUEL CONSUMPTION  
ELECTRICITY**

	2011-2012	2010-2011
Units Consumed (kwh)	1496376	1671774
Total Amount (Rs in lakhs)	84.88	87.12
Rate per unit (Rs/kwh)	5.67	5.21
Own Generation		

**FURNACE OIL**

Consumed (Ltrs.)	2000	4225
Total Amount (Rs in lakhs)	00.75	13.29
Rate per unit (Rs/Ltr)	37.77	31.45
L D O (Purchase -- Rs. in lakhs)	---	3.43
Diesel Cash Purchase	2.16	---
Lighting	00.74	---

**BRICKETS**

Consumed (kgs.)	1375435	1357315
Total Amount (Rs in lakhs)	68.82	60.15
Rate per unit (Rs/kg)	5.00	4.43

## **OTHER INTERNAL GENERATION**

### **CONSUMPTION PER UNIT OF PRODUCTION**

Total Production (kg.)

Electricity (kwh/kg.)

Coal (kg.)

LDO (Ltrs./kg)

From the record and other books maintained by the company, in accordance with the provisions of the Companies Act, 1956, the Company is not in a position to provide the information required as per this format.

**For and On behalf of the Board of Directors  
CHEMIESYNTH (VAPI) LIMITED**

**Sd/-  
Satish Zaveri  
Director**

**sd/-  
Sandip Zaveri  
Director**

**Place: Vapi  
Date : 06/09/2012**



**FORM – B**

**DISCLOSURE WITH REGARDS TO RESEARCH & DEVELOPMENT  
TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION**

**A. RESEARCH & DEVELOPMENT (R & D)**

**Specific areas in which R & D carried out by the Company:**

Development of new products.

Improvement of systems in the existing products/process in manufacture cycle.

Testing and Certification of existing products to new Indian and International standards.

**Benefits derived as a result of the above R & D.**

Indigenisation / Import substitution

Cost reduction.

Competitive pricing

Enhancement in quality.

Meeting unique needs of customers.

**Future Plan of Action:**

To further improve cost effectiveness of products and meet the requirements of various customers.

**Expenditure on R & D:**

Capital

No specific expenditure

Recurring

Total

**Total R & D expenditure**

**as a percentage of total turnover**

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

- |      |  |     |
|------|--|-----|
| I.   | Efforts in brief made towards technology absorption, adaptation and innovation   | NIL |
| II.  | Benefits derived as a result of the above efforts  | NIL |
| III. | In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished | NIL |
| a)   | Technology Imported  |     |
| b)   | Year of import   |     |
| c)   | Has technology been fully absorbed   |     |
| d)   | If not fully absorbed, areas where this has not taken plan, reason therefore and future plan of action.  |     |

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

1. Foreign Exchange Earning	Rs 13,172,396/-
2. Foreign Exchange Outgo	Rs. 4,492,479/-

**For and On behalf of the Board of Directors  
CHEMIESYNTH (VAPI) LIMITED**

**Sd/-  
Satish Zaveri  
Director**

**sd/-  
Sandip Zaveri  
Director**

**Place: Vapi  
Date : 06/09/2012**

**Details of Directors seeking appointment / re-appointment :**

The information required under Clause 49(IV)(G) of the Listing Agreement (relating to Corporate Governance) with respect to the Director being appointed and Directors retiring by rotation and being eligible seeking re-appointment is as under:

	<b>Mr. Satish Zaveri</b>
<b>Profile of the Director</b>	Mr. Satish Zaveri holds BE Chem Eng degree from London University  He has More than 30 years experience in chemicals industry  He was Former President Vapi Industries Association (VIA)
<b>Date of joining the Board</b>	April 24, 1986
<b>Other Directorships held</b>	CS SPECIALTY CHEMICALS PRIVATE LIMITED  CHEMIEFAB VAPI PRIVATE LIMITED  CS ERFORMANCE CHEMICALS PRIVATE LIMITED
<b>Other Committee memberships held(Excluding CHEMIESYNTH (VAPI) LIMITED)</b>	NIL
<b>No. of shares held in their own name</b>	10,82,960

Registered Office :  
Plot No 27 GIDC  
Vapi Dist. Bulsar, Gujarat- 396195

By order of the Board  
For CHEMIESYNTH (VAPI) LIMITED  
Sd/-

Dated: 6<sup>th</sup> September, 2012  
Place: Vapi

Sandip Zaveri  
Director



## **REPORT ON CORPORATE GOVERNANCE**

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

The Company's philosophy on Corporate Governance is aimed at assisting the management in the efficient conduct of its business in a fair and transparent manner.

It envisages attainment of higher levels of transparency, greater accountability and equity in all facets of its operations and its interactions with its stakeholders and the community at large.

### **2. BOARD OF DIRECTORS**

The composition of Board consists of two promoters and one Non-Executive Director.

#### **• Composition as on 31<sup>st</sup> March, 2012**

NAME	CATEGORY	NO. OF MEETINGS HELD DURING THE LAST FINANCIAL YEAR	NO. OF MEETINGS ATTENDED	NUMBER OF MEMBERSHIPS IN BOARDS OF OTHER COMPANIES *	NO. OF MEMBERSHIPS / CHAIRMANSHIPS IN OTHER COMMITTEES *
Mr. Satish Zaveri	Director	11	11	Nil	Nil
Mr. Sandip Zaveri	Director	11	11	Nil	Nil
Mr. Bhanuraj Mehta	Director	11	11	Nil	Nil

\* Excludes directorship in Private Limited Companies, Section 25 Companies, Foreign Companies and Memberships of Managing Committees of various Chambers / Bodies and Chemiesynth (Vapi) Limited

All Directors were present at the last Annual General Meeting held on September 30, 2011.

#### **• Board Meetings held during the financial year**

Board Meetings were held during the year 2011-2012 on following dates:

- (1) 27<sup>th</sup> April, 2011
- (2) 28<sup>th</sup> May, 2011
- (3) 29<sup>th</sup> July, 2011
- (4) 13<sup>th</sup> August, 2011
- (5) 3<sup>rd</sup> September, 2011
- (6) 28<sup>th</sup> October, 2011
- (7) 14<sup>th</sup> November, 2011
- (8) 27<sup>th</sup> January, 2012
- (9) 14<sup>th</sup> February, 2012
- (10) 30<sup>th</sup> March, 2012



### 3. COMMITTEES OF THE COMPANY

#### A. AUDIT COMMITTEE

The composition of Audit Committee consists of two promoters and one Non-Executive Director.

The terms of reference stipulated by the Board to the Audit Committee and contained under the revised Clause 49 of the Listing Agreement are briefly described below:

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend the appointment, reappointment and, if required, replacement or removal of Statutory Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with Management, the annual and quarterly financial statement 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.
  - ❖ Changes, if any in accounting policies and practices and reasons for the same.
  - ❖ Major accounting entries based on exercise of judgment by the management.
  - ❖ Significant adjustments made in the financial statements arising out of audit findings.
  - ❖ Compliance with listing & other legal requirements concerning financial statements.
  - ❖ Disclosure of any related party transactions.
  - ❖ Qualification in draft audit report
- d. Review with Management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review the adequacy of internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- f. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- g. Review 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.
- h. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- i. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.
- j. Review the Company's financial and risk management policies.



k. Review the following information:

- Management discussion analysis of financial condition and results of operations;
- Statement of significant related party transactions;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal audit reports relating to the internal control weaknesses;
- The appointment, removal and remuneration of the chief internal auditors; and
- The financial statements, in particular, the investment made by unlisted subsidiary companies.

#### **B. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The composition of Shareholders'/Investors' Grievance Committee consists of two promoters and one Non-Executive Director.

The present composition of the Shareholders'/Investors' Grievance Committee is as follows:

<b>Name</b>	<b>Designation</b>
Sandip Zaveri	Chairman
Satish Zaveri	Member
Bhanuraj Mehta	Member

The Committee looks into redressal of shareholders' and investors' complaints/grievances. The Committee also looks into complaints concerning transfer of shares, non-receipt of balance sheet, non-receipt of dividends etc. The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investor service.

During the year, Nil complaints were received from the shareholders and these have been resolved to date.

Outstanding complaints as on 31<sup>st</sup> March 2012 were Nil.

#### **Compliance Officer:**

Sandip Zaveri is the Compliance officer of the Company in terms of the listing agreement executed by the Company with the Stock Exchanges.



#### **4. GENERAL BODY MEETING**

During the last three years, your Company's Annual General Meetings (AGMs) were held at the registered office of the Company on the following dates:

1. Friday, September 30, 2011 at 11.30 a.m.
2. Thursday, September 30, 2010 at 11.30 a.m.
3. Wednesday, September 30, 2009 at 11.30 a.m.

All resolutions including the special resolutions at AGMs are generally passed by way of show of hands. No postal ballots were used for voting at these meetings.

#### **5. DISCLOSURES**

- a) There were no materially significant related party transactions made by the Company with its promoters, directors or relatives or the management, their subsidiaries etc., which have potential conflict with the interests of the Company at large.
- b) No strictures or penalties have been imposed on the Company either by SEBI or the Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital market.
- c) The Management Discussion & Analysis Report forms part of this Annual Report.

#### **6. MEANS OF COMMUNICATION**

The quarterly and half-yearly unaudited financial results are forthwith communicated to OTC Stock Exchanges.

#### **7. GENERAL SHAREHOLDERS INFORMATION**

*	Annual General Meeting	
	Date	29 <sup>th</sup> September, 2012
	Time	11.30 a.m.
	Venue	Plot No 27 GIDC Vapi Dist. Bulsar, Gujarat- 396195
*	Financial Calendar	April to March
	Financial reporting for the quarter ending June, 2012	August 2012
	Financial reporting for the quarter ending September, 2012	November 2012
	Financial reporting for the quarter ending December, 2012	February 2013
	Financial reporting for the quarter ending March, 2013	May 2013
	Date of Book Closure	No book closure during the year
	Registered Office	Plot No 27 GIDC Vapi Dist. Bulsar, Gujarat- 396195
	Dividend Payment Date	No dividend proposed to be declared at the ensuing Annual General Meeting
	Listing on Stock Exchange	OTC Exchange of India
	Stock Code	CHEMI E1
	ISIN No.	NA



**Market Price data:**

No Trading take place on the OTC Exchange of India

**Distribution of Shareholding:**

The distribution of shareholding of the Company as on 31<sup>st</sup> March 2012 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-5000	156	71.89	389000	1.27
5001-10000	21	9.68	183000	0.60
10001-20000	6	2.76	106000	0.35
20001-30000	6	2.76	165000	0.54
30001-40000	2	0.92	70000	0.23
40001-50000	3	1.38	123000	0.40
50001 - 100000	3	1.38	206400	0.67
100001 and above	20	9.22	29457600	95.95
<b>Total</b>	<b>217</b>	<b>100.00</b>	<b>30700000</b>	<b>100.00</b>

The shareholding pattern of the Company as on 31<sup>st</sup> March 2012 was as follows:

Category	No. of shares	% of total capital
Promoters	1823000	59.38%
NRIs, OCBs and FIIs	Nil	Nil
Financial Institutions, Mutual Funds, Banks & Insurance Companies	Nil	Nil
Domestic Corporate Bodies/Trusts / HUF	1012000	32.96%
General Public including shares in transit	235000	7.66%
<b>Total</b>	<b>3070000</b>	<b>100%</b>

**Dematerialization of shares:**

Total Share capital of the Company is in the Physical Form

**Outstanding ADRs/GDRs/Warrants**

As of date, the Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

**Address for correspondence:**

**CHEMIESYNTH (VAPI) LIMITED**  
B-401/402, 4<sup>th</sup> Floor, Nilkanth Business Park  
Vidyavihar West. Mumbai -400086  
Phone: 022-25144402  
Fax: 022-25146591

## 8. CODE OF CONDUCT

The Company has established code of conduct for its Board Members and Senior Management personnel.

All the Board members and senior management personnel have complied with the code of conduct.

On behalf of the Board of Directors

Sd/-  
Sandip Zaveri  
Director

Dated : 6<sup>th</sup> September, 2012  
Place: Vapi

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## CERTIFICATE

Based on our knowledge and information provided to us, we hereby certify that there are no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's Code of Conduct. We certify that the report of the Director's on Corporate Governance reflect Company's compliance with the mandatory and other conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

FOR CHEMIESYNTH (VAPI) LIMITED

Sd/-  
Sandip Zaveri  
Director

Dated : 6<sup>th</sup> September, 2012  
Place: Vapi



### CEO/CFO CERTIFICATE

We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
- ii. These statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee :

1. Significant changes in internal control during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**FOR CHEMIESYNTH (VAPI) LIMITED**

Sd/-  
**Sandip Zaveri**  
Director

Dated : 6<sup>th</sup> September, 2012  
Place: Vapi

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The key areas of Management Discussion and Analysis are given below.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Your Company is a Custom manufacture for leading Agrochemical, Pharmaceutical and Speciality Chemical Companies, Company is Technical Expertise in Aqueous and Solvent Chemistry and wide range on Unit Operations Strong. Your Company has R&D Team and Pilot Plant Capabilities for New Product Development and Process Optimization

### **OUTLOOK**

Our focus will continue on sustainable growth by taking measures for increasing our market share of existing products and creating new business in untapped growth market segments in Export market.

### **OPPORTUNITIES & THREATS**

With a growth in the manufacturing sector based on the growing economy and emphasis on quality and performance, the requirements for specialty chemicals are rising faster.

### **RISKS & CONCERNS**

The Indian economy provides a large opportunity to the Company to market its differentiated products.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has suitable internal control systems which are safeguarding the Company's assets and promoting efficiency.

### **HUMAN RESOURCES**

The Company continues to lay emphasis in nurturing and strengthening the overall development of Human Resources and has always been recognizing manpower as a vital tool in the Company's growth.

### **FINANCIAL PERFORMANCE**

The financial performance of the Company for the year under review is discussed in detail in the Directors Report.

On behalf of the Board of Directors

Sd/-  
Sandip Zaveri  
Director

Dated : 6<sup>th</sup> September, 2012  
Place: Vapi



## AUDITOR'S REPORT

To,  
THE MEMBERS OF  
CHEMIESYNTH (VAPI) LIMITED,

1) We have audited the attached Balance Sheet of **CHEMIESYNTH (VAPI) LIMITED**, as at **31<sup>st</sup> March 2012** and also the Profit and Loss Account and the Cash Flow Statement of the Company 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 paragraph 4 of the said Order.

4) Further to our comments in the Annexure referred in paragraph 3 above, we report that:

- i. 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.
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.

Contd....2/-



- iv. In our opinion, the Balance Sheet, Profit and 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 **31<sup>st</sup> March, 2012** and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on **31<sup>st</sup> March, 2012** 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 Note No. 1 (1) (e) in respect of Accounting of Retirement Benefits on Cash Basis.*

*Subject to what is stated above, In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes thereon gives 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 affairs of the Company as at **31<sup>st</sup> March 2012**;
- (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, MANOJ SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 106036W

Sd/-

(MANOJ T.SHAH)  
PARTNER  
M.No. 043777

Place: Vapi  
Date : 06.09.2012

## **ANNEXURE TO THE AUDITOR'S REPORT**

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS OF CHEMIESYNTH (VAPI) LIMITED, FOR THE YEAR ENDED ON 31st March 2012.**

On the basis of the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief in our opinion, we further report that: -

1. a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, Fixed Assets, according to the practice of the company, are physically verified by the Management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.  
c) There was no disposal of substantial part of Fixed Assets during the year.
2. a) The Stocks of Finished goods, stores, spare parts and the Raw materials and components have been physically verified by the Management at reasonable intervals during the year.  
b) In our opinion the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records were, as explained to us, not material and the same have been properly dealt with in the Books of Accounts.
3. The company has not granted or taken any loans to /from the Companies and Firms covered in the register maintained under section 301 of the Companies Act 1956. Consequently requirements of clauses (iiib), (iiic) and (iiid) of paragraph 4 of the order are not applicable

Contd....2/-



4. In our opinion and according to the informations and explanations given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services.
- 5 a) In our opinion and according to the information and explanation given to us, transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956, have been so entered.  
b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, exceeding the value of Rs. 5.00 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time.
- 6 The company has not accepted any deposits from the public within the meaning of Section 58A of the Companies At, 1956 and the Rules framed thereunder are not applicable.
- 7 The Company does not have any formal internal audit system as such, but its control procedures ensure reasonable internal checking of its financial and other records.
- 8 As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (1)(d) of the Companies Act, 1956 for the Company's products.
- 9 a) According to the information and explanation given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited by the company during the financial year with appropriate authorities though there has been a slight delay in few cases. According to the information and explanation given to us, there are no arrears of outstanding statutory dues as mentioned above as at **31<sup>st</sup> March, 2012** for a period of more than six months from the date they become payable.



- b) At the end of the financial year there were no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- 10 The Company has no accumulated losses at the end of the financial year. It has also not incurred Cash Losses either in the financial year under report or in immediately preceding financial year.
- 11 Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the Company has not defaulted in the repayment of dues to Banks.
- 12 The Company has not granted Loans & Advances on the basis of security by way of Pledge of Shares, Debentures & other Securities.
- 13 The nature of the Company's activities during the year is such that the requirements of clauses (xiii) & (xiv) of paragraph 4 of the order are not applicable
- 14 According to informations and explanations given to us the Company has not given any Guarantees for Loans taken by others from Banks or Financial Institutions.
- 15 In our opinion and according to the informations and explanations given to us, the Term Loan was applied for the purpose for which the Loans were obtained
- 16 According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on Short Term basis have been specifically used for Long Term Investment purposes.
- 17 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of The Companies Act, 1956.
- 18 The Company has not issued any debentures and hence the question of creating securities in respect thereof does not arise.



- 19 The Company has not raised any money through a public issue during the year.
- 20 To the best of our knowledge and belief and according to the information given to us, no fraud on or by the Company was noticed or reported during the year.

For, MANOJ SHAH & CO.,  
Chartered Accountants,  
Firm Reg. No: 106036W

Sd/-

(MANOJ T. SHAH)  
PARTNER  
M.No.043777

Place : Vapi.  
Date : 06.09.2012

**CHEMIESYNTH (VAPI) LIMITED**  
**Balance Sheet as at 31 March, 2012**

| Particulars                                                     |                                    | Note No.                                    | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------------|------------------------------------|---------------------------------------------|----------------------|----------------------|
|                                                                 |                                    |                                             | ₹                    | ₹                    |
| <b>A</b>                                                        | <b>EQUITY AND LIABILITIES</b>      |                                             |                      |                      |
| <b>1</b>                                                        | <b>Shareholders' funds</b>         |                                             |                      |                      |
|                                                                 | (a) Share capital                  | 3                                           | 30,700,000           | 30,700,000           |
|                                                                 | (b) Reserves and surplus           | 4                                           | 21,856,985           | 21,634,460           |
|                                                                 |                                    |                                             | 52,556,985           | 52,334,460           |
| <b>2</b>                                                        | <b>Non-current liabilities</b>     |                                             |                      |                      |
|                                                                 | (a) Long-term borrowings           | 5                                           | 38,705,937           | 45,524,658           |
|                                                                 | (b) Deferred tax liabilities (net) | 7                                           | 3,938,481            | 3,649,139            |
|                                                                 | (c) Other long-term liabilities    | 6                                           | 17,454,944           | 26,670,450           |
|                                                                 |                                    |                                             | 60,099,362           | 75,844,247           |
| <b>3</b>                                                        | <b>Current liabilities</b>         |                                             |                      |                      |
|                                                                 | (a) Short-term borrowings          | 8                                           | 7,120,800            | 4,869,964            |
|                                                                 | (b) Trade payables                 | 9                                           | 11,939,207           | 17,257,563           |
|                                                                 | (c) Other current liabilities      | 10                                          | 3,388,731            | 1,401,492            |
|                                                                 |                                    |                                             | 22,448,738           | 23,529,019           |
|                                                                 | <b>TOTAL</b>                       |                                             | 135,105,083          | 151,707,725          |
| <b>B</b>                                                        | <b>ASSETS</b>                      |                                             |                      |                      |
| <b>1</b>                                                        | <b>Non-current assets</b>          |                                             |                      |                      |
|                                                                 | (a) Fixed assets                   |                                             |                      |                      |
|                                                                 | (i) Tangible assets                | 11                                          | 113,517,824          | 122,338,035          |
|                                                                 | (ii) Intangible assets             | 12                                          | 450,000              | 450,000              |
|                                                                 |                                    |                                             | 113,967,824          | 122,788,035          |
|                                                                 | (b) Non-current investments        | 13                                          | 35,000               | 35,000               |
|                                                                 | (c) Long-term loans and advances   | 14                                          | 3,105,436            | 4,638,865            |
|                                                                 | (d) Other non-current assets       | 15                                          | -                    | 177,444              |
|                                                                 |                                    |                                             | 3,140,436            | 4,851,309            |
| <b>2</b>                                                        | <b>Current assets</b>              |                                             |                      |                      |
|                                                                 | (a) Inventories                    | 16                                          | 9,820,005            | 9,184,237            |
|                                                                 | (b) Trade receivables              | 17                                          | 6,223,302            | 9,254,116            |
|                                                                 | (c) Cash and cash equivalents      | 18                                          | 1,001,577            | 1,198,659            |
|                                                                 | (d) Short-term loans and advances  | 19                                          | 867,482              | 4,431,368            |
|                                                                 | (e) Other current assets           | 20                                          | 84,457               | -                    |
|                                                                 |                                    |                                             | 17,996,823           | 24,068,381           |
|                                                                 | <b>TOTAL</b>                       |                                             | 135,105,083          | 151,707,725          |
| See accompanying notes forming part of the financial statements |                                    | 1 to 39                                     |                      |                      |
| As per our report of even date                                  |                                    | For and on behalf of the Board of Directors |                      |                      |
| For Manoj Shah & Co.                                            |                                    |                                             |                      |                      |
| Chartered Accountants                                           |                                    |                                             |                      |                      |
| Firm Reg. No: 106036W                                           |                                    |                                             |                      |                      |
| sd/-                                                            |                                    | sd/-                                        |                      |                      |
| Manoj T. Shah                                                   |                                    | Satish Zaveri                               |                      |                      |
| Partner                                                         |                                    | Director                                    |                      |                      |
| M.No. 043777                                                    |                                    | sd/-                                        |                      |                      |
| Place : Vapi                                                    |                                    | Sandip Zaveri                               |                      |                      |
| Date : September 6, 2012                                        |                                    | Director                                    |                      |                      |
|                                                                 |                                    | Place : Vapi                                |                      |                      |
|                                                                 |                                    | Date : September 6, 2012                    |                      |                      |



## CHEMIESYNTH (VAPI) LIMITED

## Statement of Profit and Loss for the year ended 31 March, 2012

| Particulars |                                                                                   | Note No. | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|-------------|-----------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
|             |                                                                                   |          | ₹                                    | ₹                                    |
| 1           | Revenue from operations                                                           | 21       | 93,640,655                           | 86,279,557                           |
| 2           | Other income                                                                      | 22       | 4,686,897                            | 3,764,043                            |
| 3           | <b>Total revenue (1+2)</b>                                                        |          | <b>98,327,552</b>                    | <b>90,043,600</b>                    |
| 4           | <b>Expenses</b>                                                                   |          |                                      |                                      |
|             | (a) Cost of materials consumed                                                    | 23.a     | 38,351,670                           | 27,739,889                           |
|             | (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 23.b     | (2,205,740)                          | 1,822,930                            |
|             | (c) Employee benefits expense                                                     | 24       | 12,201,405                           | 13,866,948                           |
|             | (d) Finance costs                                                                 | 25       | 5,213,296                            | 4,904,732                            |
|             | (e) Depreciation and amortisation expense                                         | 12       | 6,774,081                            | 6,732,883                            |
|             | (f) Other expenses                                                                | 26       | 37,316,593                           | 38,464,198                           |
|             | <b>Total expenses</b>                                                             |          | <b>97,651,306</b>                    | <b>93,531,580</b>                    |
| 5           | <b>Profit / (Loss) before tax (3 + 4)</b>                                         |          | <b>676,247</b>                       | <b>(3,487,979)</b>                   |
| 6           | <b>Tax expense:</b>                                                               |          |                                      |                                      |
|             | (a) Current tax expense for current year                                          |          | (130,000)                            | -                                    |
|             | (b) Deferred tax                                                                  |          | (289,342)                            | 991,068                              |
|             |                                                                                   |          | (419,342)                            | 991,068                              |
| 7           | <b>Profit / (Loss) for the year (5 + 6)</b>                                       |          | <b>256,905</b>                       | <b>(2,496,911)</b>                   |
| 8           | <b>Earnings per share (of ₹ 10/- each):</b>                                       |          |                                      |                                      |
|             | (a) Basic                                                                         |          | 0.08                                 | (0.81)                               |
|             | (b) Diluted                                                                       |          | 0.08                                 | (0.81)                               |
|             | <b>See accompanying notes forming part of the financial statements</b>            | 1 to 39  |                                      |                                      |

As per our report of even date

For Manoj Shah &amp; Co.

Chartered Accountants

Firm Reg. No: 106036VV

sd/-

Manoj T.Shah

Partner

M.No. 043777

Place : Vapi

Date : September 6, 2012

For and on behalf of the Board of Directors

sd/-

Satish Zaveri

Director

sd/-

Sandip Zaveri

Director

Place : Vapi

Date : September 6, 2012

## **CHEMIESYNTH (VAPI) LIMITED**

### **Notes forming part of the financial statements**

1 The main business activities of Chemiesynth(Vapi) Limited is manufacturing and processing of Dye Intermediates and Chemicals.

2 **SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the Company.

a) **METHOD OF ACCOUNTING**

The Company follows the accrual system of accounting and recognises Income and Expenditure on accrual basis except Insurance Claim or Refund, Octroi Duty Refund, Sales Tax Refund etc on receipt basis and Insurance Premium, Rates & Taxes, Sales Tax Due on Assessment, Arrears of salary/wages & bonus etc on payment basis.

b) **FIXED ASSETS**

1. Tangible assets are stated at cost, adjusted by revaluation at current replacement values wherever applicable.
2. The company has provided depreciation on all fixed assets as per the new rates (SLM Method) specified in Schedule XIV to the Companies Act, 1956 vide notification No 756(E) dated 16.12.1993 issued by the Department of Company affairs
3. The Company has provided depreciation on revalued amounts of fixed assets as per the old rates (SLM Method) specified in schedule XIV to the Companies Act, 1956 and same is recouped from Revaluation Reserve.
4. The Company has provided depreciation on additions to assets during the year on prorata basis as required under the Companies Act, 1956.

c) **INVENTORIES**

Raw Materials are valued at cost, Work-in-process is valued at estimated cost, Finished Goods are valued at estimated cost or market value which ever is lower and Packing Materials, Fuel & Stores & Spares are valued at cost.

d) **EXCISE DUTY**

Excise duty is accounted as and when the same is paid on the dispatch of the goods from factory. No provision is made for excise duty in respect of finished products lying in the factory, as the same has no impact on the profit of the year.

e) **RETIREMENT BENEFITS**

Retirement benefits such as Gratuity, Leave encashment are accounted on cash basis.

f) **PURCHASE AND SALE**

Purchase of raw materials include processing charges paid and is net of resale of raw material. Sales include job charges received.

g) **TAXATION**

Income Tax comprises of Current Tax and Deffered Tax. The provision for Current Income Tax is made on the assessable income at the rate applicable to relevant Assesment Year. Deferred Tax Asset and Deferred Tax liability are calculated by applying taxrate and taxlaws that have been enacted by the Balance Sheet Date.



Note 3 Share capital

| Particulars                                     | As at 31 March, 2012 |            | As at 31 March, 2011 |            |
|-------------------------------------------------|----------------------|------------|----------------------|------------|
|                                                 | Number of shares     | ₹          | Number of shares     | ₹          |
| (a) Authorised                                  |                      |            |                      |            |
| Equity shares of ₹ 10/- each with voting rights | 3,250,000            | 32,500,000 | 3,250,000            | 32,500,000 |
| (b) Issued, subscribed and fully paid up        |                      |            |                      |            |
| Equity shares of ₹ 10/- each with voting rights | 3,070,000            | 30,700,000 | 3,070,000            | 30,700,000 |
| Total                                           | 3,070,000            | 30,700,000 | 3,070,000            | 30,700,000 |

Notes:

(i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2012  |                                   | As at 31 March, 2011  |                                   |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|                                       | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights      |                       |                                   |                       |                                   |
| Satish B Zaveri                       | 1,082,960             | 35.26%                            | 1,082,960             | 35.26%                            |
| Sandip S Zaveri                       | 360,500               | 11.74%                            | 360,500               | 11.74%                            |
| United Phosphorous Ltd                | 921,000               | 30.00%                            | 921,000               | 30.00%                            |
| Bhanuraj N Mehta                      | 239,000               | 7.78%                             | 239,000               | 7.78%                             |

(ii) Details of shares issued for consideration other than cash:

| Particulars                                                                | Aggregate number of shares |                      |
|----------------------------------------------------------------------------|----------------------------|----------------------|
|                                                                            | As at 31 March, 2012       | As at 31 March, 2011 |
| Equity shares with voting rights                                           |                            |                      |
| (a) Fully paid up pursuant to a contract for consideration other than cash | 147,000                    | 147,000              |
| (b) Fully paid up by way of bonus shares                                   | 2,107,500                  | 2,107,500            |

(iii) Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 4 Reserves and surplus

| Particulars                                                      | As at 31 March, 2012 | As at 31 March, 2011 |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | ₹                    | ₹                    |
| (a) Securities premium account                                   |                      |                      |
| Balance as at year end                                           | 12,650,000           | 12,650,000           |
| (b) Revaluation reserve                                          |                      |                      |
| Opening balance                                                  | 1,658,643            | 1,693,023            |
| Add: Addition on revaluations during the year                    |                      |                      |
| Less: Utilised for set off against depreciation                  | (34,380)             | (34,380)             |
| Written back / other utilisations during the year (give details) |                      |                      |
| Closing balance                                                  | 1,624,263            | 1,658,643            |
| (c) Cash Subsidy                                                 |                      |                      |
| Balance as at year end                                           | 1,156,929            | 1,156,929            |
| (d) Surplus / (Deficit) in Statement of Profit and Loss          |                      |                      |
| Opening balance                                                  | 6,168,888            | 8,665,799            |
| Add: Profit / (Loss) for the year                                | 256,905              | (2,496,911)          |
| Closing balance                                                  | 6,425,793            | 6,168,888            |
| Total                                                            | 21,856,985           | 21,634,460           |

Note 5 Long-term borrowings

| Particulars                            | As at 31 March, 2012 | As at 31 March, 2011 |
|----------------------------------------|----------------------|----------------------|
|                                        | ₹                    | ₹                    |
| (a) Term loans                         |                      |                      |
| From banks                             |                      |                      |
| Secured                                | 10,714,937           | 30,533,658           |
| Unsecured                              | 10,714,937           | 30,533,658           |
| (b) Loans from Directors and relatives |                      |                      |
| Unsecured                              | 27,991,000           | 14,991,000           |
|                                        | 27,991,000           | 14,991,000           |
| Total                                  | 38,705,937           | 45,524,658           |

Notes:

(i) The term loan is secured by:

(a) Equitable mortgage of factory land and building and hypothecation of plant and machinery and other fixed assets of the company

(b) Personal guarantee of directors of the company

**CHEMIESYNTH (VAPI) LIMITED**  
**Notes forming part of the financial statements**

**Note 6 Other long-term liabilities**

| Particulars                 | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------|----------------------|----------------------|
|                             | ₹                    | ₹                    |
| (a) Others:                 |                      |                      |
| (i) Advances from customers | 17,454,944           | 26,670,450           |
| <b>Total</b>                | <b>17,454,944</b>    | <b>26,670,450</b>    |

**Note 7 Components of Deferred Tax Liability (Net)**

| Particulars                              | As at 31 March, 2012 | As at 31 March, 2011 |
|------------------------------------------|----------------------|----------------------|
|                                          | ₹                    | ₹                    |
| <b>Deferred Tax Liability</b>            |                      |                      |
| 1. Differences in WDV of Fixed Assets    | 13,351,559           | 12,038,640           |
| <b>Deferred Tax Asstes</b>               |                      |                      |
| 1. Unabsorbed Depreciation/Business Loss | 8,997,762            | 8,056,578            |
| 2. Brought forward MAT Credit u/s 115JB  | 415,316              | 332,923              |
| <b>Net Deferred Tax Liability</b>        | <b>3,938,481</b>     | <b>3,649,139</b>     |

**Note 8 Short-term borrowings**

| Particulars                   | As at 31 March, 2012 | As at 31 March, 2011 |
|-------------------------------|----------------------|----------------------|
|                               | ₹                    | ₹                    |
| (a) Loans repayable on demand |                      |                      |
| From banks                    |                      |                      |
| Secured                       | 7,120,800            | 4,869,964            |
| <b>Total</b>                  | <b>7,120,800</b>     | <b>4,869,964</b>     |

**Notes:**

(i) Details of security for the secured short-term borrowings:

Loans repayable on demand from Bank of Baroda, SSI VIE branch, Vapi is secured by first and exclusive charge on inventories including stocks of raw materials, finished goods, work in process, stores and spares, receivables and equitable mortgage on the Land and buildings of the Company.

**Note 9 Trade payables**

| Particulars                                               | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------|----------------------|----------------------|
|                                                           | ₹                    | ₹                    |
| Trade payables:                                           |                      |                      |
| Other than Acceptances                                    |                      |                      |
| (a) Total outstanding dues of Micro and Small Enterprises | -                    | -                    |
| (b) Total outstanding of other payables                   | 11,939,207           | 17,257,563           |
| <b>Total</b>                                              | <b>11,939,207</b>    | <b>17,257,563</b>    |



**CHEMIESYNTH (VAPI) LIMITED**  
**Notes forming part of the financial statements**

| <b>Note 10 Other current liabilities</b>                        |                             |                             |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Particulars</b>                                              | <b>As at 31 March, 2012</b> | <b>As at 31 March, 2011</b> |
|                                                                 | <b>₹</b>                    | <b>₹</b>                    |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 2,940,000                   | 1,225,000                   |
| (a) Other payables                                              |                             |                             |
| (i) Statutory liabilities                                       | 448,731                     | 176,492                     |
| <b>Total</b>                                                    | <b>3,388,731</b>            | <b>1,401,492</b>            |
| <b>Particulars</b>                                              | <b>As at 31 March, 2012</b> | <b>As at 31 March, 2011</b> |
|                                                                 | <b>₹</b>                    | <b>₹</b>                    |
| (b) Term loans                                                  |                             |                             |
| From banks                                                      |                             |                             |
| Secured                                                         | 2,940,000                   | 1,225,000                   |
| <b>Total</b>                                                    | <b>2,940,000</b>            | <b>1,225,000</b>            |

**CHEMIESYNTH (VAP) LIMITED**  
Notes forming part of the financial statements

NOTE:-11,12 FIXED ASSETS

| PARTICULARS |                         | GROSS BLOCK                  |                                      |                                 |                              | DEPRECIATION                 |                         |           |                             | NET BLOCK                    |                              |                              |  |
|-------------|-------------------------|------------------------------|--------------------------------------|---------------------------------|------------------------------|------------------------------|-------------------------|-----------|-----------------------------|------------------------------|------------------------------|------------------------------|--|
| SR. NO.     |                         | AS AT<br>01.04.2011<br>(Rs.) | ADDITIONS<br>DURING THE<br>YEAR(Rs.) | DEDUCTION<br>DURING THE<br>YEAR | AS AT<br>31.03.2012<br>(Rs.) | UP TO<br>31.03.2011<br>(Rs.) | DURING THE<br>YEAR(Rs.) | RECOUPED  | ON<br>REVALU-<br>ATION(Rs.) | AS AT<br>31.03.2012<br>(Rs.) | AS AT<br>31.03.2012<br>(Rs.) | AS AT<br>31.03.2011<br>(Rs.) |  |
| 12          | Intangible Assets:-     |                              |                                      |                                 |                              |                              |                         |           |                             |                              |                              |                              |  |
| 1           | Goodwill                | 450,000                      | -                                    | -                               | 450,000                      | -                            | -                       | -         | -                           | -                            | 450,000                      | 450,000                      |  |
|             | TOTAL Rs.               | 450,000                      | -                                    | -                               | 450,000                      | -                            | -                       | -         | -                           | -                            | 450,000                      | 450,000                      |  |
| 11          | Tangible Assets:-       |                              |                                      |                                 |                              |                              |                         |           |                             |                              |                              |                              |  |
| 1           | Leasehold Land          | 1,528,000                    | -                                    | -                               | 1,528,000                    | -                            | -                       | -         | -                           | -                            | 1,528,000                    | 1,528,000                    |  |
| 2           | Buildings               | 41,049,076                   | 203,641                              | -                               | 41,252,717                   | 8,541,329                    | 1,339,510               | -         | 34,380                      | 9,915,219                    | 31,337,498                   | 32,507,747                   |  |
| 3           | Plant & Machinery       | 121,274,261                  | 1,553,469                            | 5,043,150                       | 117,784,580                  | 35,347,805                   | 5,071,505               | 598,874   | -                           | 39,820,436                   | 77,964,144                   | 85,926,456                   |  |
| 4           | Laboratory Equipments   | 1,952,590                    | 12,600                               | -                               | 1,965,190                    | 736,140                      | 92,948                  | -         | -                           | 829,088                      | 1,136,102                    | 1,216,450                    |  |
| 5           | Furniture & Fixture     | 2,673,800                    | 13,570                               | -                               | 2,687,370                    | 2,138,202                    | 169,609                 | -         | -                           | 2,307,811                    | 379,559                      | 535,598                      |  |
| 6           | Office Equipment        | 846,808                      | -                                    | -                               | 846,808                      | 756,091                      | 40,223                  | -         | -                           | 796,314                      | 50,494                       | 90,717                       |  |
| 7           | Vehicles                | 2,505,403                    | 625,588                              | 357,771                         | 2,773,220                    | 2,505,403                    | 3,761                   | 320,054   | -                           | 2,189,110                    | 584,110                      | -                            |  |
| 8           | Computers               | 708,875                      | 35,500                               | -                               | 744,375                      | 247,945                      | 33,812                  | -         | -                           | 281,757                      | 462,618                      | 460,930                      |  |
| 9           | Refrigerator            | 24,625                       | -                                    | -                               | 24,625                       | 9,597                        | 1,170                   | -         | -                           | 10,767                       | 13,858                       | 15,028                       |  |
| 10          | Airconditioner          | 444,913                      | 25,875                               | -                               | 470,788                      | 387,804                      | 21,543                  | -         | -                           | 409,347                      | 61,441                       | 57,109                       |  |
|             | TOTAL Rs.               | 173,008,351                  | 2,470,243                            | 5,400,921                       | 170,077,673                  | 50,670,316                   | 6,774,081               | 918,928   | 34,380                      | 56,559,849                   | 113,517,824                  | 122,338,035                  |  |
|             |                         |                              |                                      |                                 |                              |                              |                         |           |                             |                              |                              |                              |  |
|             | GRAND TOTAL Rs.         | 173,458,351                  | 2,470,243                            | 5,400,921                       | 170,527,673                  | 50,670,316                   | 6,774,081               | 918,928   | 34,380                      | 56,559,849                   | 113,967,824                  | 122,788,035                  |  |
|             |                         |                              |                                      |                                 |                              |                              |                         |           |                             |                              |                              |                              |  |
|             | PREVIOUS YEAR TOTAL Rs. | 170,828,848                  | 2,629,503                            | -                               | 173,458,351                  | 43,903,051                   | 6,732,863               | 4,039,053 | 34,380                      | 50,670,314                   | 122,788,037                  | 126,925,797                  |  |



# CHEMIESYNTH (VAPI) LIMITED

## Note 13 Non-current investments

| Particulars                                                                                                                                      | As at 31 March, 2012 | As at 31 March, 2011 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                  | ₹                    | ₹                    |
| Investments (At cost):                                                                                                                           |                      |                      |
| Trade, Unquoted:                                                                                                                                 |                      |                      |
| (a). National Savings Certificates - VIII Issue (Held in the name of employee of the Company (nominee) and deposited with Government Department) | 35,000               | 35,000               |
| <b>Total - Trade</b>                                                                                                                             | 35,000               | 35,000               |
| <b>Total</b>                                                                                                                                     | 35,000               | 35,000               |

## Note 14 Long-term loans and advances

| Particulars                                                                                                     | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                 | ₹                    | ₹                    |
| (a) Security deposits                                                                                           |                      |                      |
| Secured, considered good                                                                                        |                      |                      |
| Unsecured, considered good                                                                                      | 1,702,270            | 1,702,270            |
|                                                                                                                 | 1,702,270            | 1,702,270            |
| (b) Loans and advances to employees                                                                             |                      |                      |
| Unsecured, considered good                                                                                      | 739,808              | 650,458              |
| (c) Advance income tax (net of provisions ₹ 130,000/- (As at 31 March, 2011 ₹ Nil) - Unsecured, considered good | 663,358              | 2,286,137            |
| <b>Total</b>                                                                                                    | 3,105,436            | 4,638,865            |

## Note 15 Other non-current assets

| Particulars              | As at 31 March, 2012 | As at 31 March, 2011 |
|--------------------------|----------------------|----------------------|
|                          | ₹                    | ₹                    |
| (a) Unamortised expenses |                      |                      |
| (i) Share issue expenses | -                    | 177,444              |
| <b>Total</b>             | -                    | 177,444              |

**CHEMIESYNTH (VAPI) LIMITED**  
**Notes forming part of the financial statements**

**Note 16 Inventories**

(At lower of cost and net realisable value)

| Particulars                                                | As at 31 March, 2012 | As at 31 March, 2011 |
|------------------------------------------------------------|----------------------|----------------------|
|                                                            | ₹                    | ₹                    |
| (a) Raw materials                                          | 2,190,909            | 3,657,978            |
|                                                            | 2,190,909            | 3,657,978            |
| (b) Work-in-progress                                       | 6,376,040            | 4,170,300            |
|                                                            | 6,376,040            | 4,170,300            |
| (c) Finished goods (other than those acquired for trading) | 385,434              | 385,434              |
|                                                            | 385,434              | 385,434              |
| (d) Stores and spares                                      | 867,622              | 970,525              |
|                                                            | 867,622              | 970,525              |
| <b>Total</b>                                               | <b>9,820,005</b>     | <b>9,184,237</b>     |

Note: Details of inventory of work-in-progress

| Particulars                  | As at 31 March, 2012 | As at 31 March, 2011 |
|------------------------------|----------------------|----------------------|
|                              | ₹                    | ₹                    |
| 4 SNA                        | 4,086,250            | 1,076,250            |
| 5 NI                         | 360,000              | 1,364,400            |
| 2:6 Di Chloro 4 Amino Phenol | 193,500              | 630,750              |
| Other items                  | 1,736,290            | 1,098,900            |
|                              | 6,376,040            | 4,170,300            |

**Note 17 Trade receivables @**

| Particulars                                                                                             | As at 31 March, 2012 | As at 31 March, 2011 |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                         | ₹                    | ₹                    |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                      |                      |
| Unsecured, considered good                                                                              | 1,402,340            | 1,376,863            |
|                                                                                                         | 1,402,340            | 1,376,863            |
| Other Trade receivables                                                                                 |                      |                      |
| Unsecured, considered good                                                                              | 4,820,962            | 7,877,253            |
|                                                                                                         | 4,820,962            | 7,877,253            |
| <b>Total</b>                                                                                            | <b>6,223,302</b>     | <b>9,254,116</b>     |



**CHEMIESYNTH (VAPI) LIMITED**  
**Notes forming part of the financial statements**

**Note 18 Cash and cash equivalents**

| Particulars                                                                                                                 | As at 31 March, 2012 | As at 31 March, 2011 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                             | ₹                    | ₹                    |
| (a) Cash on hand                                                                                                            | 37,130               | 330,153              |
| (b) Balances with banks                                                                                                     |                      |                      |
| (i) In current accounts                                                                                                     | 736,086              | 830,145              |
| (iii) In deposit accounts (Refer Note (i) below)                                                                            | 228,361              | 38,361               |
| <b>Total</b>                                                                                                                | <b>1,001,577</b>     | <b>1,198,659</b>     |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is | 1,001,577            | 1,198,659            |

**Note 19 Short-term loans and advances**

| Particulars                              | As at 31 March, 2012 | As at 31 March, 2011 |
|------------------------------------------|----------------------|----------------------|
|                                          | ₹                    | ₹                    |
| (a) Balances with government authorities |                      |                      |
| Unsecured, considered good               |                      |                      |
| (i) CENVAT credit receivable             | 459,419              | 1,817,953            |
| (ii) VAT credit receivable               | -                    | 202,137              |
| (iii) Service Tax credit receivable      | 94,416               | -                    |
| (iv) Excise refund receivable            | 213,757              | 2,068,205            |
| (b) Advance to suppliers                 | 99,890               | 343,073              |
| <b>Total</b>                             | <b>867,482</b>       | <b>4,431,368</b>     |

**Note 20 Other current assets**

| Particulars                      | As at 31 March, 2012 | As at 31 March, 2011 |
|----------------------------------|----------------------|----------------------|
|                                  | ₹                    | ₹                    |
| (a) Accruals                     |                      |                      |
| (i) Interest accrued on deposits | 84,457               | -                    |
| <b>Total</b>                     | <b>84,457</b>        | <b>-</b>             |

**CHEMIESYNTH (VAPI) LIMITED**  
Notes forming part of the financial statements

**Note 21 Revenue from operations**

|     | Particulars                                      | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|-----|--------------------------------------------------|--------------------------------------|--------------------------------------|
|     |                                                  | ₹                                    | ₹                                    |
| (a) | Sale of products (Refer Note (i) below)          | 58,594,225                           | 50,879,090                           |
| (b) | Job Work charges                                 | 32,310,573                           | 33,835,798                           |
| (c) | Other operating revenues (Refer Note (ii) below) | 2,735,858                            | 1,564,669                            |
|     | <b>Total</b>                                     | <b>93,640,655</b>                    | <b>86,279,557</b>                    |

  

| Note | Particulars                               | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|------|-------------------------------------------|--------------------------------------|--------------------------------------|
|      |                                           | ₹                                    | ₹                                    |
| (i)  | Sale of products comprises:               |                                      |                                      |
|      | Manufactured goods                        |                                      |                                      |
|      | 4 SNA                                     | 30,880,500                           | 27,183,393                           |
|      | 5 NI                                      | 13,185,688                           | 16,840,562                           |
|      | 2:6 Di Chloro 4 Amino Phenol              | 13,440,000                           | 2,500,000                            |
|      | Others                                    | 1,088,037                            | 4,355,135                            |
|      | <b>Total - Sale of manufactured goods</b> | <b>58,594,225</b>                    | <b>50,879,090</b>                    |
|      | <b>Total - Sale of products</b>           | <b>58,594,225</b>                    | <b>50,879,090</b>                    |
| (ii) | Other operating revenues:                 |                                      |                                      |
|      | Sale of waste products                    | 2,323,418                            | 958,017                              |
|      | Sale of scrap                             | 257,119                              | 353,933                              |
|      | Duty drawback and other export incentives | 155,321                              | 252,719                              |
|      | <b>Total - Other operating revenues</b>   | <b>2,735,858</b>                     | <b>1,564,669</b>                     |

**Note 22 Other income**

|     | Particulars                                                                                               | For the year ended 31<br>March, 2012 | For the year ended 31<br>March, 2011 |
|-----|-----------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|     |                                                                                                           | ₹                                    | ₹                                    |
| (a) | Interest income (Refer Note (i) below)                                                                    | 259,837                              | 14,043                               |
| (b) | Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below) | 4,427,060                            | 3,750,000                            |
|     | <b>Total</b>                                                                                              | <b>4,686,897</b>                     | <b>3,764,043</b>                     |

  

| Note | Particulars                         | For the year ended 31<br>March, 20X2 | For the year ended 31<br>March, 20X1 |
|------|-------------------------------------|--------------------------------------|--------------------------------------|
|      |                                     | ₹                                    | ₹                                    |
| (i)  | Interest income comprises:          |                                      |                                      |
|      | Interest from banks on:<br>deposits | 116,845                              | 14,043                               |
|      | Interest on income tax refund       | 142,992                              | -                                    |
|      | <b>Total - Interest income</b>      | <b>259,837</b>                       | <b>14,043</b>                        |

  

| Note | Particulars                               | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|------|-------------------------------------------|--------------------------------------|--------------------------------------|
|      |                                           | ₹                                    | ₹                                    |
| (ii) | Other non-operating income comprises:     |                                      |                                      |
|      | Profit on sale of assets                  | 227,060                              | -                                    |
|      | Service charges received                  | 4,200,000                            | 3,750,000                            |
|      | Miscellaneous income                      | -                                    | -                                    |
|      | <b>Total - Other non-operating income</b> | <b>4,427,060</b>                     | <b>3,750,000</b>                     |



## CHEMIESYNTH (VAPI) LIMITED

## Notes forming part of the financial statements

## Note 23.a,b Cost of materials consumed

| Particulars                      | For the year ended 31<br>March, 2012 | For the year ended<br>31 March, 2011 |
|----------------------------------|--------------------------------------|--------------------------------------|
|                                  | ₹                                    | ₹                                    |
| Opening stock                    | 3,657,978                            | 3,245,314                            |
| Add: Purchases                   | 36,884,601                           | 28,152,553                           |
|                                  | 40,542,579                           | 31,397,867                           |
| Less: Closing stock              | (2,190,909)                          | (3,657,978)                          |
| <b>Cost of material consumed</b> | <b>38,351,670</b>                    | <b>27,739,889</b>                    |
| Material consumed comprises:     |                                      |                                      |
| Ace Naphthene                    | 3,616,248                            | 2,071,064                            |
| Fast Red RL Base                 | 3,313,468                            | 4,950,416                            |
| Caustic Soda Lye                 | 1,958,786                            | 1,488,670                            |
| 2:6 Di Chloro Phenol             | 2,850,000                            | 720,000                              |
| Potassium Permanganate           | 16,606,444                           | 8,078,335                            |
| Other items                      | 10,006,726                           | 10,431,404                           |
| <b>Total</b>                     | <b>38,351,670</b>                    | <b>27,739,889</b>                    |

## Note 23.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars                                      | For the year ended 31<br>March, 2012 | For the year ended<br>31 March, 2011 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <u>Inventories at the end of the year:</u>       |                                      |                                      |
| Finished goods                                   | 385,434                              | 385,434                              |
| Work-in-progress                                 | 6,376,040                            | 4,170,300                            |
|                                                  | 6,761,474                            | 4,555,734                            |
| <u>Inventories at the beginning of the year:</u> |                                      |                                      |
| Finished goods                                   | 385,434                              | 967,434                              |
| Work-in-progress                                 | 4,170,300                            | 5,411,230                            |
|                                                  | 4,555,734                            | 6,378,664                            |
| <b>Net (increase) / decrease</b>                 | <b>(2,205,740)</b>                   | <b>1,822,930</b>                     |

## Note 24 Employee benefits expense

| Particulars                                | For the year ended 31<br>March, 2012 | For the year ended 31<br>March, 2011 |
|--------------------------------------------|--------------------------------------|--------------------------------------|
|                                            | ₹                                    | ₹                                    |
| Salaries and wages                         | 10,591,973                           | 11,752,500                           |
| Contributions to provident and other funds | 1,157,873                            | 1,277,541                            |
| Gratuity                                   | 136,619                              | 446,035                              |
| Staff welfare expenses                     | 314,940                              | 390,872                              |
| <b>Total</b>                               | <b>12,201,405</b>                    | <b>13,866,948</b>                    |

## Note 25 Finance costs

| Particulars              | For the year ended 31<br>March, 2012 | For the year ended 31<br>March, 2011 |
|--------------------------|--------------------------------------|--------------------------------------|
|                          | ₹                                    | ₹                                    |
| (a) Interest expense on: |                                      |                                      |
| (i) Borrowings           | 5,213,296                            | 4,904,732                            |
| <b>Total</b>             | <b>5,213,296</b>                     | <b>4,904,732</b>                     |

**CHEMIESYNTH (VAPI) LIMITED**  
**Notes forming part of the financial statements**

**Note 26 Other expenses**

| Particulars                                 | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
|                                             | ₹                                    | ₹                                    |
| Consumption of stores and spare parts       | 3,247,101                            | 3,770,088                            |
| Consumption of packing materials            | 516,673                              | 458,851                              |
| Job work charges                            | 1,004,172                            | 544,144                              |
| Power and fuel                              | 15,737,958                           | 15,203,727                           |
| Water                                       | 1,340,744                            | 1,128,076                            |
| Rent                                        | 300,000                              | 300,000                              |
| Repairs and maintenance - Buildings         | 96,122                               | 122,321                              |
| Repairs and maintenance - Machinery         | 1,611,817                            | 2,017,093                            |
| Repairs and maintenance - Others            | 51,105                               | 71,209                               |
| Insurance                                   | 274,316                              | 303,580                              |
| Rates and taxes                             | 183,431                              | 280,667                              |
| Communication                               | 309,743                              | 317,945                              |
| Travelling and conveyance                   | 640,752                              | 732,696                              |
| Printing and stationery                     | 142,470                              | 149,936                              |
| Freight and forwarding                      | 921,812                              | 1,459,151                            |
| Legal and professional                      | 902,344                              | 1,470,169                            |
| Payments to auditors (Refer Note (i) below) | 25,000                               | 25,000                               |
| Amortisation of share issue expenses        | 177,444                              | -                                    |
| Service charges                             | 117,528                              | 66,509                               |
| Contract labour charges                     | 3,871,959                            | 3,235,107                            |
| Bank charges                                | 197,560                              | 303,238                              |
| Effluent treatment and disposal charges     | 1,500,876                            | 2,321,326                            |
| Prior period expenses                       | 200,000                              | 312,349                              |
| Miscellaneous expenses                      | 3,945,667                            | 3,871,016                            |
| <b>Total</b>                                | <b>37,316,593</b>                    | <b>38,464,198</b>                    |

**Notes:**

| Particulars                                                                                 | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                             | ₹                                    | ₹                                    |
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): |                                      |                                      |
| As auditors - statutory audit                                                               | 25,000                               | 25,000                               |
| <b>Total</b>                                                                                | <b>25,000</b>                        | <b>25,000</b>                        |
| (ii) Details of Prior period items                                                          |                                      |                                      |
| Prior period expenses                                                                       | 200,000                              | 312,349                              |
| <b>Total</b>                                                                                | <b>200,000</b>                       | <b>312,349</b>                       |



27 Contingent Liabilities not provided for in respect of:  
Letter of Guarantees issued by the Bank Rs. 1,80,000/- (Rs. 1,80,000/-)

28 The depreciation provided during the year includes Rs. 0.34 Lacs on the increased gross value of Buildings arising on revaluation and the same is recouped from Revaluation Reserve.

29 The Company has not provided for Rs.14.19 Lacs in respect of Bad & Doubtful Debts as the company has taken necessary steps to recover such amounts.

30 The Balances of Debtors, Creditors & Loans & Advances are subject to confirmations.

31 The company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 and hence disclosure requirements in this regard as per schedule VI of the Companies Act, 1956 could not be provided.

32 The Company's primary business segment is manufacturing of Dyes & Intermediates. Based on guiding principles given in Accounting Standard on "Segment Reporting" AS-17 issued by the Institute of Chartered Accountants of India, this activity falls within a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable.

### 33 Related party Disclosures

During the year the company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2012 and for the year then ended are presented in the following table.

a). Related parties where control exists, 2011-12 2010-11  
Nil Nil

#### 1). Joint venture

#### 2). Associates

|                                                         |            |            |
|---------------------------------------------------------|------------|------------|
| A). CS Speciality chemical Pvt Ltd                      |            |            |
| Sales of goods/Processing charges                       | 21,279,996 | 27,850,465 |
| Purchase of goods                                       | 49,052     | 37,081     |
| Services charges received                               | 4,632,600  | 4,136,250  |
| Outstanding balance as at the year end receivable (Net) | 616,503    | 2,725,867  |

#### 3). Key Management Personnel & their relatives

|                                                                       |         |         |
|-----------------------------------------------------------------------|---------|---------|
| Mr. Satish B Zaveri                                                   |         |         |
| Mr. Sandeep S. Zaveri (Son)                                           |         |         |
| Mrs. Kamal S Zaveri (Spouse)                                          |         |         |
| Nature of transactions                                                |         |         |
| Remuneration paid to Managing Director (including contribution to PF) |         |         |
| Mr. Satish B Zaveri                                                   | 328,637 | 328,637 |
| Salary paid to Director (including contribution to PF)                |         |         |
| Mr. Sandeep S. Zaveri                                                 | 168,504 | 168,504 |
| Consultancy charges paid                                              |         |         |
| Mrs. Kamal S Zaveri                                                   | 18,750  | 790,944 |
| Outstanding balance as at year end                                    |         |         |

### 34 Payment to Auditors :

|                             | 2011-2012 | 2010-2011 |
|-----------------------------|-----------|-----------|
|                             | Rs.       | Rs.       |
| a) For Statutory Audit Fees | 20,000    | 20,000    |
| b) For Tax Audit Fees       | 5,000     | 5,000     |
|                             | 25,000    | 25,000    |

### 35 Earnings per Share:

|                               |           |             |
|-------------------------------|-----------|-------------|
| Profit/(Loss) after taxation  | 256,905   | (2,496,911) |
| Number of Equity Shares       | 3,070,000 | 3,070,000   |
| Nominal Value per Share (Rs.) | 10        | 10          |
| Earnings per share            | 0.08      | (0.81)      |

### 36 VALUES & PERCENTAGE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMPTION

|               | Value Rs.    | Percentage |
|---------------|--------------|------------|
| 1. Imported   | 4,291,508    | 10.90%     |
|               | (2,208,564)  | (10.55)%   |
| 2. Indigenous | 35,064,335   | 89.10%     |
|               | (26,075,470) | (89.45)%   |
|               | 39,355,842   | 100%       |
|               | (28,284,033) | (100)%     |

37 C.I.F Value of Imports  
(2,538,541)

38 Export at FOB Value  
(25,632,435)

39 Figures in brackets are in respect of previous year. Figures of previous year have been restated, regrouped and rearranged wherever necessary.

For and on behalf of the Board of Directors

sd/-  
Satish Zaveri  
Director

sd/-  
Sandeep Zaveri  
Director

Place : Vapi  
Date : September 6, 2012

## CHEMIESYNTH (VAPI) LIMITED

Cash Flow Statement for the year ended 31 March, 2012

|                                                                             | For the year ended<br>31 March, 2012 | For the year ended<br>31 March, 2011 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>                               |                                      |                                      |
| Net Profit/(Loss) before tax                                                | 676,247                              | (3,487,979)                          |
| Adjustments for:                                                            |                                      |                                      |
| Depreciation                                                                | 6,774,081                            | 6,732,883                            |
| Interest expenses                                                           | 5,213,296                            | 4,904,732                            |
| Interest income                                                             | (259,837)                            | (14,043)                             |
| Profit on sale of fixed assets                                              | (227,060)                            | -                                    |
| Operating Profit before Working Capital Changes                             | 12,176,727                           | 8,135,593                            |
| Changes in:                                                                 |                                      |                                      |
| Trade Receivables and other current assets                                  | 6,510,243                            | 3,804,648                            |
| Inventories                                                                 | (635,768)                            | 1,566,340                            |
| Long term loans and advances                                                | 1,710,873                            | -                                    |
| Trade Payables and other current liabilities                                | (3,331,117)                          | (6,282,083)                          |
| <b>CASH GENERATED FROM OPERATIONS</b>                                       | <b>16,430,958</b>                    | <b>7,224,498</b>                     |
| Interest and Finance Charges                                                | (5,213,296)                          | (4,904,732)                          |
| Taxes Paid                                                                  | (130,000)                            | -                                    |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                               | <b>11,087,662</b>                    | <b>2,319,766</b>                     |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>                               |                                      |                                      |
| Purchase of Fixed Assets                                                    | (2,470,243)                          | (2,629,503)                          |
| Interest income                                                             | 259,837                              | 14,043                               |
| Sale of Fixed Assets                                                        | 4,709,053                            | -                                    |
| Investments                                                                 | -                                    | -                                    |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                            | <b>2,498,647</b>                     | <b>(2,615,460)</b>                   |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>                               |                                      |                                      |
| Repayment of long term borrowings                                           | (6,818,721)                          | 5,140,571                            |
| Advance from customer repaid                                                | (9,215,506)                          | (3,364,554)                          |
| Increase/(Decrease) in Working Capital from Bank                            | 2,250,836                            | (3,452,574)                          |
| <b>NET CASH FROM FINANCING ACTIVITIES (C)</b>                               | <b>(13,783,391)</b>                  | <b>(1,676,557)</b>                   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b> | <b>(197,082)</b>                     | <b>(1,972,251)</b>                   |
| <b>CASH &amp; CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR</b>       | <b>1,198,659</b>                     | <b>3,170,910</b>                     |
| <b>CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>                | <b>1,001,577</b>                     | <b>1,198,659</b>                     |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b> | <b>(197,082)</b>                     | <b>(1,972,251)</b>                   |

FOR CHEMIESYNTH (VAPI) LIMITED

AS PER OUR REPORT OF EVEN DATE  
FOR MANOJ SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 106036W

sd/-  
(DIRECTOR)

sd/-  
(DIRECTOR)

sd/-  
MANOJ T. SHAH  
Partner  
M.NO.043777  
PLACE: VAPI  
DATE: September 6, 2012



**ATTENDANCE SLIP**

**CHEMIESYNTH (VAPI) LIMITED**

Regd. office: Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slips on request.

L.F. No:

Name and address: \_\_\_\_\_  
\_\_\_\_\_

I hereby record my presence at the 26<sup>th</sup> Annual General Meeting of the Company at Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat-396195.

Signature of the Holder / Proxy

**PROXY FORM**

**CHEMIESYNTH (VAPI) LIMITED**

Regd. office: Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195

L.F. No:

I/We..... of .....  
being a member / members of **CHEMIESYNTH (VAPI) LIMITED** hereby appoint  
..... of .....  
or failing him ..... of.....  
as my / our Proxy to vote for me / us and on my / our behalf, at the 26<sup>th</sup> Annual General Meeting of  
the Company to be held at 11.30 a.m. on Saturday, 29<sup>th</sup> September 2012 and at any adjournment  
thereof.

As witness my / our hand(s) this .....day of.....2012

Affix one rupee  
revenue stamp

.....  
[Signature(s) of the shareholder(s)]

*Note: The proxy form, duly completed must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.*