

**KEMISTAR
CORPORATION
LIMITED**

Annual Report
2011-2012



*Certified
True Copy*

BOARD OF DIRECTORS

1. Ketankumar Patel
2. Vasantbhai B Savalia
3. Sayji V. Gondalia
4. Maheshkumar Kanani

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 Eighteenth Annual General Meeting of the Members of Kemistar Corporation Ltd will be held on 29th September, 2012 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 2012 and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Vasantbhai Babubhai Savalia, who retires by rotation.
3. To appoint and fix remuneration of Janakkumar 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 modifications, the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Sayji Vastabhai Gondalia, who was appointed as an additional independent director of the Company by the Board of Directors to hold office up to the date of ensuing Annual General Meeting as per Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company, liable to retire by rotation."

5. To Consider and if thought fit to pass, with or without modifications, the following resolution as an Ordinary Resolution:

RESOLVED that Mr. Maheshkumar Kanani, who was appointed as an additional independent director of the Company by the Board of Directors to hold office up to the date of ensuing Annual General Meeting as per Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company, liable to retire by rotation."

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

Place : Ahmedabad
Date : 17/08/2012

By Order and on behalf of the Board

Sd/-
Ketrankumar Patel
Director

NOTES:

1. An Explanatory Statement as required under section 173(2) of the Companies Act, 1956 pertaining to the business contained in Items 4 to 7 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 September 27, 2012 to September 29, 2012 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.
- The company is having depository arrangement with National Securities Depository Limited (NSDL), to facilitate the shareholders to hold and trade company's equity shares in electronic form. Interested shareholders can avail this facility by opening a beneficiary account with depository participants. For more details shareholders may contact the company's depository transfer agents, Purva Share Registry Pvt. Ltd, 9, Shivshakti Ind. Estate, Lower Parle (E) Mumbai-400011.

Explanatory Statement

[Pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 4 and 7 of the Accompanying notice date August 20, 2012 convening the 18th Annual General Meeting of the Company on September 29, 2012.

Item No. 4

Pursuant to Article 134 of Articles of Association of the Company and in terms of section 260 of the Companies Act, 1956, Mr. Savji Vastabhai Gondalia was appointed as an Additional Independent Director with effect from 9th June, 2011 on the Board of the Company. Pursuant to provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting.

The Company has received notice in writing from a member proposing the name of Mr. Savji Vastabhai Gondalia as an Independent Director of the Company.

Mr. Savji Vastabhai Gondalla, 54 years, is an Independent Director of our Company. He holds a Masters Degree in Chemistry.
The Board recommends that he may be appointed as Independent Director liable to retire by rotation. Your Directors recommend the resolution for approval of the Shareholders. Mr. Savji Vastabhai Gondalla is interested in the resolution to the extent of his appointment as Independent Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.
Item No. 5

Pursuant to Article 134 of Articles of Association of the Company and in terms of section 260 of the Companies Act, 1956, Mr. Maheshkumar Kanani was appointed as an Additional Independent Director with effect from 17th January, 2012 on the Board of the Company pursuant to provisions of Section 260 of the Companies Act, 1956, he holds office as Director up to the date of ensuing Annual General Meeting.
The Company has received notice in writing from a member proposing the name of Mr. Maheshkumar Kanani as an Independent Director of the Company. Mr. Maheshkumar Kanani, 45 years, is an Independent Director of our Company.
The Board recommends that he may be appointed as Independent Director liable to retire by rotation. Your Directors recommend the resolution for approval of the Shareholders. Mr. Maheshkumar Kanani is interested in the resolution to the extent of his appointment as Independent Director. No other Director of the Company is in any way concerned or interested in the proposed resolution.
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.
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.

By order and on behalf of the Board

Place : Ahmedabad
Date: 17/08/2012

Sd/-
Ketankumar Patel
Director

DIRECTORS' REPORT

Dear Shareholder,

The Directors of your Company are pleased to present their **EIGHTEENTH ANNUAL REPORT** together with the Audited Statement of Account for the Financial Year 2011-2012 ended on **31st March 2012**.

PROJECT PROGRESS

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

Particulars	Year 2011-12 (Rs.)	Year 2010-11 (Rs.)
Income from operations	2926402	3856818
Income from other heads	38446	316154
Total Expenditure	4003171	3843948
Profit Before Tax	-1043269	329024
Provision for MAT	-	17090
Profit After Tax	-1043269	311934

DIVIDEND

In absence of adequate profit, your Directors are unable to recommend any Dividend for the year ended 31st March 2012.

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

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.

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 Patel
 2. Mr. Savji V. Gondalia

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 re-appointment. The Company has also received certificate of their eligibility for re-appointment under section 224 (1-B) of the Companies Act, 1956 from them.

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 OD 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 : 17/08/2012

Sd/-
Managing Director

Sd/-
Director

(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, one executive Director and two independent Directors, the directors proposes to expand its strengths by appointing more professional and independent directors as per prevalent guidelines.

DATE & 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. Ketankumar Patel	Managing Director	6	Yes	2
Mr. Vasantbhai B. Savalla	Director	6	Yes	0
Mr. Savji V Gondalia	Director	6	Yes	2
Mr. Maheshkumar Kanani	Director	1	No	1

(C) AUDIT COMMITTEE

The company has audit committee consisting of two directors Shri Ketankumar Patel and Shri Savji V. Gondalia. Shri Ketankumar Patel will be chairman and Shri Savji V. Gondalia will be secretary of audit committee.

1. Mr. Ketankumar Patel

2. Mr. Savji V. Gondalia

(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.

(F) SHARE TRANSFER COMMITTEE

The approval of share transfers is directly looked into by two of the Directors Mr. Ketankumar Patel and Mr. Savji V. Gondalia and no transfer of shares were pending as on 31st march 2012.

(G) GENERAL BODY MEETING:

The last three Annual General Meetings were held as under:

Year	Date	Time	Place of Meeting
2010-11	25/08/2011	11.00 AM	604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad - 380015.
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.

(H) DISCLOSURES

Related Party Transactions: During the year 2011-2012, there is a transactions with K.P INTERNATIONAL PVT LTD of Rs. 8,92,500/- and AGR-EH Technologies Pvt. Ltd. of Rs.1,61,347/-

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 : 29th September, 2012

Place of Meeting : Registered office of the company.

Financial Calendar : 1st April to 31st 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. Bombay Stock Exchange Ltd. 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 2011-12.

Ketankumar 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.

Market Price Data

The Monthly high and Low prices and volumes of share at and Bombay Stock Exchange Limited for the year ended on 31st March, 2012 are as under:-

Month	Kemistar Corporation Ltd			Nos. of Shares Traded	Turn over Rs. in lacs
	High Rs	Low Rs	Close Rs		
April 11	--	--	--	--	--
May 11	--	--	--	--	--
June 11	--	--	--	--	--
July 11	--	--	--	--	--

August 11	45.00	42.76	42.76	200	0.08776
September 11	40.65	34.95	34.95	800	0.31360
October 11	33.25	14.80	14.80	1800	0.40590
November 11	14.07	5.71	6.29	6700	0.53677
December 11	8.74	4.24	8.74	23600	1.21223
January 12	9.08	8.24	8.24	5100	0.45476
February 12	8.08	7.77	7.77	400	0.03189
March 12	8.15	6.10	6.10	1100	0.07488

There has been no trading in the shares on Vadodara Stock Exchange and Ahmedabad Stock Exchange during the year under review and hence this data has not been provided.

Distribution of shareholding as on 31st March 2012.

Sr.	Category	No. of Shares Held	Percentage of Shareholding
A	Promoters Holding	2642400	31.49
1	- Indian Promoters & persons acting in concert		0
2	- Foreign Promoters		
	Sub-Total	2642400	31.49
B	Non-Promoters Holding	0	0
	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	414000	4.93
1	- Private Bodies - Other Bodies Corporate	5336000	63.58
2	- Indian Public	0	0
3	- Any Other (Specify)	5750000	68.51
	Sub- Total	8392400	100.00
	TOTAL		

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:

Following a period of decline in overall market values, the global pesticides industry – as expected has recovered in 2011 and has registered a modest growth. The Indian crop protection chemicals market has seen a sustained increase from 2005 onwards, resulting in India being ranked third in best global market performance – after Argentina and Brazil, with a compound annual growth rate of 10 percent. This is mainly due to the consistent monsoon seasons, over-supply resulting in pesticides being more financially feasible for usage by farmers and growth seen in the export market.

The per capita consumption of pesticides in India is still very low compared to the developed countries and manufacturers need a smart 'get to market' strategy to achieve better reach and acceptance of products. The demand will also be driven by the rising food grain demand and increasing awareness about pesticide usage among the farmer community. The global pesticides market expected to grow at an average annual rate of 2.2% till 2014 and with favorable market factors – lead by sustained demand for food grains and bio-fuels and government's focus on development of agriculture. The government is focusing to bring a green revolution in the eastern states and improve productivity of crops in rain-fed areas. The government is expected to spend an additional 1.1 trillion rupees to boost farm production and productivity over the next five years.

2. OPPORTUNITIES AND OUTLOOK:

Opportunities are huge for the Agriculture Sector as well as the agro chemicals, as per the budget presentation also; thrust is being laid in converting the forest area to agricultural land. Government is also planning to pump in huge funds to increase the productivity. Credit flow is also promised to increase from 1 Lac Crores to 5.75 Lac Crores. Moreover, Due to NREGA, there is a shortage of manpower leading to high labour cost, which has resulted in the increased usage of Herbicides. Need not the mention, shrinking of agricultural lands has increased the trends of agrochemicals usage in the recent past. The awareness among the farmers is increasing and he is willing to invest in new technology. 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.

3. RISK, CONCERNS AND THREATS:

The performance of Agrochemical industry is dependent on monsoon. The erratic rainfall affect the crop acreages, pest application and overall productivity directly affect the sales. 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.

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 profitability.

4. 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 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, 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.

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 31st March 2012 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 (Auditors' 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 **read together with and subject to relevant Notes Forming part of the financial statements.**

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(e) On the basis of written representations received from the Directors of the Company as at 31st March 2012 and taken on record by the Board of Directors, I report that, none of the Directors is disqualified as on 31st March, 2012 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 relevant notes Forming part of financial statements**, 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 31st March 2012;
- (ii) In the case of Profit and Loss Account of the loss 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
F.R.No.121405W

Sd/-

CA Janakkumar S. Soni
Proprietor

PLACE: AHMEDABAD

DATE: August 17, 2012

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 31st March, 2012 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 procedures 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 was 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 from 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 for the purchase of inventory, and for the sale of goods and 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.

- (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 accumulated losses of the company has not exceeded 50 percent of its Net Worth. It has incurred cash losses in the financial year concerned however The Company has not incurred cash losses in 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. As information given to me 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.

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 in the register maintained under Section 301 of the Companies Act, 1956. Therefore, Clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is 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.

PLACE: AHMEDABAD
DATE : August, 17, 2012

CA Janakkumar S. Soni
Proprietor
M.No.110003

For, JANAK SONI & ASSOCIATES
Chartered Accountants
F.R.No.121405W

Sd/-

Balance Sheet as at : 31 March, 2012

Sr. No.	Particulars	Note No.	As at 31 March, 2012	As at 31 March, 2011
1	EQUITY AND LIABILITIES			
	Shareholders' funds			
	(a) Share capital	1	83,924,000	83,924,000
	(b) Reserves and surplus	2	(465,426)	577,843
	(c) Money received against share warrants			
			83,458,574	84,501,843
2	Share application money pending allotment		-	-
3	Non-current liabilities			
	(a) Long-term borrowings	3	-	-
	(b) Deferred tax liabilities (Net)	4	106,738	173,150
	(c) Other long-term liabilities	5	-	-
	(d) Long-term provisions			
			106,738	173,150
4	Current liabilities			
	(a) Short-term borrowings	6	129,393	219,780
	(b) Trade payables	7	12,168	(10,770)
	(c) Other current liabilities	8	15,000	37,090
	(d) Short-term provisions			
			156,561	246,100
	TOTAL [1+2+3+4]		83,721,873	84,921,093
II	ASSETS			
	Non-current assets			
	(a) Fixed assets	9	1,203,453	1,256,232
	(i) Tangible assets		-	-
	(ii) Intangible assets		64,149,971	64,149,971
(iii) Capital work-in-progress		-	-	
(iv) Intangible assets under development		-	-	
(v) Fixed assets held for sale		-	-	
	(b) Non-current investments	10	65,353,424	65,406,203
			20,000	20,000

2	(c) Deferred tax assets (Net)	11	1,832	6,778
	(d) Long-term loans and advances	12	12,647,160	12,627,160
	(e) Other non-current assets		78,022,416	78,060,141
	Current assets			
	(a) Current investments	13	5,094,033	5,717,587
	(b) Inventories	14	-	-
	(c) Trade receivables	15	274,325	236,863
	(d) Cash and cash equivalents	16	317,099	906,502
	(e) Short-term loans and advances	17	14,000	-
	(f) Other current assets	18	-	-
	TOTAL [1+2]		83,721,873	84,921,093

See accompanying notes to and forming part of the financial statements, as per Annexure-1.

As per my audit report of even date attached.

For, JANAK SONI & ASSOCIATES

Chartered Accountants

F.R.N. :- 121405W

Sd/-

C.A. Janakkumar S. Soni

Proprietor

M. No. :- 110003

Place : AHMEDABAD

Date : 17th August, 2012

Sd/-
Director

Sd/-
Director

For and on behalf of the Board of Directors

Place : AHMEDABAD

Date : 17th August, 2012

Profit and loss statement for the year ended : 31 March, 2012

Sr. No.	Particulars	Note No.	For the year ended	
			31 March, 2012	31 March, 2011
			Rupees	Rupees
I	Revenue from operations	23	2,926,402	3,852,235
II	Other income	24	38,446	317,571
III	Total Revenue (I + II)		2,964,848	4,169,806
IV	Expenses :-			
	(a) Cost of materials consumed	25		
	(b) Purchases of stock-in-trade	26	2,593,606	3,474,795
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27		
	(d) Employee benefits expense	28	60,000	60,000
	(e) Finance costs	29		
	(f) Depreciation and amortization expenses	30	52,779	89,157
	(g) Other expenses	31	326,113	219,996
	Total expenses		3,032,498	3,843,948
V	Profit / (loss) before exceptional and extraordinary items and tax (III-IV)		(67,650)	325,858
VI	Exceptional items	32		
VII	Profit / (loss) before extraordinary items and tax (V - VI)		(67,650)	325,858
VIII	Extraordinary items	33	970,673	
IX	Profit / (loss) before tax (VII-VIII)		(1,038,323)	325,858
X	Tax expense:			
	(a) Current tax		4,946	17,090
	(b) Deferred tax		4,946	(3,166)
XI	Profit / (loss) from continuing operations (IX-X)		(1,043,269)	311,934
XII	Profit / (loss) from discontinuing operations (before tax)			

XIII	Tax expense of discontinuing operations			
XIV	Profit/(Loss) from Discontinuing operations (after tax)(XII-XIII)			
XV	Profit / (Loss) for the period (XI+ XIV)	(1,043,269)		311,934
XVI	Earnings Per Equity Share	(1) Basic	(0.12)	0.04
		(2) Diluted	(0.12)	0.04

See accompanying notes to and forming part of the financial statements, as per Annexure-1.

As per my audit report of even date attached:

For, JANAK SONI & ASSOCIATES

Chartered Accountants

F.R.N. :- 121405W

Sd/-

C.A. Janakkumar S. Soni
Proprietor

M. No. :- 110003

Place AHMEDABAD

Date : 17th August, 2012

For and on behalf of the Board of Directors

Sd/-

Director

Place : AHMEDABAD

Date : 17th August, 2012

Accounting Year : 2011-2012
Notes to and forming part of the financial statements (As per Schedule VI)(Revised)
Note 1 : Share capital

ANNEXURE -1

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rupees	Number of shares	Rupees
(a) Authorised :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	8,500,000	85,000,000	8,500,000	85,000,000
(b) Issued :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	8,392,400	83,924,000	8,392,400	83,924,000
(c) Subscribed and fully paid up :- Equity shares of Rs.10/- each with voting rights (all other than differential voting rights)	8,392,400	83,924,000	8,392,400	83,924,000
(d) Subscribed but not fully paid up				
Total	8,392,400	83,924,000	8,392,400	83,924,000

Particulars of Shares held by each Share holder holding more than 5 (five) percent shares :-

Name of Share holder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rupees	Number of shares	Rupees
	NIL	NIL	NIL	NIL

(*) Holding more than 5 % of total fully paid up shares. He is a Director in the Company.
Particulars of Calls Unpaid :-

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rupees	Number of shares	Rupees
(a) . Unpaid by directors and Officers	NIL	NIL	NIL	NIL
(b). Unpaid by Others	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
Note 2 : Reserves and surplus		
(a) Capital reserve	-	-
(b) Capital redemption reserve	-	-
(c) Securities premium account	-	-
(d) Debenture redemption reserve	-	-
(e) Revaluation reserve	-	-
(f) Share options outstanding account	-	-
(g) Other Reserves :-	-	-
(i) Surplus / (Deficit) In Statement of Profit and Loss :-		
Opening balance	577,843	265,909
Add: Profit / (Loss) for the year	(1,043,269)	311,934
Less: Amount transferred to General Reserve	-	-
Closing balance	(465,426)	577,843
Total	(465,426)	577,843
Note 3 : Long-term borrowings		
(a) Bonds / debentures	-	-
(b) Term loans from Banks :-	-	-
(c) Deferred Payment Liabilities	-	-
(d) Deposits	-	-
(e) Loans And advances from related parties	-	-
(f) Long term maturities of finance lease obligations	-	-
(g) Other Loans and advances	-	-
Total	-	-
Note 4 : Other Long term liabilities		
(a) Trade Payables	-	-
(b) Others :-		
Creditors for Capital Goods :-	106,738	173,150
- Unpaid for Plot Purchase	106,738	173,150
Sub Total	106,738	173,150
Total	106,738	173,150
Note 5 : Long term provisions		

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
(a) Provision for employee benefits	-	-
(b) Others	-	-
Total	-	-
Note 6 : Trade payables		
(a) Acceptances	129,393	219,780
(b) Other than Acceptances	129,393	219,780
Total	129,393	219,780

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
Note 7 : Other current liabilities		
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables :-		
(i) Statutory remittances :-		
Central Sales Tax Payable	1,025	-
Sales Tax Payable	3,019	(10,770)
TDS Payable	8,124	-
Sub Total	12,168	(10,770)
(iii) Creditors for Capital Goods :-		
Sub Total	-	-
Total	12,168	(10,770)
Note 8 : Short-term provisions		
(a) Provision for employee benefits	-	-

(b) Others :-
 - Provision for income tax
 - Provision for consultancy
 - provision for audit fees

Sub Total	15,000	17,090
Total	15,000	37,090

Note 9 : Tangible Fixed Assets

SR.	NAME OF ASSET	RATE	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
			AS ON 01.04.2011	ADDITIONS	AS ON 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	UPTO 31.03.2012	AS ON 31.03.2011
1	Land		111,125	-	111,125	-	-	111,125	111,125
2	Buildings		111,125	-	111,125	-	-	111,125	111,125
	Office Building	1.63	322,000	-	322,000	29,490	9,770	39,260	282,740
	P.Y.		322,000	-	322,000	18,735	10,755	29,490	292,510
3	Plant and Equipments		-	-	-	-	-	-	-
4	Furniture and Fixtures		-	-	-	-	-	-	-
a	Furniture -office	6.33	6,904	-	6,904	6,775	-	6,775	129
	P.Y.	6.33	6,904	-	6,904	6,775	-	6,775	129
b	Furniture -club house	6.33	375,250	-	375,250	203,188	10,892	214,080	161,170
	P.Y.	6.33	375,250	-	375,250	179,435	23,753	203,188	172,062
	Sub Total		382,154	-	382,154	209,963	10,892	220,855	161,299
	P.Y.		382,154	-	382,154	186,210	23,753	209,963	172,191
5	Vehicles		-	-	-	-	-	-	-
	P.Y.		-	-	-	-	-	-	-

SR.	NAME OF ASSET	RATE	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
			AS ON 01.04.2011	ADDITIONS	AS ON 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	UPTO 31.03.2012	AS ON 31.03.2011
6	Office Equipments		-	-	-	-	-	-	-
a	Computer System	4.75	85,201	-	85,201	80,941	-	80,941	4,260
	P.Y.	4.75	85,201	-	85,201	80,941	-	80,941	4,260
b	Kitchen equipments	4.75	325,500	-	325,500	134,203	9,087	143,290	182,210
	P.Y.	4.75	325,500	-	325,500	118,742	15,461	134,203	191,297
c	Club house and Health center equipments	4.75	825,000	-	825,000	340,151	23,030	363,181	461,819
	P.Y.	4.75	825,000	-	825,000	300,963	39,188	340,151	484,849
	Total (6)		1,235,701	-	1,235,701	555,295	32,117	587,412	648,289
	P.Y.		1,235,701	-	1,235,701	500,646	54,649	555,295	680,406

Notes to and forming part of the financial statements (As per Schedule VI) (Revised)
 Note 9 : Tangible Fixed Assets

SR.	NAME OF ASSET	RATE	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK	
			AS ON 01.04.2011	ADDITIONS	AS ON 31.03.2012	UPTO 31.03.2011	FOR THE YEAR	UPTO 31.03.2012	AS ON 31.03.2011
7	Others	%	-	-	-	-	-	-	-
	P.Y.		-	-	-	-	-	-	-
	Grand Total		2,050,980	-	2,050,980	794,748	52,779	847,527	1,203,453
	P.Y.		2,050,980	-	2,050,980	705,591	89,157	794,748	1,256,232

Notes
 1 There is no Asset under Lease.
 2 No revaluation of asset were made during the financial year 2011-2012.
 3 No depreciation had been provided on computer during the accounting year 2010-2011, so that the residual value at the end of the year could be kept at 5% of the cost. Accordingly, no depreciation was provided in current accounting period.

Particulars	As at 31 March, 2012	As at 31 March, 2011
Note 10 : Non current Investments		
(a) Trade Investments	-	-
(b) Other Investments	-	-
(i) Investments Property	-	-
(ii) Investments in equity Instrument	-	-
(iii) Investments in Preference Shares	-	-
(iv) Investments in government or trust securities :-		
- National Savings Certificates (NSC)	20,000	20,000
(v) Investments in debenture or bonds	-	-
(vi) Investments in mutual funds	-	-
(vii) Investments in Partnership firms	-	-
(viii) Other Non-current Investments	-	-
Sub Total	20,000	20,000
Total	20,000	20,000
Note 11 : Long term loans and advances		
(a) Capital advances	-	-
(b) Security Deposits :-		
Secured, considered good	-	-
Unsecured, considered good :-		
Doubtful	-	-
Sub Total	-	-
(c) Loans and advances to related parties	-	-
(d) Other loans and advances :-		
Secured, considered good	-	-
Unsecured, considered good :-		
Doubtful	-	-
Sub Total	-	-
Total	-	-
Note 12 : Other Non current Assets		
(a) Long term trade receivables	-	-
(b) Unamortized Expenses :-		
(i) Preliminary Expenses	390,065	390,065
(ii) Pre-operative Expenses	4,187,075	4,187,075
(iii) Public Issue Expenses	8,050,020	8,050,020
Sub Total	12,627,160	12,627,160

Particulars	As at 31 March, 2012	As at 31 March, 2011
(c) Others		
-EMD Tender Deposit	20,000	-
Total	12,647,160	12,627,160
Notes to and forming part of the financial statements (As per Schedule VI)(Revised)		
Note 13 : Current Investments		
- Other Investments		
(i) Investments Property	-	-
(ii) Investments in equity Instrument	-	-
- AGR-EH Technologies Pvt. Ltd.	5,033,000	4,520,000
(iii) Investments in Preference Shares	-	-
(iv) Investments in government or trust securities	-	-
(v) Investments in debenture or bonds	-	-
(vi) Investments in mutual funds	-	-
- Reliance	61,033	1,197,587
(vii) Investments in Partnership firms	-	-
(viii) Other current Investments	-	-
Total	5,094,033	5,717,587
Note :- (i) The investment is Valued at cost. (ii) Market Value (Reliance Money)	67,420	1,213,063
Note 14 : Inventories		
Valued at Cost or Market Value whichever is less		
(a) Raw materials	-	-
(b) Work in Progress	-	-
(c) Finished goods	-	-
(d) Stock-in-trade (in respect of goods acquired for trading)	-	-
(e) Stores and spares	-	-
(f) Loose tools	-	-
(g) Others	-	-
Total	-	-
Note : 15 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment :-		
(a) Secured, considered good	-	-
(b) Unsecured, considered good	-	236,863
(c) Doubtful	-	-
Total	-	236,863

Less : Provision for doubtful trade receivables		
Total		236,863
Other Trade receivables :-		
(a) Secured, considered good	274,325	-
(b) Unsecured, considered good	-	-
(c) Doubtful	274,325	-
Less : Provision for doubtful trade receivables	274,325	-
Total	274,325	236,863

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
Note: Trade receivables include debts due from :-		
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	236,836
Private companies in which any director is a director /member	-	236,836
Note 16 : Cash and cash equivalents		
(a) Balances with banks	60,731	666,141
(b) Cheques, drafts on hand	256,368	240,361
(c) Cash on hand	-	-
(d) Others	-	-
Total	317,099	906,502
Note 17 : Short-term loans and advances		
(a) Loans and advances to related parties	-	-
(b) Others :-		
(A). Secured, considered good	-	-
(B). Unsecured, considered good :-	14,000	-
- Hirai D. Patel	-	-
(C). Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
Total	14,000	

Note: Short-term loans and advances include amounts due from

Directors		
Other officers of the Company		
Firms in which any director is a partner		
Private companies in which any director is a director or member		
Total		

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	As at 31 March, 2012 Rupees	As at 31 March, 2011 Rupees
Note 18 : Other current asset		
Note 19 : Contingent Liabilities and Commitments (to the extent not provided for as on 31st march 2012		
As Certified by the management		
- Contingent Liabilities	NIL	NIL
- Commitments	NIL	NIL
Note 20 : Amount of Dividend Proposed to be distributed to Equity and Preference Share Holders		
(a) Dividend Proposed	NIL	NIL
(b) Arrears of Cumulative Dividend	NIL	NIL
Note 21 : Securities made for specific purpose		
No securities has been made for specific purpose. Hence, not Applicable.	NIL	NIL
Note 22 : Realization of Current Assets		
In the opinion of the Board, there are no fixed assets other than fixed assets and non-current investments which do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.	NIL	NIL

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	For the Year	For the Year
	Ended 31 March, 2012 Rupees	Ended 31 March, 2011 Rupees
Note 23 : Revenue from operations		
(a) Sale of products	2,925,950	3,852,235
(b) Sale of services	-	-
(c) Other operating revenues	452	-
- Discount/ Kasar	-	-
Total	2,926,402	3,852,235
Less:		
(d) Excise duty	-	-
Net Total	2,926,402	3,852,235
Note 24 : Other Income		
a Interest Income	-	-
-Interest on income tax refund	-	-
b Dividend Income	-	617
c Net Gain/Loss on sale of investments	-	-
- Short term capital gain	38,446	62,517
- Long term capital gain	-	-
- Other non-operating income	-	253,637
-Other miscellaneous income	-	-
Total	38,446	800
Note 25 : Cost of materials consumed		
Raw materials :		
Opening stock	-	-
Add : Purchases	-	-
Less: Closing stock	-	-
Cost of raw materials consumed	-	-

Note 26 : Purchase of stock in trade

Particulars	For the Year	For the Year
	Ended 31 March, 2012 Rupees	Ended 31 March, 2011 Rupees
OGS purchase	71,256	-
R D Purchase	2,416,566	3,474,795
Packing Material	105,784	-
Total	2,593,606	3,474,795

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Particulars	For the Year	For the Year
	Ended 31 March, 2012 Rupees	Ended 31 March, 2011 Rupees
Note 27 : Changes in inventories of finished goods, work-in-progress and stock-in-trade		
a Inventories at the end of the year:		
Finished goods	-	-
b Work-in-progress	-	-
c Stock-in-trade	-	-
Sub Total	-	-
Inventories at the beginning of the year:		
a Finished goods	-	-
b Work-in-progress	-	-
c Stock-in-trade	-	-
Sub Total	-	-
Net Increase / (decrease)	-	-
Note 28 : Employee benefits expense		
1 Salaries and wages :-		
A Salary, Wages and Other Benefits :-		
a Salary	60,000	60,000
b Wages	-	-
Sub Total	60,000	60,000
B Directors' Remuneration	-	-
Sub Total	60,000	60,000
2 Contributions to provident and other funds :-		
a ESi Contribution	-	-
b PF Contribution	-	-

Sub Total			
3	Expenses on ESOP and ESPP	-	-
4	Staff Welfare Expenses	-	-
	Total	60,000	60,000
Note 29 : Finance costs			
1	Interest Expense	-	-
2	Other borrowing costs :-	-	-
3	Net (gain) / loss on foreign currency transactions and translation (considered as finance cost)	-	-
	Total	-	-
Note 30 : Depreciation			
	Depreciation on Tangible Assets	52,779	89,157
	Total	52,779	89,157

Notes to and forming part of the financial statements (As per Schedule VI)(Revised)

Note 31 : Other expenses			
I	Consumption of stores and spare parts	-	-
II	Power and fuel :-	-	-
III	Rent including lease rentals	-	-
IV	Repairs to buildings	-	-
V	Repairs to machinery	-	-
VI	Insurance	-	-
VII	Rates and taxes, excluding, taxes on income	668	-
VIII	Job work Charges	132,000	-
IX	Miscellaneous Expenses :-	-	-
1	Audit Fees	15,000	15,000
2	Bank Commission and Charges	562	619
3	Legal And Professional Expenses	93,565	88,596

4	Conveyance Expenses	505	2,230
5	Courier and postage Expenses	75	-
6	Interest on income tax Expenses	480	70
7	Printing and stationery Expenses	16,780	43,171
8	ROC Filing Expenses	4,000	-
9	Compliance Fees in ASE, BSE And VSE	61,128	63,505
10	Tender Fees	500	-
11	Telephone expenses	-	6,805
12	Transportation Expenses	850	-
13	Sub Total	193,445	219,996
	Total	326,113	219,996
Particulars under Other Expenses			
Payments to the auditors comprises :-			
a	As auditors :-	-	-
	For Current Year	15,000	15,000
	For Prior-Period	-	-
b	For taxation matters	15,000	15,000
c	For company law matters	-	500
d	For management services	-	-
e	For other services	-	14,500
f	Reimbursement of expenses	-	-
	Total	15,000	30,000
Note 32 : Exceptional Items			
Note 33 : Extra-Ordinary Items			
- Stock Exchange Fees			
	Total	(970,673)	-
Note 34 : Prior Period Items			
Note 35 : Value of Imports calculated on C.I.F. basis			
a	Raw Materials	(970,673)	-
b	Components and spare parts	-	-
c	Capital Goods	(970,673)	-
Note 36: Expenditure in Foreign Currency			
a	Royalty	-	-
b	Know – how	-	-
c	Professional and consultation fees	-	-
d	Interest	-	-
e	Other	-	-

Note 37 : Raw materials, Spare parts and Components		
A Imported	NIL	NIL
B Indigenous	100 %	100 %
Note 38 : Remittances in Foreign Currency		
	NIL	NIL
Note 39 : Earnings in Foreign Exchange		
	NIL	NIL

SR. NO.	PARTICULARS	NOTE NO.	AS AT 31.3.2012	AS AT 31.3.2011
1	Trade Payables Other Than Acceptance AGR-EH Technologies Pvt. Ltd. Industrial Corporation Ltd. Purva Sharegistry (India) Pvt. Ltd. Bhimani Chemicals Pvt. Ltd. Smeeti Printers Soni Rasnikanti Saaji chemicals agency Star Line Industries	6	-2,982 71,400 5,175 2,363 1,393 7,000 - 35,044 1,29,393	- - - - - - - - 2,19,780
	Total		1,29,393	2,19,780
2	Trade Receivables (a) Trade receivables outstanding for period exceeding six months Unsecured considered good Akash Industries		-	236,836
	Total		-	236,836
	(b) Other Debtors Unsecured considered good Bharat bio science Pvt. Ltd. Gujarat agro inputs corporation super crop safe ltd.		89,000 38,325 147,000 274,325	- - - -
	Sub Total		274,325	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
PART-I : NOTES TO ACCOUNTING STANDARDS

1.0 SIGNIFICANT ACCOUNTING POLICIES

(a). 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.

(b). Revenue Recognition :-

- (i) Revenue is recognized when it is reasonably certain that it will be received.
- (ii) Revenue from redemption of mutual funds has been recognized on realization basis.

(c). Fixed Assets :-

- (i) Fixed Assets are shown at Cost less Depreciation amount.
- (ii) Capital Work In progress has been shown at actual cost.

(d). Depreciation :-

- (i) Depreciation is calculated on all the assets on Straight Line Method at the rates and manner specified under the Companies Act, 1956.
- (ii) No depreciation has been provided on capital work in progress.

(e). Retirement Benefits (AS 15) :-

All retirement benefits including Gratuity and Leave encashment will be recognized on cash basis. No actuarial valuations has been made.

(f). Accounting for taxes on Income (AS 22) :-

- (a). On account of losses, the Company has not made provision for income tax for the current accounting year.
- (b). The Company has made accounting for Deferred tax Assets/ Liabilities as Required as per AS 22.

Particulars	Current Year Rs.	Previous Year Rs.
Due to Timing Difference	(5094)	3145
Due to Permanent Difference	148	22
Total	(4946)	3166

(g) Unamortized Expenses :-

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

(h). Contingent Liabilities :-

These are contained under Revised Schedule VI, as presented through Annexure- 1, hereto.

(i). Prior Period Items, and Extra-Ordinary Items :-

These are contained under Revised Schedule VI, as presented through Annexure- 1, hereto.

2.0 OTHER NOTES TO ACCOUNTING STANDARD

(a). Related Party Disclosure (AS 18) :-

Related Party disclosure as Certified by the management and relied upon is as follows.

Name of Related Party	Nature of Transaction	Amount(Rs.)
K P International Pvt. Ltd.	Purchase of goods	892,500/-
AGR-EH Technologies Pvt. Ltd.	Investment in Shares Job Work Expense Purchase of goods	5,033,000/- 132,000/- 29,347/-

(b). Payment to Auditors :-

Sr. No.	Particulars	Current Year : 2011-12 Rs.	Previous Year : 2010-11 Rs.
(a)	Statutory Audit Fees	15,000	15,000
(b)	Taxation Fees	-	500
(c)	Fees For other assignments	-	14,500
	Total Remuneration	15,000	30,000

PART- II : NOTES AS PER SCHEDULE VI (REVISED)

As per Annexure - 1.

PART- III : OTHER NOTES

(a). The company is not holding more than 50 percent capital in any company. Therefore within

The meaning Section 4 Of the Companies Act 1956. The company is not owing any subsidiary and hence no consolidation of financial statements are required.

(b). Balances of all the parties are subject to confirmations and reconciliations.

(c). In the opinion of the management, the current assets 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.

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

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

(f). Wherever external evidences were not available, reliance had been made on internal evidences and / or explanation provided by the management.

For, JANAK SONI & ASSOCIATES
Chartered Accountants
F.R.N. :-121405W

C.A. Janakkumar S. Soni
Proprietor

Sd/-
Director

Sd/-
Director

Place : AHMEDABAD
Date : 17th August, 2012

Place : AHMEDABAD
Date : 17th August, 2012

CASH FLOW STATEMENT

SR. NO.	PARTICULARS	(Rs. In '000)	
		As at 31.3.2012	As at 31.3.2011
A	CASH FLOW FROM OPERATING ACTIVITIES		
1	Net Profit Before Tax and extra ordinary items	(67.65)	325.86
II	Adjustments for :-		
1	Depreciation	52.78	89.16
2	Interest and Financial Charges	-	-
3	Miscellaneous Expenditure Written Off	-	-
4	Interest, Guarantee Commission and Dividend Income	-	-
5	Profit on Redemption of Mutual Funds	(38.45)	(316.54)
6	Provision for Taxation earlier year written back/Tax for the year	-	17.09
7	Provision for doubtful debts	-	-
8	Other Provisions	0.85	(21.68)
9	Provision For Compliance Fees	-	(463.71)
10	Deferred Tax Income (-)	-	-
III	Operating Profit Before Working Capital Changes	(52.47)	(369.82)
	Adjustments for :-		
1	Increase/(Increase) in Trade & Other Receivables :-	(71.46)	113.33
2	Increase/(Decrease) in Trade & Other Payables	(90.39)	219.78
IV	Operating Profit Before Extra Ordinary Items	(214.32)	(36.71)
	Extra Ordinary Item		
	- Stock Exchange Fees	(970.67)	-
	Net Cash from Operating Activities	(1,184.99)	(36.71)
B	CASH FLOW FROM INVESTING ACTIVITIES		
1	Sale/(Purchase) of long term investments	1,175.00	3,200.00
2	Purchase of fixed assets (including Capital Work-in Progress)	(66.41)	(71.31)
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)	-	-
12	Short term deposit with Companies (net)	(513.00)	(4,520.00)
13	Bills of exchange placed with Companies (net)	-	-
	Net Cash obtained / (Used) in Investing Activities	595.59	(1,391.31)

SR. NO.	PARTICULARS	(Rs. In '000)	
		As at 31.3.2012	As at 31.3.2011
C	CASH FLOW FROM FINANCIAL ACTIVITIES		
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	-	-
	Net Cash From/ (In) Financial Activities	-	-

CASH FLOW STATEMENT

SR. NO.	PARTICULARS	(Rs. In '000)	
		As at 31.3.2012	As at 31.3.2011
D	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(589.40)	(1,428.02)
E	OPENING CASH AND CASH EQUIVALENTS	906.50	2,337.00
F	CLOSING CASH AND CASH EQUIVALENTS (D+E)	317.10	906.50

For, JANAK SONI & ASSOCIATES
Chartered Accountants
F.R.N. :-121405W

Sd/-
C.A. Janakumar S. Soni
Proprietor

Sd/-
Director

Sd/-
Director

Place : AHMEDABAD
Date : 17th August, 2012

Place : AHMEDABAD
Date : 17th August, 2012

AUDITOR'S CERTIFICATE

I have examined the above Cash Flow Statement of Kemistar Corporation Limited for the year ended 31st March, 2012. 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 17th August, 2012 to the Members of the Company.

For, JANAK SONI & ASSOCIATES

Chartered Accountants
F.R.N. :- 121405W

Sd/-
C.A. Janakkumar S. Soni
Proprietor

Place : AHMEDABAD
Date : 17th August, 2012

FORM OF PROXY

KEMISTAR CORPORATION LTD.

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

Regd. Folio No. _____

I / We _____ of _____ being a member of the above named Company, hereby appoint _____ of _____ in the district of _____ in the district of _____ falling him _____ 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 29th September, 2012 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.

KEMISTAR CORPORATION LTD

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

ATTENDANCE SLIP
Eighteenth Annual General Meeting - 29th September, 2012.

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 Eighteenth Annual General Meeting of the Company at the Regd. Office: 604, Manas Complex, Jodhpur Cross Road, Satellite, Ahmedabad - 380015 on the 29th September, 2012 at 11.00 am.

Member's/Proxy's Name in Block Letters
Member's/Proxy's Signature

BOOK - POST

TO, _____

If undelivered please return to

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