

**K E M I S T A R  
C O R P O R A T I O N  
L I M I T E D**

(Formerly Known As Integrated Amusement Ltd)

Annual Report  
2010-2011

# **Kemistar**

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## **BOARD OF DIRECTORS**

1. Ketankumar Patel
2. Vasantbhai B Savalia
3. Narendra K Shah
4. Savji V Gondalia

## **AUDITORS**

Janak Soni & Associates  
Chartered Accountant

106, Haash Complex,  
Nr.Ellisbridge Police Line  
Nr.Nagari Hospital & Law Garden  
Ellisbridge  
Ahmedabad – 380 006.

## **BANKERS**

Punjab National Bank  
Shastri Park Branch  
Nehrunagar,  
Ahmedabad

## **REGD. OFFICE**

604, Manas Complex  
Jodhpur Cross Road  
Satellite  
Ahmedabad–380 015.

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of Kemistar corporation ltd will be held on 25<sup>th</sup> August, 2011 11.00 AM at 604 Manas Complex, Jodhpur Cross Road Satellite, Ahmedabad- 380 015 to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the audited accounts for the period ended 31st March 2011 and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri. NARENDRA K SHAH, who retires by rotation.
3. To appoint and fix remuneration of JANAK SONI & ASSOCIATES Chartered Accountants as Auditors of the Company in place of Existing Auditors Messrs JANAKKUMAR SONI & ASSOCIATES, Chartered Accountants.

### Special business

4. To consider and, if thought fit, to pass with or without modification(s), the following, resolution **BORROWING POWERS – as Ordinary Resolution.**

RESOLVED THAT THE CONSENT OF THE Company be and is hereby accorded to the Board of Directors of the Company in terms of section 293 (I) (d) and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for time being in force), to borrow, such sum of sum(s) of monies from time to time at their discretion as they may deem requisite or proper for the purpose of the business of the Company from anyone or more Banks. Financial institutions and other persons, firms, Body corporate notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the company's bankers In the ordinary course of business) may at any time exceed the aggregate of the paid-up capital of the Company and its free reserve that is to say, reserve not set apart for any specific purpose provided that the total amounts together with the moneys(s) already borrowed by the Board of Directors shall not exceed the sum of Rs.100,00,00,000/- (Rupees one hundred Crores Only) at any one time and that Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest. Repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulties, doubts that may arise in respect of the borrowing aforesaid and to sign and execute all the necessary documents, papers, deeds and writings as may be necessary, proper, desirable or expedient and to give effect to this resolution.

5. To Consider and, if thought fit, to pass, with or without modification(s), the following resolution POWER TO MORTGAGE – as a Ordinary Resolution.

RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors in terms of section 293 (1)(a) and other ; applicable provisions of the Companies Act, 1956 ( including any statutory modification or re-enactment thereof for time being in force), to mortgage and/or charge or hypothecate by the Board of Director of the Company of all or any part of the immovable and movable properties of the Company whosesoever situated both present and future and the whole or substantially the whole of the undertaking or undertakings of the company in such form and in such manner as the Board of Directors may think fit ( including creation of first mortgage / charge or second mortgage/charge / pari passu charge/mortgage) together with power to take over the management of the business and concerns of the Company in certain events/cases for securing any loans and / or advances already obtained or to be obtain from any financial institutions/ Banks or Body corporate or person or persons together with interests, additional interest, compound interests, liquidated damages, commitment charges, costs charges, expenses and all other moneys payable by the company to the concerned lenders subject to overall limit of Rs. 100,00,00,000/- (Rupees one hundred crores Only).

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution :

“RESOLVED THAT the approval of the members of the company be and is hereby accorded pursuant to section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, for Commencing and carrying on all or any of the business and activities specified in the existing 34 to 38 of part C of memorandum of association of the company of the Company at such time and such place as may be deemed fit by the Board of Directors”.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution :

“RESOLVED THAT the approval of the members of the company be and is hereby accorded to the company to start its overseas operation including subsidiary formation, JV with other corporation or domestication of the company in overseas at such time and such place as may be deemed fir by the Board of Directors.

Registered Office:  
604, Manas Complex,  
Jodhpur Cross Road, Satellite,  
Ahmedabad- 380 015.

By Order and on behalf of the Board  
Sd/-  
Ketankumar P Patel  
Director

Place : Ahmedabad  
Date : 27/06/2011

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## NOTES:

1. An Explanatory Statement as required under section 173(2) of the Companies Act, 1956 pertaining to the business contained in Items 4 of the Notice is annexed. All the documents referred to in the Notice and Explanatory statement are open for inspection at the Registered office of the Company between the hours of 11.00 a.m. and 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General Meeting or any adjournment thereof.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Pursuant to Clause 49 of the Listing Agreement with stock Exchanges, additional information related to Directors recommended for appointment/re-appointment at the Annual General Meeting appears in the Director's Report and Accounts.
4. The register of Members and the share Transfer Books of the Company will remain closed from August 22, 2011 to AUGUST 25, 2011 both days inclusive.
5. Member desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions in writing to the company at least seven days before the date of the Meeting, so that the information required may be made available at the Meeting.
6. Members are requested to bring the admission slips along with their copies of the Annual Report to the Meeting.
7. Company's equity shares are listed on The Stock Exchange, Mumbai, P.J.Towers, Dalal Street, Mumbai 400 001, (2) The Vadodara Stock Exchange Ltd and (3)The Ahmedabad Stock Exchange Association Ltd, Ahmedabad.

### **Explanatory Statement**

[pursuant to Section 173(2) of the Companies Act, 1956 in respect of items 4 of the Accompanying notice date June 27, 2011 convening the 17<sup>th</sup> Annual General Meeting of the Company on August 25, 2011.

Item No. 4 and 5

In terms of the provisions of section 293 (1) (d) of the Companies Act, 1956, the Board of the Directors of the Company, cannot except with the consent of the Company in general meeting, borrow monies, in excess of aggregate of the paid up capital and its reserves that is to say reserves not set apart for any specific purpose.

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To part finance capital expenditure for company's proposed project, the Company would be requiring to borrow moneys from banks/financial institutions, shareholders, Directors, Body Corporate or any persons which may exceed the amount of paid-up share capital and free reserves of the company.

The proposed borrowing of the Company will have to be secured by way of charge/mortgage/Hypothecation of all or any part of any part of the immovable and movable properties of the company. In the terms of section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a company shall not without the consent of the shareholders in general meeting, sell lease, charge mortgage, or otherwise dispose of the whole or substantially the whole of the undertaking of the company. The consent of the shareholders is therefore sought in accordance with 293 (1) (a) of the Act, to enable the Board of Directors to charge/ mortgage etc. movable and immovable properties of the Company to secure proposed borrowings to the extent of Rs.100.00 crores.

In view of the above circumstance, your Directors recommend the proposed resolutions for your approval

None of the Directors of the Company are, in any way concerned or interested in the proposed resolutions.

Your Directors visualize good potential for business growth in this field. Further, this business activity is germane to and conducive to the growth of existing main business of the Company.

Your Directors therefore, commend your approval to the resolutions under item nos. 4 and 5 of accompanying notice.

None of the Directors is concerned or interested in the Resolution.

The Memorandum of Association is open for inspection to the members at the registered office of the company on any working day during 10.00 am to 12.00 noon.

Item No. 6

Your Directors visualize good potential for business growth in this field. Further, this business activity is germane to and conducive to the growth of existing main business of the Company.

Your Directors therefore, commend your approval to the resolutions under item nos. 4 and 5 of accompanying notice.

None of the Directors is concerned or interested in the Resolution.

The Memorandum of Association is open for inspection to the members at the registered office of the company on any working day during 10.00 am to 12.00 noon.

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Item No.7

Your Directors visualize good potential for business growth to start its overseas operation including subsidiary formation, JV with other corporation or domestication of the company in overseas.

Your Directors therefore, commend your approval to the resolutions under item nos.7 accompanying notice.

None of the Directors is concerned or interested in the Resolution.

Registered Office:  
604, Manas Complex  
Jodhpur Cross Road, Satellite  
Ahmedabad- 380 015.

Place : Ahmedabad  
Date: 27/06/2011

By order and on behalf of the Board

Sd/-  
Ketankumar P Patel

Director

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## DIRECTORS' REPORT

Dear Shareholder,

The Directors of your Company are pleased to present their SEVENTEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2010-2011 ended on **31st March 2011**.

### PROJECT PROGRESS

The ceramic tiles and other business operations will be operated from Ahmedabad office. The other operations will commenced in phased manner hence onward. The operating results during the year under review are as under:

Particulars	Year 2010-11 (Rs.)	Year 2009-10 (Rs.)
Income from operations	3856818	353802
Income from other heads	316154	81433
Total Expenditure	3843948	300083
Profit Before Tax	329024	135152
Provision for MAT	17090	31676
Profit After Tax	311934	103476

### DIVIDEND

In absence of adequate profit, your Directors are unable to recommend any Dividend for the year ended 31<sup>st</sup> March 2011.

### CORPORATE GOVERNANCE

Report on Corporate Governance as required by the listing agreement the Company has entered into with various stock exchanges and other applicable provisions has been prepared and annexed hereto.

### DIRECTORS

At the ensuing Annual General Meeting, Shri. NARENDRA K SHAH, Directors will retire by rotation in terms of Articles 126 of the Articles of Association of the Company.

In the light of various guidelines and applicable provisions your director proposes to broad base the board by the appointment of independent professional directors.

Registrar and Transfer Agents:

Purva Share Registry Pvt Ltd., 9, Shivshakti Ind.Estate, Lower Parle (E) Mumbai – 400011.

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The share transfer agent of the company has been successfully providing all investor services within a time bound period.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required by the provision of Section 217(2AA) of the Companies Act, 1956, we, the Directors of Kemistar Corporation Limited, confirm the following:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures.
2. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year.
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors prepared the annual accounts on a going concern basis.

## AUDIT COMMITTEE

As a good corporate governance, an Audit Committee has been constituted according to the provision of Section 292A as inserted by the Companies (Amendment) Act, 2000.

The functions of the Committee are:

- To review the adequacy of internal control systems and Internal Audit Reports and their compliance thereof.
- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To recommend the appointment of auditors and the fixation of audit fees.
- To review with management, the financial statements before submission to the Board.

The Audit Committee has been constituted with the two Directors, viz.,

1. Mr. Ketankumar P. Patel
2. Mr. Vasant Savalia

During the year under review, the audit committee met one time. All the members of the committee were remained present at that meeting.

## AUDITORS

The present Auditors of the Company M/s. Janak Soni & Associates Chartered Accountants, Ahmedabad will retire at the ensuing Annual General Meeting and being eligible, they have offered themselves for the reappointment. The Company has also received certificate of their eligibility for re-appointment under section 224 (1-B) of the Companies Act, 1956 from them.

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## PARTICULARS OF EMPLOYEES

There is no employee who is in receipt of remuneration exceeding Rs.24,00,000/- per annum of Rs.2,00,000/- per month, the limits specified under the companies (Particulars of employees) Rules, 1975 pursuant to the provisions of section 217(2A) of the Companies Act, 1956.

Your Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956, are applicable.

## PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

Your Company has not consumed energy of the significant level and accordingly no measures were taken for energy conservation and no additional investment was made for the reduction of energy conservation. The particulars regarding technology absorption and foreign exchange earnings and outgo pursuant to section 217 (1) (e) of the companies Act, 1956 are NIL.

## GENERAL

The notes forming part of accounts, being self – explanatory are not being dealt with separately.

## ACKNOWLEDGEMENTS

Your Directors express their sincere gratitude for the assistance and co-operation extended by promoters, bank, Government Authorities, shareholders and suppliers.

Your directors also wish to place on record their deep appreciation for the dedication and hard work put by the employees at all levels towards the growth of the Company.

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 27/06/2011

Sd/-  
Managing Director

Sd/-  
Director

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## (A) Corporate Governance Report

Your Company is committed to practice principles of good corporate governance in future and The Board of Directors supports the broad principles of corporate governance. In addition to the basic governance issues, the Board is also committed to maintain high standards of transparency, accountability and integrity.

## (B) Board of Directors

The Board of Directors of the company currently comprises of a one Managing Director and two independent Directors, the directors proposes to expand its strengths by appointing more professional and independent directors as per prevalent guidelines.

## DATES & NO of BOARD MEETINGS

The compositions of Directors and their attendance at the Board Meeting during the Year and as also number of other directorship are as follows:

Name of Director	Category of Directorship	No. of Board Meeting Attended	Whether Attended last AGM	No. of other Directorship
Mr. Ketan P. Patel	Managing Director	6	Yes	1
Mr. Narendra K. Shah	Director	6	Yes	2
Mr. Vasant Savalia	Director	6	Yes	0
Mr. Savji V Gondalia	Director	6	Yes	0

## (C) AUDIT COMMITTEE

The company has audit committee consisting of two directors shri Ketan Patel and Vasant Savalia. Shri Ketan Patel will be chairman and Vasant Savalia will be secretary of audit committee.

1. Mr. Ketankumar Patel
2. Mr. Vasantbhai Babubhai Savalia

## (D) REMUNERATION OF DIRECTORS

No remuneration was paid to the Managing Director or any director during the year under review and the same is in compliance with all the applicable provisions of the Companies Act, 1956 and the rules framed there under.

## (E) SHAREHOLDERS GRIEVANCE COMMITTEE

An investors grievance committee specifically looks into the redressal of investor's complaints like transfer of shares, non-receipt of balance sheet etc. There is no shareholder grievance pending against the company.

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## (F) SHARE TRANSFER COMMITTEE

The approval of share transfers is directly looked into by two of the Directors Mr. Ketankumar Patel and Mr. Vasantbhai Savalia and no transfer of shares were pending as on 31st march 2011.

## (G) GENERAL BODY MEETING:

The last three Annual General Meetings were held as under:

Year	Date	Time	Place of Meeting
2009-10	16/08/2010	11.00 AM	604, Manas Complex, Jodhpur Cross Road , Satellite,Ahmedabad – 380015.
2008-09	01/08/2009	11.00 AM	604, Manas Complex, Jodhpur Cross Road , Satellite,Ahmedabad – 380015.
2007-08	30/09/2008	11.00 AM	604, Manas Complex, Jodhpur Cross Road , Satellite,Ahmedabad – 380015.

## (H) DISCLOSURES

**Related Party Transactions:** During the year 2010-2011, there is a transactions with K.P INTERNATIONAL PVT LTD of **Rs.67,200.00** of material nature with the Promoters, Directors, or The management or their subsidiaries or relatives etc.

**Compliance by the Company:** The Company is fully complying the provisions of the Companies Act and other applicable provisions in these directions. The Company does not maintain separate office for Chairman.

## (I) MEANS OF COMMUNICATION

The Company's quarterly results are generally published in designated news papers and also mail it by ordinary post to shareholders. The management Discussion and Analysis report is enclosed and forms the part of Directors Report.

## (J) GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting to be held on : 25<sup>th</sup> august , 2011

Place of Meeting : Registered office of the company.

Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial Reporting

- Quarter ending June : July

- Quarter ending September : October

- Quarter ending December : January.

Dividend Payment Date : Not Applicable

Listing on Stock Exchange : 1. Ahmedabad Stock Exchange ltd. 2. The Stock Exchange, Mumbai.3. Vadodara Stock Exchange ltd.

## (K) Code of Business Conduct & Ethics for Director's / Management Personnel

The Code of Business Conduct & Ethics for Director's / Management Personnel ('the Code'), as recommended by the Corporate Governance and Stakeholders' Interface Committee and adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The Code while laying down, in detail, the standards of business conduct, ethics and governance, centers around the following theme :

" The Company's Board of Directors and Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit."

The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually, A declaration signed by the Chairman and Managing Director of the Company is given below :

I hereby confirm that the Company has obtained from all the members of the Board and management personnel, affirmation that they have complied with the Code of Business conduct & ethics for Director's / Management Personnel in respect of the financial year 2010-11.

Ketankumar P Patel  
Chairman and Managing Director

## (L) CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of clause 41 of the Listing Agreement.

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## Market Price Data

There has been no trading in the shares on any of the Stock Exchanges during the year under review and hence this data has not been provided.

Distribution of shareholding as on 31st March 2011.

Sr.	Category	No. of Shares Held	Percentage of Shareholding
A	Promoters Holding		
1	- Indian Promoters & persons acting in concert	2642400	31.49
2	- Foreign Promoters		0
	Sub-Total	2642400	31.49
B	Non-Promoters Holding		
	Institutional Investors	0	0
1	- Mutual Funds & UTI	0	0
2	- Banks, FI, Insurance Companies, (Central, State Govt. Institutions, Non Govt. Institutions)	0	0
3	- FIIs	0	0
	Sub- Total	0	0
C	Others		
1	- Private Bodies – Other Bodies Corporates	591200	7.04
2	- Indian Public	5158800	61.47
3	- Any Other (Specify)	0	0
	Sub- Total	5750000	68.51
	TOTAL	8392400	100.00

Outstanding GDRs/ADRs/warrants or any Convertible Instruments  
Conversion date and likely impact on equity – Nil

## LOCATION

Registered office of the company is located at 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380 015.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Notice to the shareholder for MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR) as a part of the corporate governance report as per clause 49 of the listing agreement.

### 1. Industry Structure and Development:

The Company is mainly engaged in the business of chemicals, agrochemicals. Agriculture sector is vital for the food and nutritional requirement of the nation. The agrochemical industry has several crop protection products which can be broadly divided into herbicides, insecticides, fungicides and others. Herbicides prevent or reduce weeds. They mainly replace or reduce mechanical weeding and thereby help in reducing soil erosion, water loss and providing better targeted nutrition to the plants. Insecticides are used to control insects and pests that reduce crop yields and quality. Fungicides prevent and cure fungal plant diseases which affect crop yields and quality.

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Population has been rising everywhere. This results in higher food consumption. Farmable land is limited and hence, productivity of land has to increase. In India, agrochemical industry is set to progress very fast in the coming years. Government is providing various incentives and facilities for the growth of this sector.

## **2. Opportunities:**

The growth of the Company is dependent on good monsoon across the country, its timing and usual distribution largely. Indian agrochemical industry has a great potential to grow. Although input cost of agrochemicals has increased in India, still overall cost of production of agrochemicals is much lower in comparison to Western countries. Even today, the consumption of pesticides in India is very low in proportion to the area covered under agriculture. There is a large scope for innovating new products and exploration of new markets and governing of revenues from the still to be discovered avenues. Your Directors are taking appropriate measures to build recognition in the Indian Corporate world in order to exhibit the strength and capabilities of the Company. The company is in the preferred supplier(s) list of various renowned companies because of its quality and timely delivery schedules. The proven track record provides consistent orders from its customer base across the country.

The main threat to the industry is erratic monsoon and frequent changes in government policies which may result in ban of certain agrochemicals. To protect against such ban, higher costs have to be incurred to defend and protect the molecules. Further, unscrupulous formulators are a serious threat for the genuine players in the industry.

## **3. Segment-wise performance or product wise**

### Performance

Kemistar has a distribution and retail network both in cities and in the interiors through a combination of distributors and local retailers. The Company continues to strengthen its position in areas of sourcing raw materials, capturing value in supply chain and logistics, expanding manufacturing capabilities and widening its marketing network. The Company is operating in chemical and agrochemical products. The Company's focus on sustainable and long-term business vision has helped in impressive growth of its profitably.

## **4. Outlook**

The world economy is coming out of the downturn. Economies of USA and European countries are picking up again. This will benefit the Company significantly. The fundamentals of the Agriculture sector continue to be robust and will drive growth in the years to come. With the economy showing signs of recovery, demand for food, fodder and fuel will further go up and should lead to robust growth in agriculture. Rising population, coupled with declining rate in crop production across the world, is expected to cause continued thrust on arresting crop losses and, therefore, on increasing usage of pesticides. Further, the growing varieties of various pests, diseases, and their growing resistance to various pesticides will keep the demand for new products upbeat. With initiatives taken by the Company to properly educate and train the farmers, consumption of agrochemicals is expected to increase.

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## **5. Threats, Risk and Concerns:**

The main threat to the industry is erratic monsoon and frequent changes in government policies which may result in ban of certain agrochemicals. Volatility in raw material prices, fuel cost, crude oil and transportation cost can adversely affect the business operation and can thin out profitability of the Company. The exchange rate fluctuations between Dollar and Rupee also impact the raw material prices. With no entry barriers and competitive prices, the business of the company can be affected by competition in the industry.

## **6. Internal Control systems and its adequacy:**

The Company has implemented internal control system across its operations to ensure that all assets are adequately safeguarded and protected against loss from unauthorized use. The Company has established well defined roles of the employees of the company. The senior executives are equipped with authority and are responsible for major operational activities of the company. The Board of Directors is provided timely and requisite information for control and review of the operations of the company. The Company is taking service of independent internal auditors to assist the management in effective discharge of its responsibilities by furnishing it with findings, observations and pertinent comments, adequacy of internal controls, analysis and recommendations concerning the activities covered for audit and reviewed by it during the year. Findings of internal audit reports and effectiveness of internal control measures is reviewed by top management and audit committee of the Company. The Committee also meets the Statutory Auditors of the Company to ascertain, their views on the strengthening of internal control systems in the Company.

## **7. Financial Performance:**

### **A. Standalone Financial Performance:**

#### **(i) Net Sales and Other Income:**

Net Sales and other income for the year under review increased from Rs. 3,53,802 to Rs. 38,56,818, which is mainly on account of developing new customers and adding more items in our product range.

#### **(ii) Expenditure:**

The total expenditure increased from Rs. 2,93,583 to Rs. 38,43,948 for the financial year 2010-11. The increase in total expenditure is mainly attributable to the increase in depreciation, administrative expenses and financial cost.

#### **iv) Profit before Tax:**

The Profit before tax increased from Rs.1,35,152 to Rs. 3,29,024 for the year 2010-11, which was increased due to higher revenue and reduction in derivative loss as compared to year 2009-10.

#### **(v) Profit after tax:**

The profit after tax increased from Rs. 1,03,476 to Rs. 3,11,934 which is progressive sign of the business of company.

#### **(vi) Net Block:**

The net block decreased from Rs. 13,45,389 to Rs. 12,56,232 for the year 2010-11, which was on account of depreciation.

## 8. Development in Human Resources:

Kemistar Corporation Limited is committed to its human resources development. It recognizes and translates skills, expertise and talent of its team to achieve targeted growth of the Company. Team effort and its commitment, technical know-how, innovation and performance driven mindset enables the company to achieve desired results. The company provides continuous on job training, sends its employees to outside seminars and conducts training programmes in all functional areas for overall development of human attributes like leadership, management, technical competency & marketing. The company has also focused on planned organizational restructuring in key areas leading to higher productivity and efficiencies. The Company has continued to attract the best talent in all areas of competence.

### **CAUTIONARY STATEMENT:**

Certain statements made in this Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, estimates, expectations, predictions etc. may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc. whether express or implied. Several factors that could make a difference to Company's operations these include climatic conditions and economic conditions affecting demand and supply, changes in Government regulation tax regimes, natural calamities, etc. over which the Company does not have any direct control.

For and on behalf of the board of Directors

Place: Ahmedabad  
Date: 27<sup>th</sup> June, 2011

Sd/-	Sd/-
Ketankumar P. Patel	Vasantbhai B. Savalia
Managing Director	Director

## AUDITOR'S REPORT

To,  
The Members of:

### **KEMISTAR CORPORATION LIMITED (Formerly "Integrated Amusement Limited " )**

(1) I have audited the attached Balance Sheet of KEMISTAR CORPORATION LIMITED as at 31<sup>st</sup> March 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Company. My responsibility is to express an opinion on these financial statements.

(2) I have conducted my audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that, I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining of evidence supporting the amounts and on a test basis disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that, my audit provides a reasonable basis for my opinion.

(3). As required by Companies (Auditor' Report) Order, 2003(As amended) issued by the Central Government under Section 227 (4A) of the Companies Act, 1956, and on the basis of the books and records of the Company as I considered appropriate and according to the information and explanation given to me, I enclose in the annexure a statement on the matter specified in paragraph 4 and 5 of the said Order.

(4). Further to my Comments in Paragraph (3) above I Report that:-

- (a) I have obtained all the information and explanation which to the best of my knowledge and belief were necessary for the purpose of my audit.
- (b) In my opinion, proper Books of accounts as required by the law have been kept by the Company so far as appears from my examination of the books.
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the Books of Accounts.
- (d) In my opinion, the Balance Sheet and Profit and Loss Account of the Company complies with the mandatory Accounting Standards referred to in Sub Section 3(C) Section 211 of the Companies Act, 1956 **subject to relevant Notes contained under Schedule-3.**

# Kemistar

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- (e) On the basis of written representations received from the Directors of the Company as at 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, I report that, none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director of the Company in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
- (f) In my opinion and to the best of my knowledge and according to the explanations given to me, the said accounts ***read together with and subject to notes as contained under Schedule – 3***, give the information required by the Companies Act , 1956 in manner so required and give true and fair view in conformity with the accounting principles accepted in India :-
- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
  - (ii) In the case of Profit and Loss Account of the profit for the year ended on that date ;
  - (iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For, **JANAK SONI & ASSOCIATES**  
Chartered Accountants

Sd/-

PLACE: AHMEDABAD

DATE : June 27, 2011

CA Janakkumar S. Soni  
Proprietor  
F.R.No.121405W;  
M.No.110003

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Paragraph 3 of My Report of even date on the Accounts for the year ended on 31<sup>st</sup> March, 2011 of KEMISTAR CORPORATION LIMITED)

1. In respect of its fixed assets: -
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
  - (c) The Company has not disposed off substantial part of its fixed assets during the year and the going concern state of the Company is not affected.
2. In respect of its inventories: -
  - (a) Inventories have been physically verified by the management at reasonably regular intervals during the year.
  - (b) In my opinion and according to the information and explanation given to me, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3.
  - (a) The Company has not granted any secured or unsecured loans to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, no further comments are required to be made.
  - (b) The Company has not taken any secured or unsecured loans to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, no further comments are required to be made.
4. In my opinion and according to the information and explanation given to me, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of services. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal control system of the Company.

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5. (a). According to the information and explanations given to me, I am of the opinion that, the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.  
  
(b). According to the information and explanation given to me, there were no transactions exceeding the value of five lakh rupees in respect of any party in the current financial year. Therefore, Clause 4 (v) of the Companies (Auditor's Report) Order, 2003 is not applicable.
  6. The Company has not accepted any deposits from public. Consequently the directives issued by the Reserve bank of India read with the provisions of Section 58A , 58AA or any other relevant provisions of the Companies Act,1956 and the rules framed there under are not applicable . Therefore, no further comments are made.
  7. In my opinion, the Company has an Internal Audit System commensurate with the size of the Company and nature of its business
  8. I have been informed that the Central Government has not prescribed maintenance of Cost records under Section 209(1)(d) of the Companies Act , 1956 . Therefore, no comments are required to be made.
  9. In respect of statutory dues:-
    - (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance Contribution, Income tax, Excise Duty and Customs Duty, Sales tax and other dues as may be relevant have been generally regularly deposited with the appropriate authorities.
    - (b) As informed to me, there are no disputed statutory dues, which have not been deposited on account of matters pending before appropriate authorities.
  10. The Company has no accumulated losses at the end of the financial year and it has not made cash losses at the end of the financial year and immediately preceding financial year.
  11. The Company had no dues to financial institution, bank or debenture holders during the year under Audit. Therefore, no comments are required about repayment of dues thereon.
  12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, no further comments are required to be made.
  13. In my opinion, the Company is not a Chit fund, Nidhi / Mutual benefit fund / society. Therefore, Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
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14. According to the information and explanations given to me, the Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
15. According to the information and explanation given to me, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Therefore, Clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
16. As per the information and explanation given to me, the Company has not taken any term loan. Therefore, Clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
17. According to the information and explanations given to me and on the basis of an overall examination of the balance sheet of the Company, in my opinion, there are no funds raised on a short – term basis which have been used for long- term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered on the register maintained under Section 301 of the Companies Act, 1956. Therefore, Clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 s not applicable.
19. The Company has not issued any debentures. Accordingly, Clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, Clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
21. In my opinion and according to the information and explanations given to me , no fraud on or by the Company has been noticed or reported during the year , that causes the financial statements to be materially misstated . Accordingly, Clause 4 (xxi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

**For, JANAK SONI & ASSOCIATES  
Chartered Accountants**

Sd/-

**PLACE: AHMEDABAD**

**DATE : June 27, 2011**

**CA Janakkumar S. Soni  
Proprietor**

**F.R.No.121405W M.No.110003**

## BALANCE SHEET AS AT 31ST MARCH 2011

( In Rs.)

SR. NO.	PARTICULARS	SCH NO.	As at 31.03.2011	As at 31.03.2010
I	<b><u>SOURCES OF FUNDS</u></b>			
	<b>SHARE HOLDERS' FUNDS</b>			
1	Share Capital	A	83,924,000	83,924,000
2	Reserves and Surplus	B	577,843	265,909
	Total Sources of Funds		84,501,843	84,189,909
II	<b><u>APPLICATION OF FUNDS</u></b>			
1	<b>FIXED ASSETS</b>	G		
a	Gross Block		2,050,980	2,050,980
b	Less : Depreciation		794,748	705,591
c	Net Block		1,256,232	1,345,389
d	Capital Work in Progress		64,149,971	64,149,971
			65,406,203	65,495,360
2	<b>INVESTMENTS</b>	C	5,737,587	4,101,433
3	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	D		
	(a) Sundry Debtors		236,863	315,171
	(b) Cash & Bank balance		906,502	2,337,000
	(c) Loans and Advances		10,770	60,019
			1,154,135	2,712,190
4	<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	E	430,020	749,846
	<b>NET CURRENT ASSETS</b>		724,115	1,962,344
5	<b>DEFERRED TAX ASSET</b>		6,778	3,612
6	<b>MISCELLANEOUS EXPENDITURE</b>	F	12,627,160	12,627,160
	Total Application of Funds		84,501,843	84,189,909
	<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>	3		

Subject to my Report of even date annexed herewith.

**For JANAK SONI & ASSOCIATES**  
Chartered Accountants

**For, Kemistar Corporation Limited**

Sd/-

(CA Janakkumar S. Soni )

Proprietor

F. R. No. 121405W ; M. No. : 110003

Place : Ahmedabad

Date : June 27, 2011

Sd/-

Director

Sd/-

Director

Place: Ahmedabad

Date : June 27, 2011

# Kemistar

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

SER. NO.	PARTICULARS	SCH NO.	For the Year Ended 31.03.2011	For the Year Ended 31.03.2010
I	<b>INCOME</b>			
1	Sales & Other Income	1	3,853,652	350,190
2	Deferred Tax Income		3,166	3,612
	Total Income		3,856,818	353,802
II	<b>EXPENDITURE</b>			
1	Salary Expense		60,000	57,150
2	Purchase		3,474,795	-
3	Depreciation		89,157	95,172
4	Other Administrative Expenses	2	219,996	141,261
	Total Expenditure		3,843,948	293,583
III	<b>Ordinary Profit for the year [I-II ]</b>		12,870	60,219
	<b>Add: Extra-Ordinary Items</b>			
	Profit on Redemption of Mutual Funds			
	Short Term Capital Gain		62,517	81,433
	Long Term Capital Gain		253,637	-
	<b>(Less) : Prior Period Expense</b>			
	Audit Fees paid for Prior Period		-	(6,500)
	<b>Profit Before Tax [I-II ]</b>		329,024	135,152
IV	<b>Provision for Income tax</b>		17,090	31,676
V	<b>Profit After Tax Carried to Balance Sheet ( III - IV )</b>		311,934	103,476
VI	<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS</b>	3		

Subject to my Report of even date annexed herewith.

For JANAK SONI & ASSOCIATES

Chartered Accountants

Sd/-

(CA Janakkumar S. Soni )

Proprietor

F. R. No. 121405W ; M. No. : 110003

Place : Ahmedabad

Date : June 27, 2011

For, Kemistar Corporation Limited

Sd/-

Director

Sd/-

Director

Place : Ahmedabad

Date : June 27, 2011

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

( In Rs.)

SR. NO.	PARTICULARS	As at 31.03.2011	As at 31.03.2010
1	<b>SCHEDULE - A : SHARE CAPITAL</b>		
a	<b>Authorised Share Capital</b> 85,00,000 ( Previous Year 85,00,000) Equity Shares of Rs.10/- (Previous Year Rs.10/-) each	85,000,000	85,000,000
b	<b>Issued, Subscribed &amp; Paid-up Share Capital</b> 83,92,400 ( Previous Year 83,92,400 Equity Shares of Rs.10/- (Previous Year Rs.10/- ) each; fully paid up ..... Total Share Capital	83,924,000 83,924,000	83,924,000 83,924,000
2	<b>SCHEDULE -B : RESERVES &amp; SURPLUS</b>		
	<b>Profit &amp; Loss Account Reserve</b> Balance as per Last Balance Sheet Add : Net Profit for the Year ( Profit & Loss A/c ) Closing Balance	265,909 311,934 577,843	162,433 103,476 265,909
3	<b>SCHEDULE - C : INVESTMENTS</b>		
a	AGR-EH Technologies Pvt. Ltd.	4,520,000	-
b	Reliance Money ( Mutual Funds )	1,197,587	4,081,433
c	NSC	20,000	20,000
	Total Investments	5,737,587	4,101,433
4	<b>SCHEDULE - D : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
a	<b><u>Sundry Debtors ( Considered Good )</u></b> Above Six Months :-		
i	K. P. International Private Limited	-	177,643
	Others :-		
i	K. P. International Private Limited	-	137,528
ii	Akash Industries	236,863	-
		236,863	315,171
b	<b><u>Cash &amp; Bank Balances</u></b>		
b1	Balance with Banks :( Current Accounts ) :-		
i	Punjab National Bank	624,345	804,574
ii	The Kalupur Commercial Co. Op. Bank Ltd.	41,796	604,860
		666,141	1,409,434
b2	Cash in Hand	240,361	927,566
	Total Cash & Bank Balances	906,502	2,337,000

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

( In Rs.)

SR. NO.	PARTICULARS	As at 31.03.2011	As at 31.03.2010
c	<b><u>Loans &amp; Advances</u></b>		
i	Income Tax Deducted At Source : F.Y.09-10	-	35,019
ii	G.S.T. ( VAT )	10,770	25,000
	Total Loans & Advances	10,770	60,019
	Total Current Assets, Loans & Advances	1,154,135	2,712,190
5	<b>SCHEDULE - E : CURRENT LIABILITIES &amp; PROVISIONS</b>		
A	<b><u>Current Liabilities</u></b>		
	Sundry Creditors :-		
	Saaj Chemical Agency	219,780	-
		219,780	-
B	<b><u>Provisions</u></b>		
a	Provision for Income Tax	17,090	31,676
b	Unpaid Audit Fees	15,000	10,000
c	Unpaid Consultancy Fees	5,000	-
d	Unpaid Company Law Compliance Fees	-	463,713
e	Unpaid G.I.D.C. Purchase Price	173,150	244,457
		210,240	749,846
	Total Current Liabilities & Provisions	430,020	749,846
6	<b>SCHEDULE - F : MISCELLANEOUS EXPENDITURE</b>		
a	Public Issue Expenses	8,050,020	8,050,020
b	Pre- Operative Expenses	4,187,075	4,187,075
c	Preliminary Expenses	390,065	390,065
	Total Miscellaneous Expenditure	12,627,160	12,627,160

## SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

### SCHEDULE : G : FIXED ASSETS & DEPRECIATION

SR. NO.	DESCRIPTION	RATE	GROSS BLOCK (AT COST)			DEPRECIATION BLOCK			NET BLOCK	
			Opening Balance As on 01.04.10 Rs.	Additions Rs.	Closing Balance As on 31.03.11 Rs.	Upto 31.03.10 Rs.	For the Year Rs.	Upto 31.03.11 Rs.	As at 31.03.11 Rs.	As at 31.03.10 ( Previous Year) Rs.
1	Furniture- Office	Note(1)	6,904	-	6,904	6,775	-	6,775	129	129
2	Furniture- Club house	6.33	375,250	-	375,250	179,435	23,753	203,188	172,062	195,815
3	Club house & Health Centre Equipments	4.75	825,000	-	825,000	300,963	39,188	340,151	484,849	524,037
4	Kitchen Equipments	4.75	325,500	-	325,500	118,742	15,461	134,203	191,297	206,758
5	Computer Purchase	Note(2)	85,201	-	85,201	80,941	-	80,941	4,260	4,260
6	Building	3.34	322,000	-	322,000	18,735	10,755	29,490	292,510	303,265
7	Land	---	111,125	-	111,125	-	-	-	111,125	111,125
<b>TOTAL</b>			2,050,980	-	2,050,980	705,591	89,157	794,748	1,256,232	1,345,389
<b>Previous Year ( 2009-2010 )</b>			2,048,180	2,800	2,050,980	610,419	95,172	705,591	1,345,389	1,437,761

#### Notes

(1). No depreciation has been provided on Furniture at Office, since the amount is not mate

(2). No depreciation had been provided on Computer during the Accounting Year 2009-2010 , so that the residual value at the end of Year could be kept at 5% of the Cost. Accordingly, no depreciation there on has been provided during the current accounting year.

## SCHEDULE – 3

### SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS

#### (I). SIGNIFICANT ACCOUNTING POLICIES

##### (1). Basis of Accounting :-

The Financial Statements are prepared in accordance with the requirements of the Companies Act , 1956 under the historical cost convention on an accrual basis unless otherwise stated and / or immaterial .

##### (2). Revenue Recognition :-

(a). Revenue is recognized when it is reasonably certain that it will be received .

(bi). Revenue from Redemption of Mutual Funds has been recognized on realization Basis.

##### (3). Fixed Assets :-

(a). Fixed Assets are shown at Cost less Depreciation amount.

(bi). Capital Work In Progress has been shown at actual costs.

##### (4). Depreciation :-

(a).Depreciation is calculated on all the fixed assets on Straight Line Method at the rates and manner specified under the Companies Act, 1956, subject to Notes provided below the relevant Schedule "G".

(b).No depreciation has been provided on Capital Work In Progress.

##### (5). Retirement Benefits ( AS 15 ) :-

All Retirement benefits including Gratuity will be recognized on cash basis. No actuarial valuations has been made as required under AS 15.

##### (6). Deferred Tax Liability /Asset(AS 22) :-

The Company has made accounting for Deferred tax Assets as per AS 22.

##### (7). Provision for Income Tax :-

Provision for Income tax has been made as per the calculations made by the Company.

##### (8). Miscellaneous Expenditure :-

Preliminary and Pre-Operative Expenses as well as Public Issue Expenses are kept pending allocation.

##### (9). Contingent Liabilities :-

Contingent Liabilities will be shown under Notes forming Part of Accounts.

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(10). Prior- Period Items and Extra-Ordinary Items :-

These are shown directly in the Profit & Loss Account.

(II). **NOTES FORMING PART OF ACCOUNTS**

(1). Contingent Liability :-

As Certified by the Management, there is no contingent liability.

(2). Balances of all the parties are subject to confirmation and reconciliation .

(3). Deferred Tax Asset / ( Liability ) as per AS – 22 :-

	Current Year Rs.	Previous Year Rs.
Due to Timing Differences	3,145	1,557
Due to Permanent Differences	22	2,055
Total	3,166	3,612

(4). In the opinion of the management, the current assets and advances are approximately of the values stated, if realized in the ordinary course of business unless otherwise stated. The provisions of all liabilities are adequate and not in excess of the amount considered reasonably necessary.

(5). Payment to Auditors :-

	Current Year Rs.	Previous Year Rs.
Audit Fees	15,000	21,500
Taxation Fees	500	-
Fees for Other Assignments	14,500	-
Total	30,000	21,500

(6). Previous Year's figures have been re-grouped and re-arranged wherever considered necessary.

(7). Immaterial items have been ignored on making disclosure.

(8). Wherever external evidences were not available, reliance had been made on internal evidences and / or Explanations provided by the client.

(9). Additional Information pursuant to the provisions of Clause 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 ; being not applicable has not been provided.

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(10). Additional Information pursuant to the provisions of Clause 4C and 4D of Part II of Schedule VI to the Companies Act, 1956; being not applicable has not been provided.

(11). Related Party Disclosure :-

Related party :- K P International Private Limited

Transaction :- Sales : Rs.67,200/-

(12). Earnings Per Share :-

	Current Year	Previous Year
Net Profit After tax ( In Rs.)	311,934	103,476
Number of Equity Shares	8,392,400	8,392,400
Earnings Per Share ( In Rs.)	0.037	0.012

(13). Balance Sheet Abstract as per Part IV of Schedule VI to the Companies Act, 1956 As per Annexure.

(14). Schedules A to G as well as Schedule 1 to 3 forms part of the Financial Statements.

**For, JANAK SONI & ASSOCIATES**  
**Chartered Accountants**

**FOR, KEMISTAR CORPORATION LIMITED**

Sd/-

**C.A .Janakkumar S. Soni**  
**Proprietor**  
**Membership No. :- 110003**

Sd/-  
**Director**

Sd/-  
**Director**

**PLACE :- AHMEDABAD**

**PLACE :- AHMEDABAD**

**DATE :- June 27, 2011**

**DATE :- June 27, 2011**

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

SR. NO	PARTICULARS	VALUE
1	Registration Details :-	
	a. Registration Number	22845
	b. State Code	04
	c. Balance Sheet Date	31-03-2011
2	Capital Raised during the year :-	
	a. Public Issue	NIL
	b. Right Issue	NIL
	c. Bonus Issue	NIL
	d. Private Placement ( Rs.'000 )	NIL
3	Position of Mobilisation and Deployment of Funds :-	
3.1	a. Total Liabilities (Rs.'000)	84,932
	b. Total Assets (Rs.'000)	84,932
3.2	Sources of Funds :-	
	a. Paid up Capital (Rs.'000)	83,924
	b. Reserves & Surplus (Rs.'000)	578
	c. Secured Loans (Rs.'000)	-
	d. Unsecured Loans(Rs.'000)	-
	Total Sources of Funds(Rs.'000)	84,502
3.3	Application of Funds :-	
	a. Net Fixed Assets (Rs.'000)	65,406
	b. Investments (Rs.'000)	5,738
	c. Net Current Assets (Rs.'000 )	724
	d. Miscellaneous Expenditure (Rs.'000)	12,627
	e. Accumulated Losses (Rs.'000)	-
	f. Deferred Tax Asset (Rs.'000 )	7
	Total Application of Funds (Rs.'000)	84,502
4	Performance of Company :-	
	a. Turnover (Rs.'000)	0
	b. Other Income ( Rs.'000)	3857
	b. Total Expenditure ( Rs.'000)	3844
	c. Profit Before Tax ( Rs.'000)	13
	d. Profit After Tax ( Rs.'000)	312
	e. Earning per Share ( Rs.)	0.037
	f. Dividend Rate ( % )	NIL
5	Generic Names of three Principal Products/ Services of Company ( As per Monetary Terms ) :-	
	a. Item Code No.( ITC Code )	
	b. Product Description	Chemicals

## CASH FLOW STATEMENT

(Rs.In'000)

SR. NO.	PARTICULARS	As at 31.03.2011	As at 31.03.2010
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
I	Net Profit Before Tax	329.02	135.15
II	Adjustments for :-		
1	Depreciation	89.16	95.17
2	Interest and Financial Charges	-	-
3	Miscellaneous Expenditure Written Off	-	-
4	Interest, Guarantee Commission and Dividend Income	-	-
5	Profit on Redemption of Mutual Funds	-	(81.43)
6	Provision for Taxation earlier year written back/Tax for the year	17.09	(31.68)
7	Provision for doubtful debts		
8	Deferred Tax Income ( - )	(3.17)	(3.61)
III	Operating Profit Before Working Capital Changes	432.11	113.60
	Adjustments for :-		
1	Decrease/(Increase) in Trade & Other Receivables :-	127.56	3,258.06
2	Increase/(Decrease ) in Trade & Other Payables	(319.83)	371.87
	<b>Net Cash from Operating Activities</b>	239.84	3,743.53
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
1	Sale of long term investments	3,200.00	-
2	Purchase of fixed assets (including Capital Work-in Progress)	-	(2.80)
3	Loans and Advances made to other parties	-	-
4	Pre-operative expenses	-	-
5	Miscellaneous expenses to the extent not written off	-	-
6	Adjustment for other trade payable (other payable)	-	-
7	Sale of fixed assets(Including Capital Work in Progress)	-	-
8	Interest and Dividend income received	-	-
9	Tax deducted at source on interest & dividend income	-	-
10	Advance to subsidiary company	-	-
11	Purchase of short term investments (net after redemption)	-	(1,700.00)
12	Short term deposit with Companies (net)	(4,520.00)	-
13	Bills of exchange placed with Companies (net)	-	-
	<b>Net Cash obtained / (Used) in Investment Activities</b>	(1,320.00)	(1,702.80)
C	<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
1	Proceeds from long term borrowings	-	-
2	Proceeds from issue of shares (net of public issue expenses)	-	-
3	Refund of Shares Application Money	-	-
4	Repayment of term loan	-	-
5	Increase in Bank Borrowings (net)	-	-
6	Dividend paid	-	-
7	Other Borrowings	-	-
	<b>Net Cash From/ (in) Financial Activities</b>	-	-

## CASH FLOW STATEMENT

(Rs.In'000)

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>As at 31.03.2011</b>	<b>As at 31.03.2010</b>
D	NET INCREASE / (DCREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,080.16)	2,040.73
E	OPENING CASH AND CASH EQUIVALENTS	2,337.00	296.27
F	CLOSING CASH AND CASH EQUIVALENTS (D+E)	906.50	2,337.00

Place :- Ahmedabad

Date :- June 27, 2011

## **AUDITOR'S CERTIFICATE**

I have examined the above Cash Flow Statement of Kemistar Corporation Limited (formerly " Integrated Amusement Limited ") for the year ended 31st March, 2011. The Statement have been prepared by the Company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and is in agreement with the Profit & Loss Account and the Balance Sheet of the Company covered by my Report of 27th June, 2011 to the Members of the Company.

For, JANAK SONI & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-

Place :- Ahmedabad  
Date :- June 27, 2011

C.A. Janakkumar S. Soni  
( Proprietor )

FORM OF PROXY

**Kemistar Corporation Ltd**

(FORMERLY KNOWN AS INTEGRATED AMUSEMENT LTD)

604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015.

Regd. Folio No. \_\_\_\_\_

I / We \_\_\_\_\_ of \_\_\_\_\_  
in the District of \_\_\_\_\_ being a member of the above named  
Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ of failing him \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ as my  
/ our proxy to vote for me/us on my/our behalf at the Annual General Meeting of  
the Company to be held on 25<sup>th</sup> August , 2011 and at any adjournment thereof.

Signature \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_.

Note : The Proxy form duly completed must be deposited at the Registered Office  
of the Company not less than 48 hours before the commencement of the meeting.

------(TEAR HERE)-----

**Kemistar Corporation Ltd**

(FORMERLY KNOWN AS INTEGRATED AMUSEMENT LTD)

604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad – 380015

ATTENDANCE SLIP

Seventeenth Annual General Meeting – 25<sup>th</sup> August, 2011.

Regd. Folio No. \_\_\_\_\_

I certify that I am registered shareholder/proxy for the registered shareholder of  
the company.

I hereby record my presence at the Seventeenth Annual General Meeting of the  
Company at the Regd. Office: 604, Manas Complex, Jodhpur Cross Road, Satellite,  
Ahmedabad – 380015 on the 25<sup>th</sup> August, 2011 at 11.00 am.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

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**BOOK – POST**

**TO,**

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If undelivered please return to

Kemistar Corporation Limited  
Corp. Off:  
604, MANAS COMPLEX,  
NR.JODHPUR CROSS ROAD  
SATELLITE  
AHMEDABAD – 380 015