

(2010-11)

**NINETEENTH**

**ANNUAL**

**REPORT**

**OVERSEAS SYNTHETICS LIMITED**

**19<sup>TH</sup> ANNUAL GENERAL MEETING**

On Tuesday, the 23<sup>rd</sup> day of August, 2011  
at 1st floor, Jariwala Compound, Nr. Nutan Estate, Vasta Devdi Road, Katargam  
Surat - 395 004 at 09.30 a.m.

**BOARD OF DIRECTORS**

Shri Rohit H. Patel                      Managing Director  
Shri Dinkar H. Patel  
Shri Mayur V. Shah

**AUDITORS**

Natvarlal Vepari & Co;  
Chartered Accountants  
405, River Palace II  
Nanpura  
SURAT - 395 001

## **BANKERS**

State Bank of India  
Begampura  
SURAT - 395 003

Shareholders are requested to bring their copy of the Annual Report along with them at the meeting as copies of the Report will not be distributed at the meeting.

**NOTICE** is hereby given that 18th Annual General Meeting of members of the Company will be held as scheduled below.

Date : 23<sup>rd</sup> August, 2011  
Day : Tuesday  
Time : 09.30 A.M  
Venue : 1st floor, Jariwala Compound, Nr. Nutan Estate, Vasta Devdi Road, Katargam, SURAT - 395 004

to transact the following business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, the audited Profit and Loss account for the year ended on 31st March, 2011 together with the Directors' and the Auditors' Report thereon.
2. To appoint a director in place of Shri Mayur Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

**Regd. Office:**  
Nutan Estate,  
LIMITED  
Vasta Devdi Road,  
Katargam,  
SURAT - 395 004.

Place: Surat  
Date: 24/06/2011

By Order of the Board  
for OVERSEAS SYNTHETICS

Sd/-  
Rohit H. Patel  
Managing Director

### **NOTE**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE. A PROXY NEED NOT BE A MEMBER. A PROXY

FORM TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS PRIOR TO MEETING.

2. The Shareholders are requested to notify change in their address immediately to the company.
3. The Shareholders desiring any information on accounts are requested to write to the attention of Managing Director so as to reach the Company on or before 16/08/2011.
4. The company has appointed M/s MCS Limited, Neelam Apartment, 88, Sampatrao Colony, B/h Standard Chartered bank, Alkapura, Baroda – 390 007 as Registrar and Share Transfer Agents of the company. Shareholders are requested to note that henceforth all the work relating to share transfer/transmission etc shall be handled by them and accordingly M/s MCS Limited should be contacted for all such matters.
5. The register of members and share transfer books of the company shall remain closed from Monday the 22<sup>nd</sup> August, 2011 to Wednesday, the 31<sup>st</sup> August, 2011 (Both days inclusive)

## DIRECTORS' REPORT

Your director's present 198th Annual Report and Audited Accounts for the year ended 31st March, 2011 together with the reports of the Auditors and Directors thereon.

### FINANCIAL RESULTS

(Rs. in lakhs)

PARTICULARS	2010-11	2009-10
Sales and Other Income	39.26	13.54
Expenditure	28.27	10.02
Profit /(Loss) before depreciation	11.00	3.52
Provision for tax	Nil	Nil
Deferred Tax Asset/ liability	39.24	Nil
Prior period adjustments	2.83	0.24
Provision for tax written back	(0.15)	Nil
Profit/(Loss) after tax	50.08	(3.76)
Add: Balance brought forward from previous year.	(976.40)	(980.16)
Balance carried to Balance Sheet	(923.49)	(976.40)

### OPERATIONS

During the year under review, your company has posted income of Rs.39.26 lakhs as against Rs.13.54 lakhs in the corresponding previous year. Your company has posted net profit of Rs. 50.08 lakhs in the current year as compared to loss of Rs. 3.76 in the corresponding previous year. In view of past carried forward losses, your directors are unable to recommend any dividend and the amount of profit after adjustment to the past losses is carried to the Balance Sheet.

### DIRECTORS

Shri Mayur Shah, Director of the company would retire and being eligible offers himself for reappointment. Particulars of directors seeking re-appointment are given in the Corporate Governance.

### EXPLANATIONS ON THE REMARKS/OBSERVATIONS OF AUDITORS

For the observations/qualifications made by the auditors, your directors submit their explanations as under:

1. As per the consistent practice followed by the company, the gratuity continued to be accounted for on cash basis. It is observed by the management that most of the employees do not put in qualifying services for gratuity hence the same could not be provided for.
2. Normally sundry debtors and creditors do not follow the practice of any confirmation of their dues and balances.

3. As explained, the depreciation of Rs. 1054 not charged to the Profit & Loss Account is in conformity with the policy of the company as no manufacturing activities are undertaken by the company during the year under review.
4. For the deferred tax – non compliance with AS 22, the management firmly believes that in the near future, there is no possibility of writing off the deferred tax assets.
5. For the impairment of assets no provision is made as during the year some part of the assets were disposed off and treated accordingly in the current year's accounts, reflecting a true and fair view, this year, as per AS 28. Since the plants were not put to use since 2002 onwards, no depreciation was provided for and same was with the residential flats.
6. The company is investing its liquid assets in stock market securities and investing activities in view of improved stock market conditions in our country does not call for any further provision as diminution is not likely.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required by Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company as on 31st March, 2011 and the Profit and Loss Account for the year ended on that date (save and except provision of depreciation)
3. 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 the frauds and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES**

Information pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is NOT APPLICABLE as no employee of the company was in receipt of remuneration at the prescribed rate during the year under review.

### **PARTICULARS OF ENERGY CONSERVATION ETC.**

Since the company was not engaged into any production activities but only local trading, the information required by Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, being not applicable, is not furnished.

## **AUDITORS**

M/s. Natvarlal Vepari & Co; Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The observations made by auditors in their report are explained herein above.

## **INDUSTRIAL RELATIONS**

The Industrial relations remained cordial and peaceful. Your directors duly recognize and appreciate this valuable resource place on record their appreciation of the industrial peace.

## **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the contribution made by all concerned including its employees.

On behalf of the Board

DATE: 24/06/2011

PLACE: SURAT

Sd/-

Mayur V Shah

DIRECTOR

Sd/-

Rohit H. Patel

MG.DIRECTOR

## Corporate governance

### Board of Directors

The Board of Directors of the company comprised of 3 directors at the beginning of the financial year. The category and composition of the directors is as under:

Category	Name of the Director
Promoter/Managing Director	Rohit H Patel
Promoter/Non-executive Director	Dinkar H Patel
Independent director	Mayur V. Shah

### Number of Board Meetings held during the year

6 meetings of the Board of directors as against four minimum were held during the financial year. The dates on which held were: 30/04/2010, 29/07/2010, 07/08/2010, 29/10/2010, 31/01/2011 and 30/03/2011. None of the directors of the company was a member of more than 10 committee nor was the chairman of more than five committees across all the companies in which he was a director.

### Attendance of each director at the Board Meeting and the last AGM

Name of Director	Attendance details		No. of directorships and committee memberships held		
	Board Meeting	last AGM	Other directorships	Committee Memberships	Committee Chairmanships
R H Patel, MD	6	Y	1	0	0
D H Patel NED	1	N	1	0	0
Mayur V. Shah NED	6	Y	0	0	0

(MD=Managing Director, NED=Non Executive Director, ND = Nominee Director)

### Board Committees

The Board of directors has not constituted any audit committee in view of erosion in the net worth below Rs. 5 Crore.

### Details of Remuneration paid to the directors

None of the Directors was paid salary during the financial year under review.

### Annual General Meetings



Locations and time of the last three AGMs were as under:

Year	Location	Date	Time
2007-2008	1 <sup>st</sup> Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	29/09/2008	09.30 A.M.
2008-2009	1 <sup>st</sup> Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	30/09/2009	09.30 A.M.
2009-2010	1 <sup>st</sup> Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	30/09/2010	11.00 A.M.

### **Disclosure on materially significant related party transactions**

Details are as per Note No. 8– Notes to Accounts attached to the financial statements.

### **Details of non-compliance by the company and the penalties etc.**

No penalty was imposed on the company by Stock Exchange or SEBI or any other statutory authority on any matter related to the capital market.

### **Means of Communication**

Half yearly un-audited results

Half yearly audited results are not sent to the household of the members.

Quarterly Results

Quarterly results are infrequently sent to the BSE on fax. The company being a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, no expenditure of advertisement is incurred by the company. This fact is brought to the notice of stock exchanges time and again.

### **General Shareholder Information**

Annual general meeting for the financial year 2011 is proposed to be held on Tuesday, the 23<sup>rd</sup> August 2011 at 1<sup>st</sup> floor, Jariwala Compound, Vasta Devdi Road, Katargam, Surat-395004 at 09.30 a.m.

### **Financial calendar**

Unaudited Result of the First Quarter: By end of July

Unaudited Result of the Second Quarter: By end of October

Unaudited Result of the Third Quarter: By end of January

Unaudited Result of the Fourth Quarter: By end of April

Annual General Meeting By end of September

However, in view of note above, the said calendar is not adhered to as prescribed.

**Book Closure details:**

Dividend Payments: Not declared

Stock Code: BSE Stock Code 514330

Stock Market Data: No trading since 3<sup>rd</sup> February 2003 as scrip is suspended.

Registrar & Transfer Agents: M/s MCS Ltd, Neelam Apartment, 88, Sampatrao Colony,  
B/h Standard Chartered bank, Alkapura, Baroda – 390 007

Share Transfer System: In physical still, depending on the work load within 30 days  
from the date of lodgment of the transfer.

Distribution of Share holding as on 31/03/2011

Category		Shareholders		Share Amount	
From	To	Numbers	% to total	In Rupees	% to total
Upto	5,000	2617	85.22	4,839,350	6.81
5001	10,000	193	6.28	1,622,550	2.28
10,001	20,000	96	3.13	1,707,400	2.40
20,001	30,000	29	0.94	742,790	1.05
30,001	40,000	13	0.42	465,520	0.66
40,001	50,000	38	1.24	1,816,130	2.56
50,001	100,000	30	0.98	2,363,890	3.33
100,001	And above	55	1.79	57,489,440	80.92
*** Total ***		3071.00	100.00	71,047,070	100.00

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### *Disclaimer on forward looking statements*

This report contains some forward looking statements which can be identified by the context to the words like 'plans' expects, believes, anticipates, will, may, intends, projects etc. All such statements depict the future which may or may not happen or may prove wrong. These statements are based on certain assumptions about the company, product or other factors affecting the business or trade or policies of regulators and expectations may not realize.

The company and its management hereby disclaims its responsibility to publicly amend these statements and assumes no responsibility for them.

### *Financial Review*

During the year under review, gross amount of turnover and other income taken together increased from Rs. 19.60 lakhs to Rs.39.26 lakhs. As informed in past directors' report, your company has closed down most of its operative departments four-five year back to reduce the impact of losses.

The major portion of income is attributed to rent of building and trading of yarn and shares.

### *Business Review*

Your company has stopped all manufacturing activities. Your company has now been engaged in trading activities in Textile Goods in the current year.

### *Manpower and Human Relations*

Most of the staff has left the company with the closure of the manufacturing activities. A few staff members in the accounts and other administrative departments have reposed faith and confidence in the company. Relations with them continued to be cordial and peaceful

### *Tax Contribution*

In view of no manufacturing activities, the company could not contribute sizably to the government exchequer except a few petty amounts and a big chunk remained to be paid to the government and other quasi-government authorities. Details are given in the auditors report.

On behalf of the Board

Sd/-

Sd/-

DATE: 24/06/2011  
SHAH  
PLACE: SURAT

ROHIT H PATEL      MAYUR V  
MG.DIRECTOR      DIRECTOR

**OVERSEAS SYNTHETICS LIMITED**

Registered Office: Nutan Estate, Vasta Devdi Road, Madhav Baug Lane, Surat-395004.

**ADMISSION SLIP**

Shareholders attending the Meeting in person or/by proxy is requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 19th Annual General Meeting held on Tuesday, 23<sup>rd</sup> August, 2011 at 09.30 a.m. at 1st floor, Jariwala Compound, Nr. Nutan Estate, Vasta Devdi Road, Katargam, Surat - 395004.

Full Name of Shareholder.....

Signature

Folio No. ....

Full Name of the Proxy.....

Signature

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**OVERSEAS SYNTHETICS LIMITED.**

Registered Office : Nutan Estate, Vasta Devdi Road, Madhav Baug Lane, Surat-395 004

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member/members of the above named

Company, appoint \_\_\_\_\_ or failing him

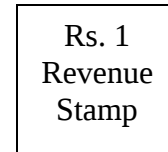
\_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Tuesday, the 23<sup>rd</sup> August 2011 at 09.30 am and /or at any adjournment thereof.

Name \_\_\_\_\_

Address \_\_\_\_\_

Signed this day \_\_\_\_ of \_\_\_\_\_ 2011



# NATVARLAL VEPARI & CO.

## Chartered Accountants

PAN : AADFN5448E

1st Floor, River Palace-II, Near Navdi Ovara, Nanpura, Surat 395 001. www.vepari.com  
Tel. : +91 261 305 7777, 246 5585 Fax : +91 261 399 5511 E-mail : vepari@youtele.com

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### AUDITORS' REPORT

To,  
The Members,  
Overseas Synthetics Limited,  
Surat.

We have audited the attached Balance Sheet of **OVERSEAS SYNTHETICS LIMITED, SURAT** as at 31st MARCH, 2011, Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed hereto. 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amended) Order, 2004 (together the "Order"), issued by the Department of Company Law Affairs in terms of sub-section (4A) of section 227 of the Companies Act, , we annex hereto **Annexure 'A'** on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our remark in 1 above, we report as under:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 such books;



- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Profit and Loss account and Balance sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, **except as stated in Annexure "B"**.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in accordance with accounting principles generally accepted in India **except as stated in Annexure "B"**.
- I. In the case of the Balance Sheet of the Company of the state of affairs of the Company as at 31st MARCH, 2011.
  - II. In the case of the Profit and Loss account of the **Profit** of the company for the year ended on that date.
  - III. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.
- (vi) On the basis of written representation received from the Director of the company as at 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub- section (1) of Section 274 of the Companies Act, 1956.

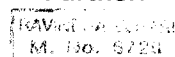
**For Natvarlal Vepari & Co.,**

**Chartered Accountants,**

**Firm Registration No. 123626W**



**Partner.**



Surat,

Date: **24 JUN 2011**

**OVERSEAS SYNTHETICS LIMITED, SURAT**

**ANNEXURE 'A' TO AUDITORS' REPORT YEAR ENDED: 31-3-2011.**

- (1) (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, the assets have been physically verified by the management during the period covered by the audit report.
- (c) The company has disposed of certain part of fixed assets. However going concern status has not been affected as in the view of the management of the company there is no intension to discontinue business or any substantial activity.
- (2) (a) As informed to us, the inventory has been physically verified during the period by the management at reasonable intervals.
- (b) According to the information and explanations given to us, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business
- (c) The company is compiling proper records of inventory. As informed, There was no discrepancies noticed on verification between the physical stock and the book records.
- (3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses (iii) (a), (b), (c) and (d) of the Order are not applicable.
- (b) The Company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (e), (f) & (g) of clause (iii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- (4) In our opinion and according to the information and explanations given to us, Internal control procedures requires reinforcement to enable it to be commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed asset and for sale of goods. During the course of our assessment, no major weakness in internal control has come to our notice. However some minor irregularities were noticed.

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- (5) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- (a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions, exceeding the value of rupees five lakhs in respect of any party during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956 and therefore sub-clause (b) of clause (5) of this statement is not applicable to the company.
- (6) During the year the Company has not accepted any deposit from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence clause 6 of the order is not applicable to the company.
- (7) In our opinion, the Company does not have an internal audit system commensurate with its size and nature of the business.**
- (8) According to information and explanations given to us, the Company has not made and maintained cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956. Considering the nature of the activities carried out by the company which is more trading in nature, these maintenance of these records is required to be reviewed.**
- (9) (a) The Company is generally regular in depositing undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues within the prescribed time limits with the appropriate authorities during the year except, the following dues which have been outstanding for more than six months as on 31st March, 2011.

Name of the Statute	Nature of Dues	Amount Rs.	Due Date	Date of payment
Central Excise Act, 1944.	Central Excise Duty	4,19,426/-	02.02.1998	-

- (b) According to Information and explanation provided to us, there are no dues in respect of income tax, sales tax, wealth tax, custom duty, excise duty, cess which have not been deposited, on account of any dispute.
- (10) **The Company has accumulated losses at the end of the financial year which are exceeding fifty percent of its net worth. The company has not incurred cash losses during the current year and the immediately preceding financial year.**

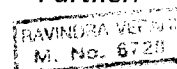
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- (11) According to records of the company, the company has neither borrowed from financial institutions or banks nor issued debentures. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
- (12) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (13) According to the information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (14) No new term loan has been taken by the Company during the year.
- (15) According to the records examined, on an overall basis, funds raised on short term basis, have *prima facie* not been used for financing long term investments.
- (16) According to the information and explanations given to us, the Company is not a dealer or trader in securities, and dealing and trading thereto is not their principal business. Based on our examination of records we stated that, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All investments in marketable securities and mutual funds have been held by the Company in its own name.
- (17) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (18) No debentures have been issued by the Company.
- (19) The Company has not raised any money by public issue, during the year.
- (20) According to the information received by us, no fraud on or by the Company, has been noticed or reported by the Company during the year.

Considering the nature of the present activities carried out, Clause (xx) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

For Natvarlal Vepari & Co.,  
Chartered Accountants,  
Firm Registration No. 123626W

Partner.



Surat,

Date: 24 JUN 2011

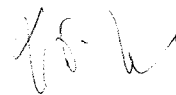
OVERSEAS SYNTHETICS LIMITED, SURAT

ANNEXURE 'B' TO AUDITORS' REPORT YEAR ENDED: 31-3-2011.

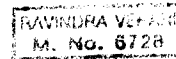
- (1) *The method of accounting for gratuity continues to be on cash basis, which is not in accordance with Revised AS-15 "Employee Benefits", issued by the ICAI.*
- (2) *Balances of sundry debtors, sundry creditors, unsecured loans, loans and advances are subject to confirmation and reconciliation if any.*
- (3) *During the year company has not provided depreciation to the extent of Rs. 1,054/- in tune with the company's policy of not providing depreciation on unused assets in the preceding years. As a result profit for the year is overstated to that extent. Also, the company has disposed of part of such unused assets during the current year*
- (4) *No working has been produced before us for Impairment of Assets, in absence of which we are not in position to comment on impact of AS – 28, "Impairment of Assets", issued by the ICAI.*
- (5) *The company had sold residential quarters in the current year 2010-11; the company had not provided depreciation on some portion of such asset in earlier year(s) which is not quantifiable. Hence effect of profit/loss on sale of such asset recognized in the books of accounts does not reflect the actual profit/loss.*
- (6) *The company has not made provision to recognize diminution in the value of investments amounting to Rs.0.39 Lacs, which is contrary to the accounting practice recommended in Accounting Standard-13 issued by the Institute of Chartered Accountants of India. Consequently, Net worth is overstated to that extent.*

*Further, we report that for item numbers 1 & 5 above, in absence of availability of required details/ stipulations, effect of the same on the financial result could not be quantified.*

For Natvarlal Vepari & Co.,  
Chartered Accountants,  
Firm Registration No. 123626W



Partner.



Surat,

Date: 24 JUN 2011

**OVERSEAS SYNTHETICS LTD.,**

**BALANCE SHEET AS ON 31ST MARCH, 2011.**

	Sch	Current Year Rs.	Previous Year Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
(a) Share capital	1	71,047,070	71,047,070
(b) Share Application Money		922,061	922,061
(c) Reserves and surplus	2	<u>22,971,791</u>	<u>22,971,791</u>
		94,940,922	94,940,922
<b>Loan Funds</b>			
Unsecured loans	3	227,358	56,550
<b>Deferred Tax Liability</b>			
(Refer Note No 9 of "Schedual 12")		-	3,923,845
<b>TOTAL...</b>		<u><u>95,168,280</u></u>	<u><u>98,921,317</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	3,829,401	3,916,331
Less: Depreciation		<u>716,454</u>	<u>1,397,797</u>
<b>Net Block</b>		3,112,947	2,518,534
<b>Investments</b>			
	5	568,352	669,652
<b>Current assets, loans and advances</b>			
(a) Sundry Debtors	6	1,260,988	-
(b) Cash and bank balances		326,041	433,951
(c) Loans and advances		<u>409,761</u>	<u>445,306</u>
		1,996,790	879,257
<b>Less: Current liabilities and provisions</b>			
(a) Current liabilities	7	2,855,599	2,771,686
(b) Provisions		<u>3,250</u>	<u>14,571</u>
		2,858,849	2,786,257
<b>Net Current Assets</b>		(862,059)	(1,907,000)
<b>Profit &amp; Loss Account</b>			
		92,349,040	97,640,131
<b>TOTAL....</b>		<u><u>95,168,280</u></u>	<u><u>98,921,317</u></u>

Notes forming part of the accounts.

12

As per our report of even date.

For Natvarlal Vepari & Co.

Chartered Accountants.

Firm Reg. No.

123626W

Partner.

Surat, dt.

24 JUN 2011

For and on behalf of the Board,

OVERSEAS SYNTHETICS LTD. FOR OVERSEAS SYNTHETICS LTD.

Director.

Director.

24 JUN 2011

**OVERSEAS SYNTHETICS LTD.,**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.**

	Sch	Current Year Rs.	Previous Year Rs.
<b>Income</b>			
Sales		2,072,092	132,054
Other income	8	1,475,909	836,214
Profit on sale of fixed assets		378,493	167,102
Income From Shares & Securities		-	121,635
<b>TOTAL...</b>		<b>3,926,494</b>	<b>1,257,005</b>
<b>Expenditure</b>			
Purchases & Expenses		1,862,764	130,872
Administrative and other expenses	9	838,807	694,204
Selling and distribution expenses	10	13,527	1,524
Depreciation		45,180	77,130
Financial charges	11	2,724	1,333
Loss on Sale Short term investment		4,678	-
Loss on Sale long term investment		59,058	-
<b>TOTAL...</b>		<b>2,826,738</b>	<b>905,063</b>
<b>Net Profit for the year before taxation</b>		<b>1,099,756</b>	<b>351,942</b>
Add / (Less) : Deferred tax Asset/(liability)		3,923,845	-
Less : Provision for tax written Back		(15,184)	-
<b>Net Profit for the year after taxation</b>		<b>5,008,417</b>	<b>351,942</b>
Prior Period adjustments (Refer Note 10 of "Schedual 12")		282,674	24,050
<b>Net Profit</b>		<b>5,291,091</b>	<b>375,992</b>
Balance brought forward Loss		97,640,131	98,016,123
<b>Balance carried to Balance sheet.</b>		<b>(92,349,040)</b>	<b>(97,640,131)</b>
Basic & Diluted Earning Per Shares on Equity Share of Rs. 10/- each		0.64	0.05
Weighted Average Number of Shares Outstanding		7,104,707	7,104,707

Notes forming part of the accounts.

12

As per our report of even date.

For Natvarlal Vepari & Co.

Chartered Accountants.

Firm Reg. No.

123626W

Partner.

Surat, dt.

24 JUN 2011

For and on behalf of the Board,  
FOR OVERSEAS SYNTHETICS LTD. FOR OVERSEAS SYNTHETICS LTD.

*[Signature]*

Director.

Director.

*[Signature]*  
DIRECTOR

24 JUN 2011

# OVERSEAS SYNTHETICS LTD.,

## SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	Sch	Rs.	Rs.
<b>Share Capital</b>			
<b>Authorised</b>			
9,000,000(Previous Year 9,000,000) Equity Shares of Rs. 10 each.	1	<u>90,000,000</u>	<u>90,000,000</u>
Issued, subscribed and paid-up			
7,104,707(Previous Year 7,104,707) Equity Shares of Rs. 10 each. (Of the above shares, 3,471,207 Equity Shares were allotted to the members of amalgamating companies pursuant to the scheme of amalgamation, for consideration other than cash).		<u>71,047,070</u>	<u>71,047,070</u>
		<b><u>71,047,070</u></b>	<b><u>71,047,070</u></b>
<b>Reserves and Surplus</b>			
Capital Reserves	2	1,082,500	1,082,500
General Reserve		641,320	641,320
Amalgamation Reserve		<u>21,247,971</u>	<u>21,247,971</u>
		<b><u>22,971,791</u></b>	<b><u>22,971,791</u></b>
<b>Unsecured loans</b>			
From Director	3	<u>227,358</u>	<u>56,550</u>
		<b><u>227,358</u></b>	<b><u>56,550</u></b>
<b>Investments</b>			
<b>Long Term Investments(Quoted)</b>			
<b>Trade Investments :</b>			
700(700) Shares of Reliance Communication Ltd.		82,705	115,787
1(0) of Shares Tamboli Capital		73,499	-
20(20) Shares of State Bank of India		25,603	40,409
1(0) Shares of Tata steel		54,179	76,034
80(80) Shares of Reliance Industries Ltd.		217,596	80,995
2000(2000) Shares of Harig Cranks		9,980	9,980
700(700) Shares of Infra D. Fin		103,490	103,491
0(800) Shares of Steel Cast Ltd.		-	49,176
0(400) Shares of Reliance Natural Resources		-	34,017
0(2000) Shares of K.Sera Ltd.		-	25,600
0(3800) Shares of Tele Data		-	70,353
0(1000) Shares of Advance Technology Ltd.		-	2,900
0(600) Shares of Petronet		-	59,610
( Aggregate Market Value Rs 5,14,515 )		-	-
<b>Other Investment</b>			
Gujarat Industrial Co-op Bank Ltd.		1,000	1,000
Parth Corporation		200	200
Surat Peo Co. Op. Bank		100	100
<b>TOTAL..</b>		<b><u>568,352</u></b>	<b><u>669,652</u></b>

t



# Overseas Synthetics Ltd.,

## SCHEDULE : 4- FIXED ASSETS.

Sr. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As On 01.04.2010 Rs.	Addition During the Year Rs.	Adjustment Rs.	As On 31.03.2011 Rs.	Up to 01.04.2010 Rs.	Depriciati on Rs.	Adjustm ent Rs.	As on 31.03.2011 Rs.	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
1	Land	0	1331885	0	1331885	-	-	-	0	1,331,885	0
2	COMPUTER	34,648	0	0	34,648	28,933	3983	0	32,916	1,732	5,715
3	BUILDING	3,659,880	0	1331885	2,327,995	1,309,239	37946	702100	645,085	1,682,910	2,350,641
4	Residential Quarte	221,803	0	86,930	134,873	59,625	3250	24,423	38,452	96,421	162,178
	<b>TOTAL...</b>	<b>3,916,331</b>	<b>1,331,885</b>	<b>1,418,815</b>	<b>3,829,401</b>	<b>1,397,797</b>	<b>45,180</b>	<b>726,523</b>	<b>716,454</b>	<b>3,112,947</b>	<b>2,518,534</b>
	Previous Year...	3,961,524	0	45,193	3,916,331	1,332,962	0	12,295	1,397,797	2,518,534	2,628,562

# Depreciation on Land written back during the year.

(Refer note 13 of Schedule 12)

**OVERSEAS SYNTHETICS LTD.,****Current assets, loans and advances**

6

**Sundry Debtors**

## Sundry Debtors

For More than Six Months

Other

Less: Provided for

-

1,260,988

0

1,260,988

-

-

-

-**Cash and bank balances**

Cash on hand

Balances with Scheduled banks in Current accounts

159,723

166,318

326,041

2,702

431,249

433,951**Loans and advances**

Advances (recoverable in cash or in kind or for value to be received)

Deposits

Prepaid Expenses

Advance Income Tax &amp; T.D.S

Rent Receivable

Other Receivable

Advance Fringe Benefit Tax

34,920

259,854

3,954

14,003

92,250

4,780

-

409,761

34,920

311,607

825

13,152

67,500

699

16,603

445,306**Current liabilities and provisions**

7

**Current liabilities**

Sundry Creditors for Goods and expenses

Other liabilities - Excise duty payable

TDS Payable

VAT Payable

2,420,502

419,426

5,206

10,465

2,855,599

2,771,686

-

-

-

2,771,686**Provisions**

Provision for Expenses

Provision for taxation

3,250

-

3,250

-

14,571

14,571**Other income**

8

Provisions / liabilities Written Back

Rent income

Interest income

Dividend income

Interest on Income tax refund

696,794

753,750

21,297

3,540

528

1,475,909

-

810,000

19,339

6,875

-

836,214

4

## OVERSEAS SYNTHETICS LTD.,

<i>Administrative and other expenses</i>	9		
Rent, Rates & Taxes		40,500	90,000
Vehicle Expense		60,818	85,951
Electricity Expense		32,641	41,350
Legal and Professional Charges		188,019	81,519
Membership Fee		16,835	-
Audit Fees		22,060	22,060
Travelling & Conveyance Expenses		100	7,928
Repairs and Maintenance		36,112	-
Office Expenses		7,521	6,802
Salaries & Bonus		327,700	306,125
Telephone, Postage & Fax expense		36,590	45,047
Stationery and Printing Expenses		1,829	1,282
Computer Expenses		13,217	2,175
Share Trading Expense			3,965
Security Transaction Tax		1,730	-
Balances & Claims written off		53,135	
		<u>838,807</u>	<u>694,204</u>
<i>Selling and distribution expenses</i>	10		
Vatav Kasar		13,527	1,524
		<u>13,527</u>	<u>1,524</u>
<i>Financial charges</i>	11		
Bank Charges		1,973	715
Demat Charges		751	618
		<u>2,724</u>	<u>1,333</u>

↓

## OVERSEAS SYNTHETICS LIMITED, SURAT

Accounting year: 2010-2011

Notes forming part of the Accounts:

Schedule - 12

### (1) Significant Accounting Policies:

Significant accounting policies adopted in the preparation and presentation of the accounts are as under:

#### (a) Basis of Accounting:

The financial statements are prepared under historical cost convention on an accrual basis except Gratuity, which is accounted on cash basis.

#### (b) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction, net of CENVAT available less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

#### (c) Depreciation:

Depreciation on all depreciable fixed assets is provided under Straight Line Method as per rates specified in Schedule XIV to the Companies Act, 1956. Except computer on which depreciation provided after deducting scrap value. Depreciation on addition or deduction is provided on pro-rata basis.

#### (d) Investments:

Long Term Investments are stated at cost of acquisition.

#### (e) Inventories:

Company does not hold any Inventory during the year. However as per the policy of the company, inventories are valued applying FIFO method as under:

- (i) Raw materials are valued at cost.
- (ii) Finished Goods are valued at cost or net realizable value whichever is lower.

#### (f) Retirement Benefits:

##### i. Short term Employee Benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary ex-gratia are recognized in the period in which employee renders the related services.

**ii. Defined Contribution Plans:**

Contributions to Defined Contribution Plans are recognized as expense in the Profit and Loss Account, as they are incurred.

**iii. Defined Benefit Plans:**

Gratuity is accounted by the entity as and when paid.

**(g) Revenue Recognition:**

As per policy of the company, Income from sales is being recognized net of discount etc.

Income from rent is recognized on accrual basis based on the agreement with the parties.

Income from interest is recognized on accrual basis where dividend on shares recognized at time of receipt.

Income from shares investment is recognized at time of physical delivery of shares.

**(h) Borrowing Cost:**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**(2) The company is contingently liable in respect of the following:**

(i) For guarantees given by the Banks on behalf of the Company to Excise authority Rs. 2, 00,000/- (Pre. Year Rs. 2, 00,000/-).

(3) Payments to Auditors	Current Year	Pre. Year
(a) As Auditors:	22,060/-	22,060/-
(b) In any other matter:	--	--

(4) Details of small-scale industrial undertaking creditors to whom a sum outstanding for more than 30 days are under compilation.

(5) Company has not identified any asset, which has been impaired in terms of Accounting Standard 28 Issued by The Institute of Chartered Accountants of India as on 31<sup>st</sup> March, 2011.

(6) Management has determined that there were no balances outstanding as at the beginning of the year and no transactions entered with Micro, Small and Medium

2

Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, during the current year, based on the information available with the Company as at March 31, 2011 and March 31, 2010.

- (7) During the year the operations of the company remained within the single segment "Textiles" only. However, In the previous year, the company had identified two product segment viz 'Textile' and 'Speculation Business' as per Accounting Standard 17 "Segment Reporting" issued by the ICAI, and has not identified any geographical segment, where risks and returns are materially different. Hence, the segment wise details are presented in table herein below:

Particulars	Accounting Year 2010-11				Accounting Year 2009-10			
	Textiles	Shares	Un allocable	Total	Textiles	Shares	Un allocable	Total
Sales	2,072,092	-	-	2,072,092	132,054	16,19,796	-	17,51,850
Operating Expenses	2,223,105	-	-	2,223,105	478347	1,484,761	-	19,63,108
Operating Profit/(Loss)	(151,013)	-	-	(151,013)	(346,293)	135,035	-	(211,258)
Profit On Sale of Fixed Assets	378,493	-	-	378,493	-	-	167,102	167,102
Other Income	1,475,909	-	-	1,475,909	-	-	860,264	860,264
Expenses	1,854,402	-	-	1,854,402	-	-	1,027,366	1,027,366
General Expenses	539,897	-	-	539,897	-	-	422,751	422,751
Loss on Sale of Fixed Asset	-	-	-	-	-	-	-	-
Share Trading Expenses	-	-	-	-	-	3,965	-	3,965
Loss from trading in Derivatives	-	-	-	-	-	13,400	-	13,400
Long Term Capital Loss	-	-	(59,058)	(59,058)	-	-	-	-
Short Term Capital Loss	-	-	(4,678)	(4,678)	-	-	-	-
	539,897	-	(63,736)	476,161	-	17,365	422,751	440,116
Net Profit /(Loss)	1,163,492	-	(63,736)	1,099,756	(346,293)	117,670	604,615	375,992
<u>Other Information</u>								
<u>Segment Assets</u>								
Fixed Assets	3,112,947	-	-	3,112,947	-	-	2,518,534	2,518,534
Investment	568,352	-	-	568,352	-	-	669,652	669,652

<i>Current Assets</i>							
Debtors	1,260,988	-	-	<b>1,260,988</b>	-	-	-
Other Current Assets	735,802	-	-	<b>735,802</b>	-	-	879,257
<b>Total Assets</b>	<b>4,954,279</b>	-	-	<b>4,954,279</b>	-	-	4,067,443
<i>Segment Liabilities</i>							
Segment Liabilities	2,858,849	-	-	<b>2,858,849</b>	-	-	2,786,669

**Note** :The sale & Operating expenses in respect of shares segment represents the value of transactions of speculative nature and the same does not fall within the part of 'Turnover' and hence not reflected in the profit & loss account. They are taken in the above table only for the purpose of segment information.

(8) Related party Disclosure as per AS – 18 issued by ICAI is as under.

1) Key Managerial Personnel:

- a) Mr. Rohit. H. Patel - Managing Director
- b) Mr. Mayur. V. Shah - Director
- c) Mr. Dinkarbai. H. Patel - Director

2) Relatives of Key Managerial Personnel & their Enterprises, where transactions have taken place:

- a) Rohit Silk Mills (Prop. K. H. Patel (H.U.F.) - Brother of Director
- b) Kay Tee Fabrics (Prop. K. H. Patel) - Brother of Director
- c) Ram Fabrics (Prop. H. R. Patel (H.U.F.) - Father of Director
- d) Geetaben R. Patel - Wife of Managing Director
- e) Krupalu Fabrics (Prop. H. R. Patel) - Father of Director
- f) Overseas Textiles (Prop. M. H. Patel (H.U.F.) - Brother of Director
- g) Narendra Textile (Prop. Jankiben M. Patel) - Wife of Director's Brother
- h) Dinesh Textiles (Prop. Rekhaben D. Patel) - Wife of Director

Sr. No.	Nature of Transactions	Related In 1 above	Parties In 2 above
1	Office Rent	-	40,500
2	Closing balance of Advances Given as at 31 <sup>st</sup> march, 2011	-	34,920 Dr.

(9) Considering the effect of brought forward unabsorbed losses of earlier year(s), during the current year, deferred tax asset has been recognized to the extent of the deferred tax liability already recognized in the earlier year(s). However, due to non existents of the virtual certainty of foreseeable future profits, which can absorb the said brought forward losses, further deferred tax assets has not been recognised / created.

(10) Prior period Adjustments:

Assets of the company consists of the building on which excess depreciation had been charged in the earlier years. To rectify the same and to properly recognised the value of the building and land in the books, the company during the current year had passed the required rectification entries to present the current values of the assets. Excess depreciation provided during the earlier years has been reversed and the same has been shown as the 'prior period items' in the Profit and Loss account of the company. Detail bifurcation of the depreciation is presented in below table.

	Particulars	Prior period Income/ Expense	Amounts
	Excess Depreciation written Back	Income	Rs 7,02,099
Less:	Excise duty Payable	Expenses	Rs 4,19,426
	Net Prior Period Adjustments		<b>Rs 2,82,673</b>

(11) Additional information pursuant to the provisions of Paragraphs 3, 4B, 4C and 4D of Part II of the Schedule VI to the Companies Act, 1956.

Information pertaining to capacity, goods manufactured turnover, stock and raw materials consumed, etc.

- a) All the machineries related to productions have been sold during the F.Y 2008-2009.
- b) No Raw Material was consumed either in the current year or previous year; hence there was no production and sales of finished product in the related period. Accordingly, furnishing of information relating thereto would not be applicable.
- c) Trading Details :Yarn

(Rs.In Lacs)

	Current Year		Previous Year	
	Kgs.	Rs.	Kgs.	Rs.
Opening stock	--	--	--	--
Purchases	14107.92	19.63	1,243.56	1.31
Sales	14107.92	20.72	1,243.56	1.32
Closing Stock	--	--	--	--

Note: Purchase and Sales is shown net of VAT amount.

- d) Value of Imports calculated on CIF Basis Rs. Nil (Pre. Year Rs. Nil).



	<u>Current Year</u>	<u>Previous Year</u>
e) Earnings in Foreign Exchange: FOB value of goods exported	Nil	Nil
f) Remittance in Foreign Currency	Nil	Nil
g) Remittance in Foreign Currency	Nil	Nil

(12) Previous year figures have been recast and regrouped wherever necessary to make them comparable with the figures of the current year.

(13) Share Application Money of Rs. 9.22 Lacs (Pre. Year 9.22 Lacs) represents amount taken from promoters pending allotment of shares.

(14) Information required in terms of Part IV of Schedule VI to the Companies Act, 1956 is attached.

**Signature to Schedules "1" to "12"**

*For Natvarlal Vepari & Co.,  
Chartered Accountants,  
Firm Registration No. 123626W*

*[Signature]*  
Partner

Place: Surat,

Date: 24 JUN 2011

*For and on behalf of the Board,*

**FOR OVERSEAS SYNTHETICS LTD. FOR OVERSEAS SYNTHETICS LTD.**

*[Signature]*  
Director

Director *[Signature]*

DIRECTOR

**Overseas Synthetics Ltd.,**

Accounting year: 2010-2011

**Annexure 'A' to the Notes to Accounts**

**I. REGISTRATION DETAILS :**

Registration No. 

1	7	3	1	6
---	---	---	---	---

 State Code: 

0	4
---	---

Balance sheet date:- 

3	1	0	3	2	0	1	1
---	---	---	---	---	---	---	---

**II. CAPITAL RAISED DURING THE YEAR**

(Rs. in 000's)

Public Issue	Right Issue														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0
0	0	0	0	0	0	0									
0	0	0	0	0	0	0									
Bonus Issue	Private Placement														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0
0	0	0	0	0	0	0									
0	0	0	0	0	0	0									

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS.**

(Rs. in 000's)

	Total Liabilities		Total Assets														
Sources of Funds:	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>9</td><td>5</td><td>1</td><td>6</td><td>8</td></tr></table>			9	5	1	6	8	Total Assets	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>9</td><td>5</td><td>1</td><td>6</td><td>8</td></tr></table>			9	5	1	6	8
		9	5	1	6	8											
		9	5	1	6	8											
	Paid-up Capital	Reserve & Surplus	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>2</td><td>9</td><td>7</td><td>2</td></tr></table>			2	2	9	7	2							
		2	2	9	7	2											
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>7</td><td>1</td><td>0</td><td>4</td><td>7</td></tr></table>			7	1	0	4	7	Deferred Tax Liability	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L
		7	1	0	4	7											
				N	I	L											
	Share Application Money	Unsecured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>2</td><td>2</td><td>7</td></tr></table>					2	2	7							
				2	2	7											
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>9</td><td>2</td><td>2</td></tr></table>					9	2	2	Secured Loans	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L
				9	2	2											
				N	I	L											
Application of Funds:	Net Fixed Assets	Investments	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>5</td><td>6</td><td>8</td></tr></table>					5	6	8							
				5	6	8											
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>3</td><td>1</td><td>1</td><td>3</td></tr></table>			3	1	1	3	Misc. Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L	
		3	1	1	3												
				N	I	L											
	Net Current Assets	Deferred Tax Asset	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L							
				N	I	L											
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>-</td><td>8</td><td>6</td><td>2</td></tr></table>			-	8	6	2	Accumulated Losses	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>9</td><td>2</td><td>3</td><td>4</td><td>9</td></tr></table>			9	2	3	4	9	
		-	8	6	2												
		9	2	3	4	9											

**IV. PERFORMANCE OF COMPANY:**

(Rs. in 000's)

	Turnover		Total Expenditure																						
	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>3</td><td>9</td><td>2</td><td>6</td></tr></table>			3	9	2	6	Total Expenditure	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>2</td><td>8</td><td>2</td><td>7</td></tr></table>			2	8	2	7										
		3	9	2	6																				
		2	8	2	7																				
- / +	Profit/Loss before Tax	- / +	Profit/Loss after tax																						
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>+</td></tr></table>			+	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>1</td><td>0</td><td>9</td><td>9</td></tr></table>			1	0	9	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>+</td></tr></table>			+	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>5</td><td>2</td><td>9</td><td>1</td></tr></table>			5	2	9	1				
		+																							
		1	0	9	9																				
		+																							
		5	2	9	1																				
(Please tick Appropriate box + for Profit - for Loss)																									
- / +	Earning per Share in Rs.	- / +	Dividend rate %																						
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>+</td></tr></table>			+	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td>0</td><td>6</td><td>4</td></tr></table>			0	6	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>					N	I	L
		+																							
		0	6	4																					
				N	I	L																			
				N	I	L																			

**V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY OF COMPANY**

(as per monetary terms)

	5 4 0 6
Product Description:	F A B R I C O F S Y N T H E T I C
	F I L A M E N T Y A R N
	5 4 0 2
Item Code No.:(ITC Code)	S Y N T H E T I C
Product Description:	F I L A M E N T Y A R N

Signature to Annexure "A"  
As per our report of even date.

By order of the Board.  
**FOR OVERSEAS SYNTHETICS LTD.** **FOR OVERSEAS SYNTHETICS LTD.**

For Natvarlal Vepari & Co.,  
Chartered Accountants  
Firm Reg. No. 123626W

Partner.

*R. V. V.*  
**FOR OVERSEAS SYNTHETICS LTD.**  
(Director/Wholtime Director)

*M. J. J.*  
**FOR OVERSEAS SYNTHETICS LTD.**  
(Director)

Surat, Dt **24 JUN 2011**

Surat, Dt **24 JUN 2011**

OVERSEAS SYNTHETICS LIMITED, SURAT.  
Cash Flow Statement for the year ended 31st March, 2011

	31.03.2011	31.03.2010
<b>(A) Cash Flow from Operating Activities:</b>		
Net profit/(loss) before tax and Extraordinary items:	1,084,572	375,992
Adjusted for:		
<b>Less:</b>		
Profitable of Investment		218,763
Profit on Sale of Assets	378,493	167,102
	<u>378,493</u>	<u>385,865</u>
<b>Add:</b>		
Depreciation	45,180	77,130
Loss on sale of Investment		97,128
Loss on sale of short term Shares	4,678	
Loss on sale of Long term Shares	59,058	
Operating Profit before Working Capital Changes	814,995	164,385
Adjusted for:		
(Increase)/Decrease in Inventories		
(Increase)/Decrease in Trade and Other Receivables	(1,225,443)	1,719,224.00
(Increase)/Decrease in Loans and Advances		(5,558)
Increase/(Decrease) in Trade Payables & other liabilities	-	(1,767,236)
Cash Generated from Operations before prior period item	(410,448)	110,815
Prior Period Items (Net)		-
Net Cash Generated from/ (used in) Operations	<u>(410,448)</u>	<u>110,815</u>
<b>(B) Cash Flow from Investing Activities:</b>		
Sale of Fixed assets	441,000	200000
Purchase of Fixed Assets		-
Sale of Investment	(93,450)	107,181
Purchase of Investment		-
Profit on Sale of Assets		-
Net Cash Generated from Investing Activities	<u>347,550</u>	<u>307,181</u>
<b>(C) Cash Flow from Financing Activities:</b>		
Increase in share capital		-
Share Application Money Returned		(29,000)
Amalgamation Reserve adjusted		-
Amount Realised on share forfeiture		-
Interest paid		-
Intercorporate Deposits		-
Proceeds from UnSecured borrowings	170,808	(1,080)
Net Cash Generated from/ (used in) used in Financing Activities	<u>170,808</u>	<u>(30,080)</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	107,910	387,916
Cash and Cash Equivalents as at 1st April, 2010	433,951	46,035
Cash and Cash Equivalents as at 31st March, 2011	326,041	433,951

For and on behalf of Board of Directors

FOR OVERSEAS SYNTHETICS LTD.

X  
DIRECTOR

*R. S. Patel*

Surat,

Date: 24 JUN 2011

DIRECTOR.

FOR OVERSEAS SYNTHETICS LTD. DIRECTOR

AUDITORS' REPORT

WE have audited the above Cash Flow Statement of OVERSEAS SYNTHETICS LTD. derived from audited financial statements and the books and records maintained by the Company for the year ended 31st MARCH, 2011 and found the same in agreement therewith.

*N. V. Vepari*  
DIRECTOR

For Natvarlal Vepari & Co.

Chartered Accountants.

Firm Reg. No. 123626W

*110*

Partner.

Surat, dt. 24 JUN 2011