



**JAIHIND SYNTHETICS
LIMITED**

ANNUAL ACCOUNTS

**FINANCIAL YEAR
2011- 2012**



BOARD OF DIRECTORS

| | |
|------------------------|----------------------|
| Mr. Ajit V Vasani | Director |
| MsMeghalVasani | Director |
| MsJagrutiVasani | Director |
| Mr. PareshSawani | Independent Director |
| Mr.Kaushal A Shah | Independent Director |
| Mr. Jayantilal M Patel | Independent Director |

BANKER

Allahbad Bank
Axis bank
IDBI BANK

AUDITORS

Jai PrakashUpadhayay& Co.
Chartered Accountants

REGISTERD OFFICE

2, KuberBhavan CHS Ltd,
Near Ram Mandir, Borivali (West)
Mumbai – 400092

TRANSFER AGENTS

System Support Services
209, Shivai Industrial Estate,
Sakinaka, Andheri (East),
Mumbai – 400 072.

NOTICE TO THE MEMBERS

Dear Members,

NOTICE is hereby given that the 25th Annual General Meeting of the Members of JAIHIND SYNTHETICS LIMITED will be held at its Registered Office at 2, KuberBhavan CHS Ltd, Near Ram Mandir, Borivali (West), Mumbai – 400092 on Saturday, the 29th day of September, 2012 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ajit V Vasani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Meghal Vasani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Jagruti Vasani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors, M/s Jai Prakash Upadhyay & Co., Chartered Accountants, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorize the Board of Directors to fix their remuneration.

Date: 1ST September, 2012
Place: Mumbai

By Order of the Board of Directors
For **JAIHIND SYNTHETICS LIMITED**

Registered Office:
2, KuberBhavan CHS Ltd,
Near Ram Mandir,
Borivali (West),
Mumbai – 400092

Sd/-
(AJIT VASANI)
CHAIRMAN

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING AND ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The members are requested to notify immediately changes, if any, in their registered address to the Company's Registrar & Share Transfer Agent M/S System Support Services, email ID: syss72@yahoo.com.
3. Members are requested to write their Folio Number in the Attendance Slip for easy identification at the meeting and number of shares held by them.
4. The Share Transfer Books and the Register of Members will remain closed from Sunday the 27th day of September, 2012 to Sunday the 30th day of September, 2012 (both days inclusive).
5. At the ensuing Annual General Meeting below Directors, retires by rotation and being eligible offers themselves for re-appointment, the brief resume of this director is as under:

| | | | |
|---|----------------------|--------------|----------------|
| Name | AjitVasani | MeghalVasani | JagrutiVasani |
| Age | 49 | 22 | 47 |
| Qualification | B.com | F.Y. B.com | B.com |
| Expertise in Specific Area | Treading & Marketing | Finance | Administration |
| Date of First Appointment on the Board of the Company | 31.8.2010 | 31.8.2010 | 31.8.2010 |
| Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held. | Nil | Nil | Nil |

6. *.Green initiative in Corporate Governance: The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Director's Report, Auditor's Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.*

Date: 1ST September, 2012
Place: Mumbai

By Order of the Board of Directors
For **JAIHIND SYNTHETICS LIMITED**

Registered Office:
2, KuberBhavan CHS Ltd,
Near Ram Mandir,
Borivali (West),
Mumbai – 400092

Sd/-
(AJIT VASANI)
CHAIRMAN

DIRECTORS REPORT

The Members,
Jaihind Synthetics Limited.

Your Directors have pleasure in presenting the Twenty Five Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2012.

FINANCIAL RESULTS:

| | For the year ended on 31.03.2012 | (Rs. in Lac) For the year ended on 31.03.2011 |
|----------------------------------|-------------------------------------|---|
| Turnover | 8.08 | -- |
| Other Income | 1.25 | 8.7 |
| Increase / Decrease in Stock | -- | -- |
| Total Income | 8.10 | -- |
| Total Expenditure | 802.62 | 2.95 |
| Profit / (Loss) before Taxation | 7.37 | 5.74 |
| Provision for Tax | 2.45 | 1.45 |
| Profit / (Loss) after Taxation | 4.91 | 4.29 |
| Balance b/f from Previous Year | (90.48) | (94.78) |
| Deferred Tax | -- | -- |
| Earlier Year Adjustments | -- | -- |
| Balance Carried to Balance Sheet | (90.48) | (94.78) |

OPERATIONAL REVIEW:

During the financial year ended 31st March 2012 your Company's turnover was Rs. 8.08 Lac and the net profit during the year was Rs. 4.91 Lac.

FUTURE OUTLOOK

The Indian economy is back on course of its pre-crises growth trajectory, with the momentum in recovery led by a stronger and faster than earlier anticipated rebound in industrial activity. The management of the company is considering the various proposals to enlarge the scope of activities of the company. The company is looking forward to infuse additional working capital in the business of the company in order to carry out the operations of the company smoothly.

ISSUE OF SECURITIES THROUGH PREFERENTIAL ALLOTMENT BASIS:

The company is continuously pursuing growth opportunities in the existing business to boost up the turnover and profitability, day to day working capital requirement. The company through a postal ballot has got the approval of the members to issue the convertible warrants. The company has also received the approval from the stock exchange and accordingly issued 1 Crore Convertible Warrants. The issue of Warrants is planned to augment the long term resources to finance the working capital requirement of the company. The proceeds of the issue will be utilized for financing the working capital requirement of the company and also for general corporate purposes.

DIVIDEND:

Due to huge carried forward loss, your Directors do not recommend any dividend for the year under review.

DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby confirm that:

- A. In preparation of Annual Accounts, the applicable accounting standards were followed.
- B. The accounting policies are reasonable and prudent and are consistently followed to give true and fair view of the state of affairs of the company.
- C. Proper and sufficient care is taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- D. The Annual Accounts have been prepared on a going –concern basis.

DIRECTORS

Mr. Ajit Vasani, Ms. Jagruti Vasani and Ms. Meghal Vasani, Directors of the Company who retire by rotation as per Articles of Association of the Company and being eligible offer themselves for re-appointment as directors of the Company.

FIXED DEPOSITS

Your Company has not accepted any deposits from public.

MANAGEMENT DISCUSSION AND ANALYSIS:

As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.

CORPORATE GOVERNANCE

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

AUDITORS:

M/s. Jai Prakash Upadhyay & Co., Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. Directors have proposed to re-appoint M/s Jai Prakash Upadhyay & Co., as Auditors of the Company, Subject to Approval of Members at the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

AUDITOR'S REPORT:

The notes to the Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further explanation.

EMPLOYEES:

There was no employee drawing remuneration to the extent, which requires disclosure under Section 217 (2A) of the Companies Act, 1956.

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

As required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant information is as under: -

- a) Conservation of energy
There are no energy consumption during the year due to non operations at factory site.
- b) Absorption of Technology and R & D
The Company has not incurred any separate expenditure on Research and Development during the year.
- c) Foreign Exchange Earning & Outgo :
There are no foreign exchange earning and outgo during the year under review.

ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation of the contribution made by the employees at all levels of the organization.

By Order of the Board of Directors

Date: 1st September, 2012
Place: Mumbai

Sd/-
(AJIT VASANI)
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2012.

INDUSTRY STRUCTURE, DEVELOPMENT:

During the period under review, the Company had been operating in textile.

PERFORMANCE

The Company is doing trading business only. Company is trying to generate more volumes and thus to generate more profit from trading activities in the textile.

SEGMENT-WISE PERFORMANCE:

The Company is into textile business.

OPPORTUNITIES AND THREATS

The fundamental growth drivers of the country's economy as well as industry continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The threats to the segments in which the company shall be operating is pricing pressure arising due to competition from low cost suppliers, technology up gradation, sever competition among competitor and newly emerging competitive nations and stricter environment laws. Further, the Indian economy is now integrated with the world economy to a very large extent and therefore vulnerable to the direct impact of such a slowdown; such an impact could adversely affect the Company's performance as well.

STRENGTH

The existing management has a strong technical knowledge and experience in the trading and marketing filed.

RISKS AND CONCERNS

Your company is working essentially in global market place. Change in policy of Govt. of India may have an effect on future working of the Company in the business of textile. However the capability of providing quality services, timely completing of projects and the excellent performance will provide the competitive edge to the Company's business.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations, safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The industrial relations with workers and officers are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

CAUTIONARY STATEMENT

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

By Order of the Board of Directors

Date: 1st September, 2012
Place: Mumbai

Sd/-
(AJIT VASANI)
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on Code of Governance

The Company believes in and practices good Corporate Governance. The Company's philosophy is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligation to all its stakeholders.

2. Board of Directors

The Board of Directors comprises of Three executive Director and other Three Independent Directors. During the year ended 31st March 2012 seven board meetings were held as on 18.04.2011, 26.05.2011, 12.07.2011, 15.07.2011, 30.08.2011, 28.10.2011, 04.02.2012.

Attendance of each Directors at the Board Meeting 2011- 2012 and last Annual General Meeting and the number of Companies and Committees where he is Directors/Member (As on signing date):

| Name of Directors | Category of Directorship | No. of Board Meetings Attended | Attendance at last AGM held on 30 th Sept 2011 | No. of other Companies in which Director |
|--------------------|--------------------------|--------------------------------|---|--|
| Ajit V Vasani# | Director | 6/7 | Yes | Nil |
| MeghalVasani# | Director | 6/7 | Yes | Nil |
| JagrutiVasani# | Director | 6/7 | Yes | Nil |
| PareshSawani | Independent Director | 0/7 | No | 3 |
| Kaushal A Shah | Independent Director | 5/7 | Yes | Nil |
| Jayantilal M Patel | Independent Director | 0/7 | No | Nil |

3. Audit Committee

Currently the Audit Committee comprises of Mr. AjitVasani, Ms. MeghalVasani, Ms. JagrutiVasani and Mr. Kaushal A Shah. The terms of reference are wide enough covering the matters specified for Audit Committee under the Listing Agreement. 5meetings of the Committee were held on 18.04.2011, 26.05.2011, 12.07.2011, 15.07.2011, 30.08.2011,04.02.2012 All Directors was present in all the above Audit Committee meetings.

| Name of Directors | Category of Directorship | Meetings during the year 2011-12 | |
|---------------------|---------------------------------|----------------------------------|----------|
| | | Held | Attended |
| Mr. Kaushal A Shah# | Chairman & Independent Director | 5 | 3 |
| Ms. MeghalVasani# | Director | 5 | 5 |
| Ms. JagrutiVasani# | Director | 5 | 5 |
| Mr. AjitVasani# | Director | 5 | 5 |

4. Remuneration of Directors

The Remuneration of Directors is determined by the Board of Directors is 3,78,300 Rupees.

5. Investors'/Shareholders' Grievance Committee

Presently the members of the Committee are Mr.Kaushal A Shah – Chairman& Independent Director, Mr. AjitVasani and Ms. JagrutiVasani, who are executive directors.

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. The committee meets from time to time and approves the transfer and transmission of shares, deletion of names, issue of duplicate share certificates etc. The Committee facilitates prompt and effective redressal of investor's complaints and the reporting of the same to the Board of Directors. Mr.Vasani the Compliance officer.

6. General Body Meeting

The last three Annual General Meetings were held as under:

| Financial Year | Date | Time | Location |
|----------------|------------|-----------|-------------------|
| 2007-2008 | 29.09.2008 | 2 P.M. | Registered Office |
| 2008-2009 | 30.09.2009 | 2 P.M. | Registered Office |
| 2009-2010 | 27.09.2010 | 10 A.M. | Registered Office |
| 2010-2011 | 30.09.2011 | 10.00 A.M | Registered Office |

During the year 31.3.2012, one resolution requiring postal ballot was proposed for issue of shares on preferential basis dated 25th May, 2011 and Two resolution pass through Board of Directors meeting held on 12.7.2011 and 15.07.2012 is to be issuing of convertible warrants on preferential basis. To the investor who have paid 25% .if any special resolution is proposed to be conducted through postal ballot.

7. Disclosures

- During the year there are no transactions with related parties.
- There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company at large.
- No penalties or strictures have been passed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets except that the Company has not paid listing fees to the Jaipur Stock Exchange Limited, Jaipur, Calcutta Stock Exchange Association Limited, Kolkata.
- Our risk management procedures ensure that the management control risks through means of a properly defined framework.
- Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The Company's personnel have not been denied access to the Audit Committee.

8. Means of Communication

The Board of Directors of the Company takes on record the unaudited quarterly and half yearly Financial Results in the prescribed form within the prescribed time limit. The Company submits information about quarterly, half yearly and annual results etc. to the Stock Exchange within prescribed time limits except in some quarters it is delayed. The Company however has not published financial results in newspaper. Any

Website where displayed

Under Process

9. General Shareholder Information

| | |
|--|---|
| AGM Date, Time and Venue | Saturday 29 th September 2011 at 11.00 a.m. at 2 KuberBhavan CHS Ltd, Near Ram Mandir, Borivali (West), Mumbai – 400092. |
| Financial Calendar | 2011-12 |
| Financial Year | April to March |
| Dates of Book Closure | 27 th September 2011 to 30 th September, 2011 (Both days inclusive) |
| First Quarter Results | By 15 th August, 2012 |
| Second Quarter Results | By 15 th November 2012 |
| Third Quarter Results | By 15 th February, 2012 |
| Fourth Quarter Results | By 15 th May, 2012 |
| Audited Results for the year ending 31 st March 2012 | On or before 30 th September, 2012 |
| Dividend Payment Date | Not Applicable |
| Listing on Stock Exchanges | BOMBAY STOCK EXCHANGE JAIPUR STOCK EXCHANGE CACUTTA STOCK EXCHANGE |
| Stock Code | 514312 |
| Demat ISIN Number for NSDL & CDSL | INE 156E01014 |
| Registrars & Transfer Agent | System Support Services, 209, Shivani Industrial Estate, Sakinaka, Andheri (East), Mumbai – 400 072 |
| Telephone No. | 9892105214 |
| Market Price Data: | Market price for following months are: |

| Month | Monthly High (Rs.) | Monthly Low (Rs.) |
|----------|-----------------------|----------------------|
| April 11 | 19.27 | 13.15 |
| May 11 | 18.80 | 11.45 |
| June 11 | 19.50 | 11.25 |
| July 11 | 21.45 | 15.30 |
| Aug 11 | 18.10 | 9.25 |
| Sept 11 | 12.30 | 9.40 |
| Oct 11 | 11.36 | 8.70 |
| Nov 11 | 11.00 | 8.22 |
| Dec 11 | 9.72 | 7.70 |
| Jan 12 | 10.75 | 5.93 |
| Feb 12 | 7.82 | 6.20 |
| Mar 12 | 8.00 | 5.21 |

Distribution of Shareholdings as on 31.03.2012.

| No. of Equity Shares held | No. of Share Holders | % of Share Holders | No. of Shares | % of Shareholding |
|---------------------------|----------------------|--------------------|----------------|-------------------|
| 1 to 500 | 2445 | 75.370 | 459315 | 9.569 |
| 501 to 1000 | 284 | 8.755 | 252408 | 5.259 |
| 1001 to 2000 | 208 | 6.412 | 342698 | 7.140 |
| 2001 to 3000 | 69 | 2.127 | 180457 | 3.760 |
| 3001 to 4000 | 41 | 1.264 | 148726 | 3.098 |
| 4001 to 5000 | 32 | 0.986 | 152917 | 3.186 |
| 5001 to 10000 | 7 | 2.096 | 511837 | 10.663 |
| 10001 and above | 10 | 2.990 | 2751642 | 57.338 |
| Shares in Transit | - | - | - | - |
| Total | 3096 | 100.00 | 4800000 | 100.00 |

Shareholding Pattern as on 31.03.2012.

| Category | No. of Shares | Percentage |
|---|----------------|---------------|
| Promoters and Persons acting in concert | 6600 | 0.14 |
| Mutual Funds | NIL | NIL |
| Financial Institutions/Banks | Nil | Nil |
| Foreign Institutional Investors | NIL | NIL |
| Private Corporate Bodies | 848862 | 17.68 |
| Public | 3932743 | 81.93 |
| NRI's | 11795 | 0.25 |
| Clearing Members | NIL | NIL |
| TOTAL | 4800000 | 100.00 |

Dematerialization of Shares

As on 31.03.2012, **3872700 (80.681%)** shares of the Company's Share Capital had been dematerialized.

Address for Correspondence

Shareholder Correspondence should be addressed to System Support Services, 209, Shivai Industrial Estate, Sakinaka, Andheri (East), Mumbai – 400 072.

Investors may also write to or contact at the Registered Office for any assistance that they may need.

Shareholders holding shares in dematerialized form should address all their correspondence (Including change of address, nominations, ECS mandates, bank details to be incorporated) to their Depository Participant.

Outstanding GDRs/ADRs/Warrants or any convertible instruments:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

B. NON-MANDATORY REQUIREMENTS

The other suggestions have not yet been adopted.

**ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO CLAUSE 49 (i) (d)
(ii) OF THE LISTING AGREEMENT**

As the Chief Executive Officer of Jaihind Synthetics Limited and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2011 - 12.



AJIT VASANI
Chairman Director



Jai Prakash Upadhayay & Co.

CHARTERED ACCOUNTANTS

Office : 12/14, Maharashtra Bhavan, Ground Floor, Office# 22, Behind Old Handloom House, Bora Masjid Street, Fort, Mumbai - 400 001

Tel: +91-22-22653616 • Cell: +91-9323013533 • Email: jaiupadhayay@rediffmail.com, jaiupadhayay@gmail.com • (Firm Reg: 125073W)

AUDITORS' REPORT

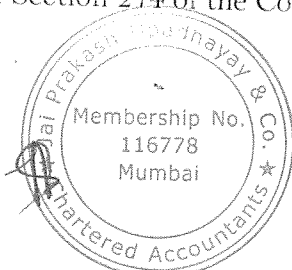
To
The Members of
JAIHIND SYNTHETICS LIMITED.

We have audited the attached Balance Sheet of **JAIHIND SYNTHETICS LIMITED** as at 31st March 2012 and the Profit & Loss Account 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.

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 principal 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.

We report as follows:

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we state that:
 - a) 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;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books;
 - c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet and the Profit & Loss Account comply with the Accounting Standards referred with in Section 211(3C) of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st 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;



- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes give the information required by the Companies Act, 1956 and in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012, and
 - ii) In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

**For Jai Prakash Upadhyay & Co.,
Chartered Accountants
Firm Registration No.125073W**

Jai Prakash

**Jai Prakash Upadhyay
Proprietor
Place: Mumbai
Date :30.06.2012**

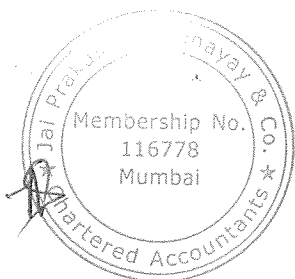


ANNEXURE forming part of Audit Report

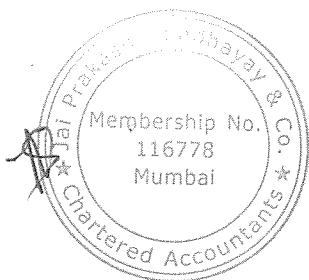
Re : JAIHIND SYNTHETICS LIMITED.

Referred to in point no.1 of our report of even date.

- i. (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed assets have been physically verified by the management at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.
- (c) Substantial part of fixed assets has not been disposed off during the year.
- ii. The company does not possess stock in trade of any kind whatsoever. Under these circumstances, the question of:
- (a) Physical Verification of stocks;
- (b) Procedure for physical verification of stock;
- (c) Discrepancies between physical verification of stocks and book records;
- (d) Verification and Valuation of stock;
- does not arise.
- iii. The company has taken loans, from Four parties listed in the register maintained under section 301 of the Act, aggregating to **Rs. 3, 97,000/- (Rupees Three Lakh Ninety Seven Thousand Only)**. The terms and conditions on which loans have been taken by the company are not, prima-facie, prejudicial to the interest of the company.
- iv. In our opinion, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- v. (a) According to the information & explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered.
- (b) In our opinion, The Company has not entered into any transactions exceeding the value of five lakhs rupees in respect of any party during the financial year and hence the question of verifying the reasonableness of prices having regard to the prevailing market prices at the relevant time does not arise.
- vi. The company has not accepted any deposits from the public.
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.



- viii. The Central Government has not prescribed any cost records pursuant to the rules made for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in relation to the company's business activities.
- ix. (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities wherever applicable.
- (b) According to the information & explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and cess were in arrears, as at 31st March 2012, for a period of more than 6 months from the date they became payable.
- (c) According to the information & explanations given to us, there are no dues of Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty and cess which have not been deposited on account of any dispute.
- x. At the end of the financial year, the Company has accumulated losses and has incurred cash loss in the previous financial year.
- xi. *According to the information & explanations given to us, the company has not taken any loans from financial institution & banks, hence the question of repayment of dues to financial institution & banks does not arise*
- xii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company does not have dealing in shares, hence the question of maintaining proper records of dealing in or trading in shares, securities, debentures and the securities stands in the name of the company does not arise.
- xv. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. The company has not availed of any term loans, hence the question of it being applying for the purpose for which it is obtained does not arise.
- xvii. On an overall basis, the funds raised on short-term basis have, prima facie, not been used for long term investment and vice versa.
- xviii. The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The company has not issued any debentures.



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

xxi. Based on the checks carried out by us, any fraud on or by the company has not been noticed or reported during the year.

For Jai Prakash Upadhayay & Co.,
Chartered Accountants
Firm Registration No.125073W



Jai Prakash Upadhayay
Proprietor
Place: Mumbai
Date :30.06.2012



JAIHIND SYNTHETICS LIMITED

2, Kuber Bhavan C.H.S., Near Ram Mandir, Borivali (West), Mumbai – 400 092. Tel. Fax. 28056123.

BALANCE SHEET AS AT 31ST MARCH, 2012

| Particulars | Sch. No. | 31.03.2012 | 31.03.2011 |
|--|----------|--------------------|-------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 1 | 46,619,800 | 46,619,800 |
| (b) Reserves and Surplus | 2 | 8,487,470 | 8,979,049 |
| (2) Share Application money pending allotment | | | |
| | | 98,968,314 | - |
| (3) Current Liabilities | | | |
| (a) Short-Term Borrowings | 3 | 397,000 | 397,000 |
| (b) Trade Payables | 4 | 6,138,263 | 69,545 |
| (c) Short-Term Provisions | 5 | 390,568 | 145,000 |
| Total Equity & Liabilities | | 144,026,475 | 38,252,296 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Gross Block | 6 | 2,976,215 | 3,428,138 |
| (ii) Depreciation | | 2,954,159 | 3,386,887 |
| (iii) Net Block | | 22,057 | 41,251 |
| (b) Non-current investments | 7 | 5,688,611 | 497,500 |
| (b) Deferred tax assets (net) | | | |
| (d) Long term loans and advances | 8 | 21,603,248 | 25,000 |
| (2) Current Assets | | | |
| (a) Trade receivables | 9 | 80,588,154 | 600,318 |
| (b) Cash and cash equivalents | 10 | 372,399 | 1,461,221 |
| (c) Short-term loans and advances | 11 | 34,757,006 | 34,757,006 |
| (d) Other Current Assets | 12 | 995,000 | 870,000 |
| Total Assets | | 144,026,475 | 38,252,296 |

NOTES TO ACCOUNTS

19

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

FOR JAIPRAKASH UPADHYAY & CO.

CHARTERED ACCOUNTANTS

Firm Registration No.125073W

Jai Prakash
Proprietor
CA. Jai Prakash Upadhyay



FOR JAIHIND SYNTHETICS LTD

Ajit Vasani *Meghal Vasani*

Ajit Vasani
Director

Meghal Vasani
Director

PLACE: MUMBAI
DATED: 30/06/2012

X *Ajit Vasani*

JAIHIND SYNTHETICS LIMITED

2, Kuber Bhavan C.H.S., Near Ram Mandir, Borivali (West), Mumbai – 400 092. Tel. Fax. 28056123.

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2012

| Sr. No | Particulars | Sch. No. | 31.03.2012 | 31.03.2011 |
|--------|---|------------|-------------------|----------------|
| I | Revenue from operations | 13 | 80,874,537 | - |
| II | Other Income | 14 | 125,000 | 870,000 |
| III | III. Total Revenue (I + II) | | 80,999,537 | 870,000 |
| IV | Expenses: | | | |
| | Cost of materials consumed | | 79,117,973 | - |
| | Employee Benefit Expense | 15 | 462,300 | - |
| | Financial Costs | 16 | 5,760 | 2,600 |
| | Depreciation and Amortization Expense | 17 | 19,195 | 33,293 |
| | Other Administrative Expenses | 18 | 657,162 | 259,431 |
| | Total Expenses (IV) | | 80,262,390 | 295,324 |
| V | Profit before exceptional and extraordinary items and tax | (III - IV) | 737,147 | 574,676 |
| VI | Exceptional Items | | - | - |
| VII | Profit before extraordinary items and tax (V - VI) | | 737,147 | 574,676 |
| VIII | Extraordinary Items | | - | - |
| IX | Profit before tax (VII - VIII) | | 737,147 | 574,676 |
| X | Tax expense: | | | |
| | (1) Current tax | | 245,568 | 145,000 |
| XI | Profit(Loss) from the period from continuing operations | (IX-X) | 491,579 | 429,676 |
| XII | Profit/(Loss) from discontinuing operations | | - | - |
| XIII | Tax expense of discounting operations | | - | - |
| XIV | Profit/(Loss) from Discontinuing operations (XII - XIII) | | - | - |
| XV | Profit/(Loss) for the period (XI + XIV) | | 491,579 | 429,676 |
| XVI | Earning per equity share: | | | |
| | (1) Basic | | 0.10 | 0.09 |
| | (2) Diluted | | 0.10 | 0.09 |

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Profit & Loss Statement referred to in our Report of even date.

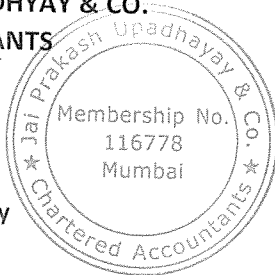
FOR JAIPRAKASH UPADHYAY & CO.

CHARTERED ACCOUNTANTS

Firm Registration No. 125073W

Proprietor

CA. Jai Prakash Upadhyay



FOR JAIHIND SYNTHETICS LTD

Ajit Vasani
Ajit Vasani
Director

Meghal Vasani
Meghal Vasani
Director

PLACE: MUMBAI
DATED: 30/06/2012

Ajit Vasani

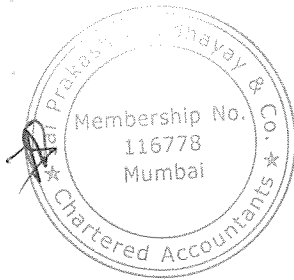
JAIHIND SYNTHETICS LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

Schedule : 6 Fixed Asset

(Amounts in Rs.)

| Sr. No | Particulars | Rate | Gross Block | | | | Depreciaton | | | | Net Block | |
|--------|----------------------------------|-------|------------------------|--------------------------|---------------------------|------------------|------------------------|--------------------------|---------------------------|------------------|----------------------|----------------------|
| | | | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | Value at the beginning | Addition during the year | Deduction during the year | Value at the end | WDV as on 31.03.2012 | WDV as on 31.03.2011 |
| I | Tangible Assets | | | | | | | | | | | |
| 1 | Plant and Equipment | 4.75% | | | | | | | | | | |
| | Air conditioner | | 63,500 | - | - | 63,500 | 44,124 | 3,016 | - | 47,140 | 16,360 | 19,376 |
| | Other plant & machinery | | 2,640,301 | - | - | 2,640,301 | 2,640,300 | - | - | 2,640,300 | 1 | 1 |
| 2 | Furnitures & Fixtures | 6.33% | | | | | | | | | | |
| | Office furniture | | 272,414 | - | - | 272,414 | 250,540 | 16,179 | - | 266,719 | 5,695 | 21,874 |
| | TOTAL (A) | | 2,976,215 | - | - | 2,976,215 | 2,934,964 | 19,195 | - | 2,954,159 | 22,056 | 41,251 |
| | (Year Ended 31.03.2011) | | 3,428,138 | - | - | 3,428,138 | 3,353,594 | 33,293 | - | 3,386,887 | 41,251 | - |



JAIHIND SYNTHETICS LIMITED

Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2012

Schedule : 7 Non Current Investment

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------------------------|------------------|----------------|
| 1 | Investment in shares | | |
| | Sterling Silver Private Limited | 4,491,083 | - |
| | Pet Stock Broking Private Limited | 700,028 | - |
| | Unitech international Ltd. | 497,500 | 497,500 |
| | Total in | 5,688,611 | 497,500 |

Schedule : 8 Long Term Loans and Advances

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|---------------------------------|-------------------|---------------|
| 1) | Security Deposit | | |
| | a) Secured, Considered Good : | 25,000 | 25,000 |
| | b) Unsecured, Considered Good : | 21,578,248 | - |
| | Total in | 21,603,248 | 25,000 |

Schedule : 9 Trade Recievables

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|---|-------------------|----------------|
| 1 | Outstanding for more than six months | | |
| | a) Unsecured, Considered Good : | 600,318 | 600,318 |
| 2 | Others | | |
| | a) Unsecured, Considered Good : | 79,987,837 | - |
| | Total in | 80,588,155 | 600,318 |

Schedule : 10. Cash & Cash Equivalent

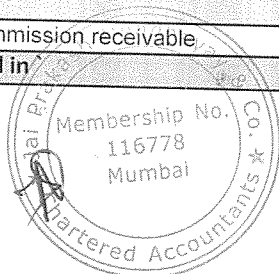
| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|---------------------------|----------------|------------------|
| 1 | Cash-in-Hand | | |
| | Cash Balance | | |
| | Sub Total (A) | 349,710 | 1,453,110 |
| 2 | Balance with Banks | | |
| | With Allahabad bank | | |
| | With Axis bank | 10,713 | - |
| | With IDBI bank | 498 | - |
| | With Kotak bank | 3,867 | 500 |
| | With Punjab national bank | 301 | 301 |
| | Sub Total (B) | 7,310 | 7,310 |
| | | 22,689 | 8,111 |
| | Total [A + B] | 372,399 | 1,461,221 |

Schedule :11 Short Terms Loans and Advances

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|--|-------------------|-------------------|
| 1 | Loans & Advances | | |
| | <i>Advance Recoverable in cash or in kind or for value to be considered good</i> | | |
| | Loans & Advances to others | 33,758,617 | 33,758,617 |
| | Advance Income Tax/Refund Due | 998,389 | 998,389 |
| | Total in | 34,757,006 | 34,757,006 |

Schedule :12 Other Current Assets

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------------|----------------|----------------|
| 1 | Commission receivable | 995,000 | 870,000 |
| | Total in | 995,000 | 870,000 |



JAIHIND SYNTHETICS LIMITED

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2012

Schedule : 13 Revenue from Operations

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------|-------------------|------------|
| 1 | Sale of Goods | 80,874,537 | - |
| | Total in | 80,874,537 | - |

Schedule : 14 Other Income

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------|----------------|----------------|
| 1 | Commission | 125,000 | 870,000 |
| | Total in | 125,000 | 870,000 |

Schedule : 15 Employment Benefit Expenses

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|----------------------------|----------------|------------|
| 1 | Salaries, Bonus, PF & ESIC | 84,000 | - |
| 2 | Directors Remuneration | 378,300 | - |
| | Total in | 462,300 | - |

Schedule : 16 Financial Cost

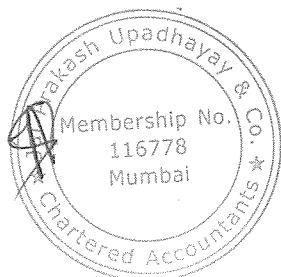
| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------|--------------|--------------|
| 1 | Bank Charges | 5,760 | 2,600 |
| | Total in | 5,760 | 2,600 |

Schedule : 17 Depreciation & Amortised Cost

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|-----------------|---------------|---------------|
| 1 | Depreciation | 19,195 | 33,293 |
| | Total in | 19,195 | 33,293 |

Schedule : 18 Other Administrative Expenses

| Sr. No | Particulars | 31.03.2012 | 31.03.2011 |
|--------|---------------------------------|----------------|----------------|
| 1 | Repair & Maintenance Building | 11,445 | - |
| 2 | Depository Fees | 13,385 | 6,618 |
| 3 | Office expenses | 7,000 | - |
| 4 | Listing Fees | 16,945 | 16,921 |
| 5 | BSE charges | 110,300 | 55,150 |
| 6 | RTA Charges | 15,000 | 65,378 |
| 7 | Legal Expenses | 101,805 | 42,864 |
| 8 | Postage & Telegram | 38,000 | - |
| 9 | Printing & Stationery Expenses | 179,930 | 52,500 |
| 10 | Warehouse charges | 90,000 | - |
| 11 | Advertisement & Sales Promotion | 40,452 | - |
| 12 | Audit Fees | 15,000 | 20,000 |
| 13 | Donation | 17,900 | - |
| | Total in | 657,162 | 259,431 |



SCHEDULE '19'

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES:

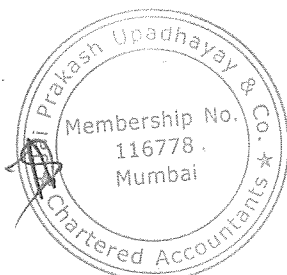
- (i) **Method of Accounting**
The books of accounts are maintained on accrual basis.
- (ii) **Fixed Assets :**
The gross block of fixed assets are shown at cost which includes all capital expenses which have been incurred to bring the asset to their present location.
- (iii) **Depreciation :**
The company has provided depreciation on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956.
- (iv) **Investments :**
Investments are stated at cost. Long Term investments are carried at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of Management.
- (v) **Sales / Turnover :**
Sales / Turnover for the year includes sales value of goods, but excludes the sales return and trade discounts.
- (vi) **Taxation :**
Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax Assets/Liabilities have not been recognized as their future recovery is uncertain or not currently anticipated
- (vii) **Other Accounting Policies :**
These are consistent with the generally accepted accounting practices.
- (viii) **Treatment of Contingent Liability :**
Contingent liabilities are disclosed by way of Notes to the Accounts.

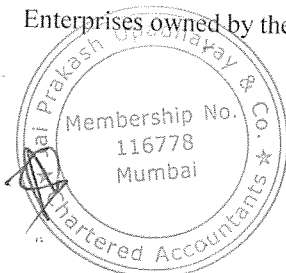
2. Contingent liabilities not provided for in respect of:

- i) Show cause notices/demands were issued by the Securities and Exchange Board of India demanding Rs.1,75,000/- for Settlement by Consent Order for violation of Takeover Regulations. However, the Company is contesting the issues under legal advice & hence not opted for settlement.
- ii) Arrears of Listing Fees payable to the Jaipur Stock Exchange Limited, Calcutta Stock Exchange Association Limited and the Stock Exchange, Ahmedabad: Amount not determined.

3. Sundry Debtors include amounts aggregating to Rs.6,00,318/- (Previous Year Rs.6,00,318/-), which have remained outstanding for over five years and are subject to confirmation. The Company has not made any provision against these debtors and also has initiated legal action against one of them for recovery of dues. In management's view, the amounts have remained overdue on account of general recession in the industry in the recent past and it expects that the amounts would be recovered in due course of time and no provision is required in this regard.



4. Unsecured loans and advances granted & remained outstanding aggregating to Rs. 3,37,58,617/- (Previous Year Rs.3,37,58,617/-) as on the Balance Sheet date, which are either overdue or where there are no covenants with regard to repayment of loan & other terms and conditions. The Company is pursuing the matter and is hopeful to recover the above debts. Accordingly, no provision is considered necessary in the matter at this stage.
5. The outstanding balances of Debtors, Creditors, Deposits and Advances are subject to confirmation.
6. In the opinion of the Board and to the best of their knowledge and belief, the value of the realization of Current Assets, Loans and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the balance sheet. The Provision for all known liabilities is adequate and not in excess of the amount considered reasonably necessary.
7. Due to inadequacy of profits, the Company has paid the remuneration to Director as under :
- | | |
|--------------------------------|--------------------------------------|
| <u>Director Remuneration</u> | |
| a. Ajit V. Vasani | Rs. 1,27,800/-(Previous Year Rs.Nil) |
| b. Jagruti A. Vasani | Rs. 1,25,500/-(Previous Year Rs.Nil) |
| c. Meghal A. Vasani | Rs. 1,25,000/-(Previous Year Rs.Nil) |
| Expenditure on perquisites | Rs. Nil (Previous Year Rs.Nil) |
8. Sundry Creditors does not include any amount due to 'Small Scale Industrial Undertaking as defined under Section 3(j) of Industries (Development and Regulation) Act, 1951.
9. Previous year's figures have been regrouped, recast and reclassified wherever considered necessary.
10. Figure in brackets pertain to previous year.
11. Additional information pursuant to part II to schedule VI of the Companies Act, 1956.
- | | |
|---------------------------------|-------------------------|
| Particulars of Capacity | |
| i) Class of goods | : Synthetics Cloth etc. |
| ii) Licensed Capacity | : Not Applicable. |
| iii) Installed Capacity | : Not Applicable. |
| (As certified by the Directors) | |
12. Value of Imports calculated on C.I.F. basis - Nil (Nil)
13. Expenses in Foreign Currency during the year - Nil (Nil)
14. Earning in Foreign Exchange during the year - Nil (Nil)
15. The Company is principally engaged in the business of only one broad segment of Textile products. Accordingly there are no reportable segments as per Accounting Standards 17 issued by the ICAI on "Segment Reporting".
16. Related Party Disclosure as required by Accounting Standard 18 ' Related Party Disclosure issued by the Institute of Chartered accountants of India is given below:
- 1) Key Management Personnel:
- | | |
|--------------------|----------|
| a) Mr. Ajit Vasani | Director |
| b) Meghal Vasani | Director |
- 2) Relative of Key Management Personnel: - NONE
- 3) Enterprises owned by the Key Management Personnel or their Relatives:



Details of transactions between the Company & related parties & the status of the outstanding balance as on 31.03.2012 - NIL

17. Disclosure of Earnings Per Share (EPS) computation as per Accounting Standard -20 of the Institute of Chartered Accountants of India:

| Particulars | For the year ended 31.03.12 | For the year ended 31.03.11 |
|--|-----------------------------|-----------------------------|
| Profit (Loss) available for appropriation as per Profit & Loss Account | 4,91,579 | 4,29,676 |
| Weighted average No. of equity shares outstanding during the year | 46,61,980 | 46,61,980 |
| Nominal value per equity share | 0.10 | 0.10 |
| Basic and Diluted EPS | 0.10 | 0.09 |

For **Jai Prakash Upadhyay & Chartered Accountants**

Firm Registration No. 1250731E

J. Prakash
Jai Prakash Upadhyay
Proprietor



For and on behalf of the Board

Ajit Vasani

Ajit Vasani
Director

Meghal Vasani

Meghal Vasani.
Director

Place: Mumbai
Date: 30-06-2012