



CHEMIESYNTH (VAPI) LIMITED

**ANNUAL REPORT
2013 - 14**

Board of Directors

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

Auditors

M/S. Manoj Shah & Co.
Chartered Accountants

Registered Office

Plot No 27 GIDC
Vapi Dist. Bulsar
Gujarat- 396195

Registrar & Share Transfer Agents

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

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

Annual General Meeting

Day	-	Tuesday
Date	-	30 th September, 2014
Venue	-	Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat –396195
Time	-	11.30 a.m.

CHEMIESYNTH (VAPI) LIMITED

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

NOTICE is hereby given that the 28th Annual General Meeting of the Members of the Company will be held at its Registered Office at : Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat- 396195, on Tuesday, the 30th September, 2014 at 11.30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March 2014 and the Balance Sheet as at that date together with the Report of the Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Sandip Zaveri, who retires by rotation and is eligible for re-election;
3. To appoint Auditors of the Company and to fix their remuneration.

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

By order of the Board
For CHEMIESYNTH (VAPI) LIMITED

Sd/-

Dated: 6th September, 2014
Place: Vapi

Sandip Zaveri
Director

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a Member of the Company.
2. The instrument of proxy in order to be effective must be deposited at the Company's registered office not less than 48 hours before the meeting.
3. The Register of Members of the Company will remain closed from 25th September, 2014 to 30th September, 2014 (both days inclusive).

CHEMIESYNTH (VAPI) LIMITED

DIRECTORS' REPORT

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

Your Directors' have pleasure in presenting herewith the Annual Report together with the accounts for the period ended 31st March 2014.

FINANCIAL RESULTS :

During the year under review, the financial results on the operations of the Company are as under:
(Amount in Rupees)

	31/03/2014	31/03/2013
Gross Income	97,651,716	53,446,762
Profit /(Loss) before Depreciation	(1,320,723)	(13,589,073)
Less : Depreciation	2,465,808	6,305,785
Profit (Loss) before Tax	1,145,085	(19,894,858)
Less Provision for Tax : Current Tax	-----	-----
: Deferred Tax	-----	3,938,481
Profit (Loss) for the year	1,145,085	(15,956,377)

DIVIDEND:

In view of the loss incurred by the Company during the financial year, Directors regret their inability to recommend any dividend to the shareholders for the year.

DEPOSITS :

The Company has not accepted any public deposits.

ENVIRONMENT AND ENERGY CONSERVATION:

The company accords high priority to control environment and conservation of energy, which is an on going process. The Company has planted a number of trees to control and maintain environment surrounding of the factory. As required by the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 the relevant data pertaining to conservation of energy and technology absorption are given in the prescribed Form A in Annexure to this report. Various measures taken by the company on these matters includes:

- Improving Natural Light by opening Windows, studying illumination of tube lights by CFL lamps etc.

- b) Maintaining old machinery in good condition, retrofitting or replacing with energy efficient ones.
- c) Minimising idle running of machinery.

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

SAFETY AND HEALTH

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

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

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

TECHNOLOGY ABSORPTION:

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

DIRECTORS :-

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

DIRECTORS' RESPONSIBILITY STATEMENT:-

It is hereby stated that:

- a) In the preparation of annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors had prepared the annual accounts on going concern basis.

AUDITORS:

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

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

APPRECIATION:

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

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

**Sd/-
Satish Zaveri
Director**

**sd/-
Sandip Zaveri
Director**

**Place: Vapi
Date : 06/09/2014**

ANNEXURE TO DIRECTORS' REPORT

FORM - A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

POWER & FUEL CONSUMPTION

ELECTRICITY

	2013-2014	2012-2013
Units Consumed (kwh)	1028624	796416
Total Amount (Rs in lakhs)	70.36	53.28
Rate per unit (Rs/kwh)	6.84	6.69
Own Generation		

FURNACE OIL

Consumed (Ltrs.)	----	1200
Total Amount (Rs in lakhs)	----	00.33
Rate per unit (Rs/Ltr)	---	---
L D O (Purchase -- Rs. in lakhs)	---	---
Diesel Cash Purchase	1.50	1.50
Lighting	----	00.29

BRICKETS

Consumed (kgs.)	911165	1409620
Total Amount (Rs in lakhs)	50.43	72.54
Rate per unit (Rs/kg)	5.53	5.15

OTHER INTERNAL GENERATION

CONSUMPTION PER UNIT OF PRODUCTION

Total Production (kg.)
Electricity (kwh/kg.)
Coal (kg.)
LDO (Ltrs./kg)

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

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

Sd/-
Satish Zaveri
Director

sd/-
Sandip Zaveri
Director

Place: Vapi
Date : 06/09/2014

FORM – B

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

A. RESEARCH & DEVELOPMENT (R & D)

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

Development of new products.

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

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

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

Indigenisation / Import substitution

Cost reduction.

Competitive pricing

Enhancement in quality.

Meeting unique needs of customers.

Future Plan of Action:

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

Expenditure on R & D:

Capital No specific expenditure

Recurring

Total

Total R & D expenditure

as a percentage of total turnover

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|----|--------------------------|-----------------|
| 1. | Foreign Exchange Earning | Rs 7,312,391/- |
| 2. | Foreign Exchange Outgo | Rs. 4,043,616/- |

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

Sd/-
Satish Zaveri
Director

sd/-
Sandip Zaveri
Director

Place: Vapi
Date : 06/09/2014

Details of Directors seeking appointment / re-appointment :

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

	Mr. Sandip Zaveri
Profile of the Director	Mr. Sandip Zaveri holds BE degree from Bombay University He has more than 15 Years Experience in chemicals industry
Date of joining the Board	June 30, 2001
Other Directorships held	CS Bio - Sciences Private Limited CS Specialty Chemicals Private Limited Chemiefab Vapi Private Limited CS Performance Chemicals Private Limited
Other Committee memberships held (Excluding CHEMIESYNTH (VAPI) LIMITED)	NIL
No. of shares held in their own name	3,60,500

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

By order of the Board
For CHEMIESYNTH (VAPI) LIMITED

Sd/-

Dated: 6th September, 2014
Place: Vapi

Sandip Zaveri
Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

• Composition as on 31st March, 2014

NAME	CATEGORY	NO. OF MEETINGS HELD DURING THE LAST FINANCIAL YEAR	NO. OF MEETINGS ATTENDED	NUMBER OF MEMBERSHIPS IN BOARDS OF OTHER COMPANIES *	NO. OF MEMBERSHIPS / CHAIRMANSHIPS IN OTHER COMMITTEES *
Mr. Satish Zaveri	Director	5	5	Nil	Nil
Mr. Sandip Zaveri	Director	5	5	Nil	Nil
Mr. Bhanuraj Mehta	Director	5	5	Nil	Nil

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

All Directors were present at the last Annual General Meeting held on September 30, 2013.

• Board Meetings held during the financial year

Board Meetings were held during the year 2013-2014 on following dates:

- (1) 28th May, 2013
- (2) 13th July, 2013
- (3) 6th September, 2013
- (4) 14th November, 2013
- (5) 14th February, 2014

3. COMMITTEES OF THE COMPANY

A. AUDIT COMMITTEE

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

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

- a. Oversight of the Company's financial reporting process and disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend the appointment, reappointment and, if required, replacement or removal of Statutory Auditors, fixation of the audit fees and approving payments for any other services.
- c. Review with Management, the annual and quarterly financial statement before submission to the Board, focusing primarily on:
 - ❖ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - ❖ Changes, if any in accounting policies and practices and reasons for the same.
 - ❖ Major accounting entries based on exercise of judgment by the management.
 - ❖ Significant adjustments made in the financial statements arising out of audit findings.
 - ❖ Compliance with listing & other legal requirements concerning financial statements.
 - ❖ Disclosure of any related party transactions.
 - ❖ Qualification in draft audit report
- d. Review with Management, performance of Statutory and Internal Auditors and adequacy of internal control systems.
- e. Review the adequacy of internal audit function, including if applicable, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- f. Discussions with the Internal Auditors of any significant findings and follow-up thereon.
- g. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussions with Statutory Auditors before the audit commences, of the nature and scope of audit as well as have post-audit discussion to ascertain any areas of concern.
- i. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

- j. Review the Company's financial and risk management policies.
- k. Review the following information:
- Management discussion analysis of financial condition and results of operations;
 - Statement of significant related party transactions;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to the internal control weaknesses;
 - The appointment, removal and remuneration of the chief internal auditors; and
 - The financial statements, in particular, the investment made by unlisted subsidiary companies.

B. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

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

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

Name	Designation
Sandip Zaveri	Chairman
Satish Zaveri	Member
Bhanurai Mehta	Member

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

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

Outstanding complaints as on 31st March 2014 were Nil.

Compliance Officer:

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

4. GENERAL BODY MEETING

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

1. Monday, September 30, 2013 at 11.30 a.m.
2. Saturday, September 29, 2012 at 11.30 a.m.
3. Friday, September 30, 2011 at 11.30 a.m.

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

5. DISCLOSURES

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

6. MEANS OF COMMUNICATION

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

7. GENERAL SHAREHOLDERS INFORMATION

*	Annual General Meeting	
	Date	30 th September, 2014
	Time	11.30 a.m.
	Venue	Plot No 27 GIDC Vapi Dist. Bulsar, Gujarat- 396195
*	Financial Calendar	April to March
	Financial reporting for the quarter ending June, 2014	August 2014
	Financial reporting for the quarter ending September, 2014	November 2014
	Financial reporting for the quarter ending December, 2014	February 2015
	Financial reporting for the quarter ending March, 2015	May 2015
	Date of Book Closure	25 th September 2014 to 30 th September 2014
	Registered Office	Plot No 27 GIDC Vapi Dist. Bulsar, Gujarat- 396195
	Dividend Payment Date	No dividend proposed to be declared at the ensuing Annual General Meeting
	Listing on Stock Exchange	OTC Exchange of India
	Stock Code	CHEMI E1
	ISIN No.	NA

Market Price data:

No Trading take place on the OTC Exchange of India

Distribution of Shareholding:

The distribution of shareholding of the Company as on 31st March 2014 was as follows:

Category (No. of shares)	No. of shareholders	Percentage	No. of shares	Percentage
1-5000	154	71.96	384000	1.25
5001-10000	21	9.81	183000	0.60
10001-20000	6	2.80	106000	0.35
20001-30000	4	1.87	113000	0.37
30001-40000	2	0.93	70000	0.23
40001-50000	3	1.40	123000	0.40
50001 – 100000	4	1.87	263400	0.86
100001 and above	20	9.35	29457600	95.95
Total	214	100.00	30700000	100.00

The shareholding pattern of the Company as on 31st March 2014 was as follows:

Category	No. of shares	% of total capital
Promoters	1825200	59.45%
NRIs, OCBs and FIIs	Nil	Nil
Financial Institutions, Mutual Funds, Banks & Insurance Companies	Nil	Nil
Domestic Corporate Bodies/Trusts / HUF	1012000	32.96%
General Public including shares in transit	232800	7.59%
Total	3070000	100%

Dematerialization of shares:

Total Share capital of the Company is in the Physical Form

Outstanding ADRs/GDRs/Warrants

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

Address for correspondence:

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

8. CODE OF CONDUCT

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

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

On behalf of the Board of Directors

Sd/-
Sandip Zaveri
Director

Dated : 6th September, 2014
Place: Vapi

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## CERTIFICATE

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

FOR CHEMIESYNTH (VAPI) LIMITED

Sd/-  
Sandip Zaveri  
Director

Dated : 6<sup>th</sup> September, 2014  
Place: Vapi

### CEO/CFO CERTIFICATE

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

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

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

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

We have indicated to the auditors and the Audit Committee :

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

**FOR CHEMIESYNTH (VAPI) LIMITED**

Sd/-  
**Sandip Zaveri**  
Director

Dated : 6<sup>th</sup> September, 2014  
Place: Vapi



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

### **OUTLOOK**

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

### **OPPORTUNITIES & THREATS**

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

### **RISKS & CONCERNS**

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

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

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

### **HUMAN RESOURCES**

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

### **FINANCIAL PERFORMANCE**

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

On behalf of the Board of Directors

Sd/-  
Sandip Zaveri  
Director

Dated : 6<sup>th</sup> September, 2014  
Place: Vapi



## **INDEPENDENT AUDITORS' REPORT**

To,  
THE MEMBERS OF  
CHEMIESYNTH (VAPI) LIMITED,

### **REPORT ON THE FINANCIAL STATEMENTS:**

We have audited the accompanying financial statements of **CHEMIESYNTH (VAPI) LIMITED**, ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:**

The Management of the Company is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the Accounting Principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY :**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable Authoritative Pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Contd....2/-



**OPINION:**

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) In the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date.
- c) In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

- a) As required by the Companies ( Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- b) As required by Sec.227(3) of the Act, we report that;
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- iv. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India in respect of Section 133 of the Companies Act, 2013.
- v. On the basis of written representations received from the Directors as on **31<sup>st</sup> March, 2014** and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on **31<sup>st</sup> March, 2014** from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For MANOJ SHAH & CO.  
CHARTERED ACCOUNTANTS  
Firm Reg.No.106036W

Sd/-

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

Place: Vapi  
Date : 01-09-2014



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEAD OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF CHEMIESYNTH (VAPI) LIMITED ON THE FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED 31st March, 2014.

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

1. a) The Company has generally maintained proper records showing particulars, including quantitative details and situation of fixed assets.  
b) As explained to us, Fixed Assets, according to the practice of the company, are physically verified by the Management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking to the size of the company and the nature of its business. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.  
c) In our opinion, the Company has not disposed off a substantial part of Fixed Assets during the year and the going concern status of the Company is not affected.
2. a) The Stocks of Finished goods, stores, spare parts and the Raw materials and components have been physically verified by the Management at reasonable intervals during the year.  
b) In our opinion the procedures of physical verification of stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) The company has maintained proper records of inventories and the discrepancies noticed on physical verification of stocks as compared to book records were, as explained to us, not material and the same have been properly dealt with in the Books of Accounts.
3. a) The Company has taken unsecured loans from five parties covered in the register maintained under section 301 of the Companies Act, 1956 aggregating to Rs.458.91 Lakhs.

However the Company has not granted any loans to companies firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4 (iii) (b), (c) and (d) of the said Order are not applicable to the Company.

- b) As per information and explanation given to us the rate of interest & other terms and conditions on which loans referred to in [a] above were taken, in our opinion, are not prima facie prejudicial to the interest of the Company.

Cont-2/-



4. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal Control System.
5. a) On the basis of the audit procedures performed by us, and according to the information, explanations and representations given to us, the particulars of all transactions in which directors were interested, as contemplations under Section 301 of the said Companies Act, 1956 have been so entered;
- b) In our opinion and according to the information and explanations given to us, where there have been transactions with other parties, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 during the year have been made at prices, which are reasonable having regard to the prevailing market prices for such goods, materials or services at the relevant time, as per information available with the Company.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A, Section 58AA or any other relevant provisions of the Act, and the Rules framed there under are not applicable.
7. The Company does not have any formal internal audit system as such, but its control procedures ensure reasonable internal checking of its financial and other records.
8. As explained to us, the Central Government has not prescribed the maintenance of Cost Records under section 209 (1)(d) of the Companies Act, 1956 for the Company's products.
9. a) According to the information and explanations given to us and according to the books and records of the Company, the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service-tax, Custom Duty, Excise Duty, Cess and other material statutory dues have been generally regularly deposited by the company during the financial year with appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as mentioned above as at **31<sup>st</sup> March, 2014** for a period of more than six months from the date they become payable.
- b) At the end of the financial year there were no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service-tax, Excise Duty and Cess which have not been deposited on account of any dispute.



10. The Company has no accumulated losses as at **31<sup>st</sup> March, 2014** and it has not incurred cash loss in the financial year ended on that date. However in the immediately preceding financial year the Company had incurred cash loss.
11. Based on our audit procedures and on the information and explanations given by the management we are of the opinion that the Company has not defaulted in the repayment of dues to Banks as at the Balance Sheet date.
12. The Company has not granted Loans & Advances on the basis of security by way of Pledge of Shares, Debentures & other Securities.
13. The nature of the Company's activities during the year is such that the requirements of clauses (xiii) & (xiv) of paragraph 4 of the Order are not applicable.
14. According to information and explanations given to us, the Company has not given any Guarantees for Loans taken by others from Banks or Financial Institutions.
15. The Company has not raised any Term Loans during the year.
16. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company we are of the opinion that no specific funds have been raised on Short Term basis and therefore no Short Term funds have been specifically used for Long Term Investment purposes.
17. The Company has not issued any fresh Share Capital and hence the question of neither the preferential allotment nor the end use thereof arises.
18. The Company has not issued any debentures and hence the question of creating securities in respect thereof does not arise.
19. During the year, the Company has not raised money by public issue(s).
20. To the best of our knowledge and belief and according to the information given to us, no fraud on or by the Company was noticed or reported during the year.

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

**Sd/-  
(MANOJ T. SHAH)  
PARTNER  
M.No.043777**

**Place : Vapi.  
Date : 01-09-2014**



**CHEMIESYNTH (VAPI) LIMITED**  
Balance Sheet as at 31 March, 2014

| Particulars |                                                                 | Note No. | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------|-----------------------------------------------------------------|----------|----------------------|----------------------|
|             |                                                                 |          | ₹                    | ₹                    |
| <b>A</b>    | <b>EQUITY AND LIABILITIES</b>                                   |          |                      |                      |
| 1           | Shareholders' funds                                             |          |                      |                      |
|             | (a) Share capital                                               | 3        | 30,700,000           | 30,700,000           |
|             | (b) Reserves and surplus                                        | 4        | 6,976,933            | 5,866,228            |
|             |                                                                 |          | 37,676,933           | 36,566,228           |
| 2           | Non-current liabilities                                         |          |                      |                      |
|             | (a) Long-term borrowings                                        | 5        | 50,532,000           | 47,827,000           |
|             | (b) Deferred tax liabilities (net)                              | 7        | -                    | -                    |
|             | (c) Other long-term liabilities                                 | 6        | 9,027,230            | 15,654,944           |
|             |                                                                 |          | 59,559,230           | 63,481,944           |
| 3           | Current liabilities                                             |          |                      |                      |
|             | (a) Short-term borrowings                                       | 8        | 11,118,896           | 7,533,928            |
|             | (b) Trade payables                                              | 9        | 20,759,180           | 14,087,081           |
|             | (c) Other current liabilities                                   | 10       | 3,141,943            | 3,215,480            |
|             |                                                                 |          | 35,020,019           | 24,836,489           |
|             | <b>TOTAL</b>                                                    |          | <b>132,256,180</b>   | <b>124,884,659</b>   |
| <b>B</b>    | <b>ASSETS</b>                                                   |          |                      |                      |
| 1           | Non-current assets                                              |          |                      |                      |
|             | (a) Fixed assets                                                |          |                      |                      |
|             | (i) Tangible assets                                             | 11       | 103,652,113          | 107,676,607          |
|             | (ii) Intangible assets                                          | 12       | 450,000              | 450,000              |
|             |                                                                 |          | 104,102,113          | 108,126,607          |
|             | (b) Non-current investments                                     | 13       | 35,000               | 35,000               |
|             | (c) Long-term loans and advances                                | 14       | 2,672,442            | 2,922,778            |
|             |                                                                 |          | 2,707,442            | 2,957,778            |
| 2           | Current assets                                                  |          |                      |                      |
|             | (a) Inventories                                                 | 15       | 16,801,396           | 8,105,493            |
|             | (b) Trade receivables                                           | 16       | 3,332,919            | 2,660,498            |
|             | (c) Cash and cash equivalents                                   | 17       | 3,268,998            | 1,705,405            |
|             | (d) Short-term loans and advances                               | 18       | 1,923,664            | 1,206,436            |
|             | (e) Other current assets                                        | 19       | 119,648              | 122,443              |
|             |                                                                 |          | 25,446,624           | 13,800,275           |
|             | <b>TOTAL</b>                                                    |          | <b>132,256,180</b>   | <b>124,884,659</b>   |
|             | See accompanying notes forming part of the financial statements | 1 to 38  |                      |                      |

As per our report of even date  
For Manoj Shah & Co.  
Chartered Accountants  
Firm Reg. No: 106036W

sd/-  
Manoj T. Shah  
Partner  
M.No. 043777  
Place : Vapi  
Date : September 1, 2014

For and on behalf of the Board of Directors

sd/-  
Satish Zaveri  
Director

sd/-  
Sandip Zaveri  
Director

Place : Vapi  
Date : September 1, 2014

## CHEMIESYNTH (VAPI) LIMITED

## Statement of Profit and Loss for the year ended 31 March, 2014

| Particulars |                                                                                   | Note No. | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|-------------|-----------------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
|             |                                                                                   |          | ₹                                    | ₹                                    |
| 1           | Revenue from operations                                                           | 20       | 96,326,363                           | 52,532,145                           |
| 2           | Other income                                                                      | 21       | 1,325,353                            | 914,617                              |
| 3           | <b>Total revenue (1+2)</b>                                                        |          | <b>97,651,716</b>                    | <b>53,446,762</b>                    |
| 4           | <b>Expenses</b>                                                                   |          |                                      |                                      |
|             | (a) Cost of materials consumed                                                    | 22.a     | 54,829,492                           | 26,609,944                           |
|             | (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 22.b     | (6,402,735)                          | 1,524,149                            |
|             | (c) Employee benefits expense                                                     | 23       | 11,163,755                           | 9,859,648                            |
|             | (d) Finance costs                                                                 | 24       | 2,938,056                            | 3,826,664                            |
|             | (e) Depreciation and amortisation expense                                         | 12       | 2,465,808                            | 6,305,785                            |
|             | (f) Other expenses                                                                | 25       | 31,512,254                           | 25,215,430                           |
|             | <b>Total expenses</b>                                                             |          | <b>96,506,630</b>                    | <b>73,341,620</b>                    |
| 5           | <b>Profit / (Loss) before tax (3 + 4)</b>                                         |          | <b>1,145,085</b>                     | <b>(19,894,858)</b>                  |
| 6           | <b>Tax expense:</b>                                                               |          |                                      |                                      |
|             | (a) Current tax expense for current year                                          |          | -                                    | 0                                    |
|             | (b) Deferred tax                                                                  |          | 0                                    | 3,938,481                            |
|             |                                                                                   |          | 0                                    | 3,938,481                            |
| 7           | <b>Profit / (Loss) for the year (5 + 6)</b>                                       |          | <b>1,145,085</b>                     | <b>(15,956,377)</b>                  |
| 8           | <b>Earnings per share (of ₹ 10/- each):</b>                                       |          |                                      |                                      |
|             | (a) Basic                                                                         |          | 0.37                                 | (5.20)                               |
|             | (b) Diluted                                                                       |          | 0.37                                 | (5.20)                               |
|             | <b>See accompanying notes forming part of the financial statements</b>            | 1 to 38  |                                      |                                      |

As per our report of even date

For Manoj Shah &amp; Co.

Chartered Accountants

Firm Reg. No: 106036W

sd/-

Manoj T. Shah

Partner

M.No. 043777

Place : Vapi

Date : September 1, 2014

For and on behalf of the Board of Directors

sd/-

Satish Zaveri

Director

sd/-

Sandip Zaveri

Director

Place : Vapi

Date : September 1, 2014



## **CHEMIESYNTH (VAPI) LIMITED**

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

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

2 **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **METHOD OF ACCOUNTING**

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

b) **FIXED ASSETS**

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

c) **INVENTORIES**

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

d) **EXCISE DUTY**

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

e) **RETIREMENT BENEFITS**

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

f) **PURCHASE AND SALE**

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

g) **TAXATION**

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



Note 3 Share capital

| Particulars                                     | As at 31 March, 2014 |            | As at 31 March, 2013 |            |
|-------------------------------------------------|----------------------|------------|----------------------|------------|
|                                                 | Number of shares     | ₹          | Number of shares     | ₹          |
| (a) Authorised                                  |                      |            |                      |            |
| Equity shares of ₹ 10/- each with voting rights | 3,250,000            | 32,500,000 | 3,250,000            | 32,500,000 |
| (b) Issued, subscribed and fully paid up        |                      |            |                      |            |
| Equity shares of ₹ 10/- each with voting rights | 3,070,000            | 30,700,000 | 3,070,000            | 30,700,000 |
| Total                                           | 3,070,000            | 30,700,000 | 3,070,000            | 30,700,000 |

Notes:

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

| Class of shares / Name of shareholder | As at 31 March, 2014  |                                   | As at 31 March, 2013  |                                   |
|---------------------------------------|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
|                                       | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights      |                       |                                   |                       |                                   |
| Satish B Zaveri                       | 1,082,960             | 35.26%                            | 1,082,960             | 35.26%                            |
| Sandip S Zaveri                       | 360,500               | 11.74%                            | 360,500               | 11.74%                            |
| United Phosphorous Ltd                | 921,000               | 30.00%                            | 921,000               | 30.00%                            |
| Bhanuraj N Mehta                      | 239,000               | 7.78%                             | 239,000               | 7.78%                             |

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

| Particulars                                                                | Aggregate number of shares |                      |
|----------------------------------------------------------------------------|----------------------------|----------------------|
|                                                                            | As at 31 March, 2014       | As at 31 March, 2013 |
| Equity shares with voting rights                                           |                            |                      |
| (a) Fully paid up pursuant to a contract for consideration other than cash | 147,000                    | 147,000              |
| (b) Fully paid up by way of bonus shares                                   | 2,107,500                  | 2,107,500            |

(iii) Terms / rights attached to equity shares

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

Note 4 Reserves and surplus

| Particulars                                                      | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------------------------------------------|----------------------|----------------------|
|                                                                  | ₹                    | ₹                    |
| (a) Securities premium account                                   |                      |                      |
| Balance as at year end                                           | 12,650,000           | 12,650,000           |
| (b) Revaluation reserve                                          |                      |                      |
| Opening balance                                                  | 1,589,883            | 1,624,263            |
| Add: Addition on revaluations during the year                    |                      |                      |
| Less: Utilised for set off against depreciation                  | (34,380)             | (34,380)             |
| Written back / other utilisations during the year (give details) |                      |                      |
| Closing balance                                                  | 1,555,503            | 1,589,883            |
| (c) Cash Subsidy                                                 |                      |                      |
| Balance as at year end                                           | 1,156,929            | 1,156,929            |
| (d) Surplus / (Deficit) in Statement of Profit and Loss          |                      |                      |
| Opening balance                                                  | (9,530,584)          | 6,425,793            |
| Add: Profit / (Loss) for the year                                | 1,145,085            | (15,956,377)         |
| Closing balance                                                  | (8,385,499)          | (9,530,584)          |
| Total                                                            | 6,976,933            | 5,866,228            |

Note 5 Long-term borrowings

| Particulars                            | As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------------------------|----------------------|----------------------|
|                                        | ₹                    | ₹                    |
| (a) Term loans                         |                      |                      |
| From banks                             |                      |                      |
| Secured                                | 4,641,000            | 7,336,000            |
|                                        | 4,641,000            | 7,336,000            |
| (b) Loans from Directors and relatives |                      |                      |
| Unsecured                              | 45,891,000           | 40,491,000           |
|                                        | 45,891,000           | 40,491,000           |
| Total                                  | 50,532,000           | 47,827,000           |

Notes:

(i) The term loan is secured by:

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

(b) Personal guarantee of directors of the company



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

**Note 6 Other long-term liabilities**

| Particulars                 | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------|----------------------|----------------------|
|                             | ₹                    | ₹                    |
| (a) Others:                 |                      |                      |
| (i) Advances from customers | 9,027,230            | 15,654,944           |
| <b>Total</b>                | <b>9,027,230</b>     | <b>15,654,944</b>    |

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

| Particulars                                                                             | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                         | ₹                    | ₹                    |
| <b>Deferred Tax Liability</b>                                                           |                      |                      |
| 1. Differences in WDV of Fixed Assets                                                   | 16,298,902           | 14,322,353           |
| <b>Deferred Tax Asstes</b>                                                              |                      |                      |
| 1. Unabsorbed Depreciation/Business Loss                                                | 17,325,579           | 15,694,423           |
| 2. Brought forward MAT Credit u/s 115JB                                                 | 458,618              | 448,921              |
| <b>Net Deferred Tax Assets</b>                                                          | <b>1,485,295</b>     | <b>1,820,991</b>     |
| <b>Net Deferred Tax Liability</b>                                                       | <b>-</b>             | <b>-</b>             |
| <b>Notes:</b><br>The Company has not recognised Net Deferred Tax Asset of Rs. 1485913/- |                      |                      |

**Note 8 Short-term borrowings**

| Particulars                                                                                                                                                                                                                                                                                                                                                                        | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                                                                                                                                                                                                                                                    | ₹                    | ₹                    |
| (a) Loans repayable on demand                                                                                                                                                                                                                                                                                                                                                      |                      |                      |
| From banks                                                                                                                                                                                                                                                                                                                                                                         |                      |                      |
| Secured                                                                                                                                                                                                                                                                                                                                                                            | 11,118,896           | 7,533,928            |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                       | <b>11,118,896</b>    | <b>7,533,928</b>     |
| <b>Notes:</b><br>(i) Details of security for the secured short-term borrowings:<br>Loans repayable on demand from Bank of Baroda, SSI VIE branch, Vapi is secured by first and exclusive charge on inventories including stocks of raw materials, finished goods, work in process, stores and spares, receivables and equitable mortgage on the Land and buildings of the Company. |                      |                      |

**Note 9 Trade payables**

| Particulars                                               | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------------------------------------|----------------------|----------------------|
|                                                           | ₹                    | ₹                    |
| Trade payables:                                           |                      |                      |
| Other than Acceptances                                    |                      |                      |
| (a) Total outstanding dues of Micro and Small Enterprises | -                    | -                    |
| (b) Total outstanding of other payables                   | 20,759,180           | 14,087,081           |
| <b>Total</b>                                              | <b>20,759,180</b>    | <b>14,087,081</b>    |

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

**Note 10 Other current liabilities**

| Particulars                                                     | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------------------------------------------|----------------------|----------------------|
|                                                                 | ₹                    | ₹                    |
| (a) Current maturities of long-term debt (Refer Note (i) below) | 2,940,000            | 2,940,000            |
| (a) Other payables                                              |                      |                      |
| (i) Statutory liabilities                                       | 201,943              | 275,480              |
| <b>Total</b>                                                    | <b>3,141,943</b>     | <b>3,215,480</b>     |
| Particulars                                                     | As at 31 March, 2014 | As at 31 March, 2013 |
|                                                                 | ₹                    | ₹                    |
| (b) Term loans                                                  |                      |                      |
| From banks                                                      |                      |                      |
| Secured                                                         | 2,940,000            | 2,940,000            |
| <b>Total</b>                                                    | <b>2,940,000</b>     | <b>2,940,000</b>     |



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

**NOTE:-11.12 FIXED ASSETS**

| SR. NO.                      | PARTICULARS                    | GROSS BLOCK            |                                |                           |                        | DEPRECIATION           |                      |           | NET BLOCK            |                        |                        |
|------------------------------|--------------------------------|------------------------|--------------------------------|---------------------------|------------------------|------------------------|----------------------|-----------|----------------------|------------------------|------------------------|
|                              |                                | AS AT 01.04.2013 (Rs.) | ADDITIONS DURING THE YEAR(Rs.) | DEDUCTION DURING THE YEAR | AS AT 31.03.2014 (Rs.) | UP TO 31.03.2013 (Rs.) | DURING THE YEAR(Rs.) | RECOUPED  | ON REVALU-ATION(Rs.) | AS AT 31.03.2014 (Rs.) | AS AT 31.03.2013 (Rs.) |
| <b>12 Intangible Assets:</b> |                                |                        |                                |                           |                        |                        |                      |           |                      |                        |                        |
| 1                            | Goodwill                       | 450,000                | -                              | -                         | 450,000                | -                      | -                    | -         | -                    | 450,000                | 450,000                |
|                              | <b>TOTAL Rs.</b>               | 450,000                | -                              | -                         | 450,000                | -                      | -                    | -         | -                    | 450,000                | 450,000                |
| <b>11 Tangible Assets:</b>   |                                |                        |                                |                           |                        |                        |                      |           |                      |                        |                        |
| 1                            | Leasehold Land                 | 1,528,000              | -                              | -                         | 1,528,000              | -                      | -                    | -         | -                    | 1,528,000              | 1,528,000              |
| 2                            | Buildings                      | 41,744,465             | 457,151                        | -                         | 42,201,616             | 11,300,771             | 755,879              | -         | 34,380               | 30,110,586             | 30,443,694             |
| 3                            | Plant & Machinery              | 117,109,798            | 1,315,637                      | 4,754,687                 | 113,670,748            | 43,786,243             | 1,313,112            | 1,291,370 | -                    | 69,882,763             | 73,323,555             |
| 4                            | Laboratory Equipments          | 1,965,190              | 25,398                         | -                         | 1,990,588              | 922,435                | 94,050               | -         | -                    | 1,016,485              | 1,042,755              |
| 5                            | Furniture & Fixture            | 2,708,297              | 81,264                         | -                         | 2,789,561              | 2,478,964              | 173,791              | -         | -                    | 2,652,755              | 229,333                |
| 6                            | Office Equipment               | 846,808                | 39,800                         | -                         | 886,608                | 836,537                | 41,169               | -         | -                    | 877,706                | 10,271                 |
| 7                            | Vehicles                       | 2,773,220              | -                              | -                         | 2,773,220              | 2,214,553              | 25,443               | -         | -                    | 2,239,996              | 558,667                |
| 8                            | Computers                      | 750,125                | 19,762                         | -                         | 769,887                | 317,370                | 36,129               | -         | -                    | 353,499                | 432,755                |
| 9                            | Refrigerator                   | 24,625                 | -                              | -                         | 24,625                 | 11,937                 | 1,170                | -         | -                    | 13,107                 | 12,689                 |
| 10                           | Airconditioner                 | 527,688                | -                              | -                         | 527,688                | 432,800                | 25,065               | -         | -                    | 457,865                | 94,889                 |
|                              | <b>TOTAL Rs.</b>               | 169,978,216            | 1,939,012                      | 4,754,687                 | 167,162,541            | 62,301,609             | 2,465,808            | 1,291,370 | 34,380               | 63,510,428             | 107,676,607            |
|                              | <b>GRAND TOTAL Rs.</b>         | 170,428,216            | 1,939,012                      | 4,754,687                 | 167,612,541            | 62,301,609             | 2,465,808            | 1,291,370 | 34,380               | 104,102,113            | 108,126,607            |
|                              | <b>PREVIOUS YEAR TOTAL Rs.</b> | 170,527,673            | 2,793,546                      | 2,893,003                 | 170,428,216            | 56,559,849             | 6,305,785            | 598,404   | 34,380               | 62,301,609             | 113,967,824            |

**CHEMIESYNTH (VAPI) LIMITED**

**Note 13 Non-current investments**

| Particulars                                                                                                                                     | As at 31 March, 2014 | As at 31 March, 2013 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                                 | ₹                    | ₹                    |
| Investments (At cost):                                                                                                                          |                      |                      |
| Trade, Unquoted:                                                                                                                                |                      |                      |
| (a).National Savings Certificates - VIII Issue (Held in the name of employee of the Company (nominee) and deposited with Government Department) | 35,000               | 35,000               |
| <b>Total - Trade</b>                                                                                                                            | 35,000               | 35,000               |
| <b>Total</b>                                                                                                                                    | 35,000               | 35,000               |

**Note 14 Long-term loans and advances**

| Particulars                                                                                                     | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                 | ₹                    | ₹                    |
| (a) Security deposits                                                                                           |                      |                      |
| Secured, considered good                                                                                        |                      |                      |
| Unsecured, considered good                                                                                      | 1,647,714            | 1,647,714            |
|                                                                                                                 | 1,647,714            | 1,647,714            |
| (b) Loans and advances to employees                                                                             |                      |                      |
| Unsecured, considered good                                                                                      | 569,258              | 458,058              |
| (c) Advance income tax (net of provisions ₹ Nil (As at 31 March, 2013 ₹ 130,000/-) - Unsecured, considered good | 455,470              | 817,006              |
| <b>Total</b>                                                                                                    | 2,672,442            | 2,922,778            |



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

**Note 15 Inventories**

(At lower of cost and net realisable value)

| Particulars                                                | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------------------------------------|----------------------|----------------------|
|                                                            | ₹                    | ₹                    |
| (a) Raw materials                                          | 4,178,764            | 1,927,512            |
|                                                            | 4,178,764            | 1,927,512            |
| (b) Work-in-progress                                       | 6,623,100            | 4,851,916            |
|                                                            | 6,623,100            | 4,851,916            |
| (c) Finished goods (other than those acquired for trading) | 5,016,960            | 385,409              |
|                                                            | 5,016,960            | 385,409              |
| (d) Stores and spares                                      | 982,572              | 940,656              |
|                                                            | 982,572              | 940,656              |
| <b>Total</b>                                               | <b>16,801,396</b>    | <b>8,105,493</b>     |

Note: Details of inventory of work-in-progress

| Particulars                  | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------|----------------------|----------------------|
|                              | ₹                    | ₹                    |
| 4 SNA                        | 1,869,000            | 791,700              |
| 5 NI                         | 1,050,000            | 360,000              |
| 2:6 Di Chloro 4 Amino Phenol | -                    | 96,000               |
| CAR-III                      | -                    | 1,994,100            |
| DEMAP Aldehyde               | 1,130,000            | -                    |
| Other items                  | 2,574,100            | 1,610,116            |
|                              | <b>6,623,100</b>     | <b>4,851,916</b>     |

**Note 16 Trade receivables**

| Particulars                                                                                             | As at 31 March, 2014 | As at 31 March, 2013 |
|---------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                         | ₹                    | ₹                    |
| Trade receivables outstanding for a period exceeding six months from the date they were due for payment |                      |                      |
| Unsecured, considered good                                                                              | -                    | -                    |
| Doubtful                                                                                                | -                    | 1,377,186            |
|                                                                                                         | -                    | 1,377,186            |
| Less: Provision for doubtful trade receivables                                                          | -                    | 1,377,186            |
|                                                                                                         | -                    | -                    |
| Other Trade receivables                                                                                 |                      |                      |
| Unsecured, considered good                                                                              | 3,332,919            | 2,660,498            |
|                                                                                                         | 3,332,919            | 2,660,498            |
| <b>Total</b>                                                                                            | <b>3,332,919</b>     | <b>2,660,498</b>     |

**CHEMIESYNTH (VAPI) LIMITED****Notes forming part of the financial statements****Note 17 Cash and cash equivalents**

| Particulars                                                                                                                 | As at 31 March, 2014 | As at 31 March, 2013 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                             | ₹                    | ₹                    |
| (a) Cash on hand                                                                                                            | 21,965               | 19,145               |
| (b) Balances with banks                                                                                                     |                      |                      |
| (i) In current accounts                                                                                                     | 2,847,033            | 1,485,334            |
| (iii) In deposit accounts (Refer Note (i) below)                                                                            | 400,000              | 200,926              |
| <b>Total</b>                                                                                                                | <b>3,268,998</b>     | <b>1,705,405</b>     |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is | 3,268,998            | 1,705,405            |

**Note 18 Short-term loans and advances**

| Particulars                              | As at 31 March, 2014 | As at 31 March, 2013 |
|------------------------------------------|----------------------|----------------------|
|                                          | ₹                    | ₹                    |
| (a) Balances with government authorities |                      |                      |
| Unsecured, considered good               |                      |                      |
| (i) CENVAT credit receivable             | 1,557,185            | 1,077,088            |
| (ii) Service Tax credit receivable       | 172,949              | -                    |
| (iii) Excise refund receivable           | 64,458               | 64,458               |
| (b) Advance to suppliers                 | 84,704               | 64,890               |
| <b>Total</b>                             | <b>1,923,664</b>     | <b>1,206,436</b>     |

**Note 19 Other current assets**

| Particulars                      | As at 31 March, 2014 | As at 31 March, 2013 |
|----------------------------------|----------------------|----------------------|
|                                  | ₹                    | ₹                    |
| (a) Accruals                     |                      |                      |
| (i) Interest accrued on deposits | 119,648              | 122,443              |
| <b>Total</b>                     | <b>119,648</b>       | <b>122,443</b>       |



CHEMIEGYNTH (VAPI) LIMITED  
Notes forming part of the financial statements

Note 20 Revenue from operations

|     | Particulars                                      | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|-----|--------------------------------------------------|--------------------------------------|--------------------------------------|
|     |                                                  | ₹                                    | ₹                                    |
| (a) | Sale of products (Refer Note (i) below)          | 81,536,807                           | 46,044,983                           |
| (b) | Job Work charges                                 | 13,169,115                           | 5,981,913                            |
| (c) | Other operating revenues (Refer Note (ii) below) | 1,620,441                            | 505,249                              |
|     | <b>Total</b>                                     | <b>96,326,363</b>                    | <b>52,532,145</b>                    |

  

| Note | Particulars                                              | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|------|----------------------------------------------------------|--------------------------------------|--------------------------------------|
|      |                                                          | ₹                                    | ₹                                    |
| (i)  | Sale of products comprises:<br><u>Manufactured goods</u> |                                      |                                      |
|      | 4 SNA                                                    | 23,290,301                           | 17,700,600                           |
|      | 5 NI                                                     | 7,353,600                            | -                                    |
|      | CAR-III                                                  | 2,164,100                            | 8,993,883                            |
|      | 2:6 Di Chloro 4 Amino Phenol                             | 22,575,000                           | 19,350,000                           |
|      | DEMAP Aldehyde                                           | 26,153,806                           | -                                    |
|      | Others                                                   | -                                    | 500                                  |
|      | <b>Total - Sale of manufactured goods</b>                | <b>81,536,807</b>                    | <b>46,044,983</b>                    |
|      | <b>Total - Sale of products</b>                          | <b>81,536,807</b>                    | <b>46,044,983</b>                    |
| (ii) | Other operating revenues:                                |                                      |                                      |
|      | Sale of waste products                                   | 665,097                              | 152,500                              |
|      | Sale of scrap                                            | 955,344                              | 352,749                              |
|      | Duty drawback and other export incentives                | -                                    | -                                    |
|      | <b>Total - Other operating revenues</b>                  | <b>1,620,441</b>                     | <b>505,249</b>                       |

Note 21 Other income

|     | Particulars                                                                                               | For the year ended 31<br>March, 2014 | For the year ended 31<br>March, 2013 |
|-----|-----------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|     |                                                                                                           | ₹                                    | ₹                                    |
| (a) | Interest income (Refer Note (i) below)                                                                    | 194,670                              | 158,368                              |
| (b) | Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below) | 1,130,683                            | 756,249                              |
|     | <b>Total</b>                                                                                              | <b>1,325,353</b>                     | <b>914,617</b>                       |

  

| Note | Particulars                         | For the year ended 31<br>March, 2014 | For the year ended 31<br>March, 2013 |
|------|-------------------------------------|--------------------------------------|--------------------------------------|
|      |                                     | ₹                                    | ₹                                    |
| (i)  | Interest income comprises:          |                                      |                                      |
|      | Interest from banks on:<br>deposits | 153,189                              | 158,368                              |
|      | Interest on income tax refund       | 41,481                               | -                                    |
|      | <b>Total - Interest income</b>      | <b>194,670</b>                       | <b>158,368</b>                       |

  

| Note | Particulars                               | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|------|-------------------------------------------|--------------------------------------|--------------------------------------|
|      |                                           | ₹                                    | ₹                                    |
| (ii) | Other non-operating income comprises:     |                                      |                                      |
|      | Profit on sale of assets                  | 1,130,683                            | 56,249                               |
|      | Service charges received                  | -                                    | 700,000                              |
|      | <b>Total - Other non-operating income</b> | <b>1,130,683</b>                     | <b>756,249</b>                       |

## CHEMIESYNTH (VAPI) LIMITED

Notes forming part of the financial statements

## Note 22.a Cost of materials consumed

| Particulars                      | For the year ended 31<br>March, 2014 | For the year ended<br>31 March, 2013 |
|----------------------------------|--------------------------------------|--------------------------------------|
|                                  | ₹                                    | ₹                                    |
| Opening stock                    | 1,927,512                            | 2,190,909                            |
| Add: Purchases                   | 57,080,744                           | 26,346,547                           |
|                                  | 59,008,256                           | 28,537,456                           |
| Less: Closing stock              | (4,178,764)                          | (1,927,512)                          |
| <b>Cost of material consumed</b> | <b>54,829,492</b>                    | <b>26,609,944</b>                    |
| Material consumed comprises:     |                                      |                                      |
| Ace Napthene                     | 2,772,243                            | 1,428,240                            |
| Fast Red RL Base                 | 2,983,000                            | -                                    |
| Caustic Soda Lye                 | 2,874,023                            | 1,921,299                            |
| 2:6 Di Chloro Phenol             | 5,012,500                            | 4,622,600                            |
| Potassium Permanganate           | 8,965,746                            | 4,754,564                            |
| Di Ethyl Meta Amino Phenol       | 14,617,000                           | -                                    |
| Other items                      | 19,649,330                           | 13,883,241                           |
| <b>Total</b>                     | <b>54,829,492</b>                    | <b>26,609,944</b>                    |

## Note 22.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

| Particulars                                      | For the year ended 31<br>March, 2014 | For the year ended<br>31 March, 2013 |
|--------------------------------------------------|--------------------------------------|--------------------------------------|
| <u>Inventories at the end of the year:</u>       |                                      |                                      |
| Finished goods                                   | 5,016,960                            | 385,409                              |
| Work-in-progress                                 | 6,623,100                            | 4,851,916                            |
|                                                  | 11,640,060                           | 5,237,325                            |
| <u>Inventories at the beginning of the year:</u> |                                      |                                      |
| Finished goods                                   | 385,409                              | 385,434                              |
| Work-in-progress                                 | 4,851,916                            | 6,376,040                            |
|                                                  | 5,237,325                            | 6,761,474                            |
| <b>Net (increase) / decrease</b>                 | <b>(6,402,735)</b>                   | <b>1,524,149</b>                     |

## Note 23 Employee benefits expense

| Particulars                                | For the year ended 31<br>March, 2014 | For the year ended 31<br>March, 2013 |
|--------------------------------------------|--------------------------------------|--------------------------------------|
|                                            | ₹                                    | ₹                                    |
| Salaries and wages                         | 9,541,364                            | 8,289,512                            |
| Contributions to provident and other funds | 1,228,660                            | 987,283                              |
| Gratuity                                   | 117,995                              | 274,172                              |
| Staff welfare expenses                     | 275,736                              | 308,681                              |
| <b>Total</b>                               | <b>11,163,755</b>                    | <b>9,859,648</b>                     |

## Note 24 Finance costs

| Particulars              | For the year ended 31<br>March, 2014 | For the year ended 31<br>March, 2013 |
|--------------------------|--------------------------------------|--------------------------------------|
|                          | ₹                                    | ₹                                    |
| (a) Interest expense on: |                                      |                                      |
| (i) Borrowings           | 2,938,056                            | 3,826,664                            |
| <b>Total</b>             | <b>2,938,056</b>                     | <b>3,826,664</b>                     |



**CHEMIESYNTH (VAPI) LIMITED**

**Notes forming part of the financial statements**

**Note 25 Other expenses**

| Particulars                                 | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
|                                             | ₹                                    | ₹                                    |
| Consumption of stores and spare parts       | 1,077,395                            | 1,982,371                            |
| Consumption of packing materials            | 732,294                              | 546,757                              |
| Job work charges                            | 938,650                              | 327,310                              |
| Power and fuel                              | 12,229,013                           | 9,096,580                            |
| Water charges                               | 1,095,897                            | 814,952                              |
| Provision for doubtful trade receivables    | -                                    | 1,377,186                            |
| Rent                                        | -                                    | 53,750                               |
| Repairs and maintenance - Buildings         | 68,068                               | 147,660                              |
| Repairs and maintenance - Machinery         | 941,520                              | 1,737,855                            |
| Repairs and maintenance - Others            | 73,071                               | 71,073                               |
| Insurance                                   | 332,929                              | 280,650                              |
| Rates and taxes                             | 597,642                              | 41,932                               |
| Communication                               | 210,417                              | 219,363                              |
| Travelling and conveyance                   | 428,649                              | 438,649                              |
| Printing and stationery                     | 151,770                              | 121,008                              |
| Freight and forwarding                      | 780,136                              | 433,227                              |
| Legal and professional fees                 | 572,028                              | 479,909                              |
| Payments to auditors (Refer Note (i) below) | 25,000                               | 25,000                               |
| Amortisation of share issue expenses        | -                                    | -                                    |
| Service charges                             | 87,690                               | 103,066                              |
| Contract labour charges                     | 4,947,461                            | 2,891,729                            |
| Bank charges                                | 95,413                               | 252,759                              |
| Effluent treatment and disposal charges     | 2,754,366                            | 1,091,078                            |
| Prior period expenses                       | -                                    | -                                    |
| Miscellaneous expenses                      | 3,372,845                            | 2,681,566                            |
| <b>Total</b>                                | <b>31,512,254</b>                    | <b>25,215,430</b>                    |

**Notes:**

| Particulars                                                                                 | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                             | ₹                                    | ₹                                    |
| (i) Payments to the auditors comprises (net of service tax input credit, where applicable): |                                      |                                      |
| As auditors - statutory audit                                                               | 25,000                               | 25,000                               |
| <b>Total</b>                                                                                | <b>25,000</b>                        | <b>25,000</b>                        |
| (ii) Details of Prior period items                                                          |                                      |                                      |
| Prior period expenses                                                                       | -                                    | -                                    |
| <b>Total</b>                                                                                | <b>-</b>                             | <b>-</b>                             |
| <b>Total</b>                                                                                | <b>-</b>                             | <b>-</b>                             |

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

|    |                                                                                                                                                                                                                                                                                                                                                                                         |                   |                  |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|
| 26 | Contingent Liabilities not provided for in respect of:<br>Letter of Guarantees issued by the Bank Rs. 10,000/- (Rs. 10,000/-)                                                                                                                                                                                                                                                           |                   |                  |
| 27 | The depreciation provided during the year includes Rs. 0.34 Lacs on the increased gross value of Buildings arising on revaluation and the same is recouped from Revaluation Reserve.                                                                                                                                                                                                    |                   |                  |
| 28 | The Company has provided for Rs. Nil (Rs. 13,77,166) in respect of Bad & Doubtful Debts.                                                                                                                                                                                                                                                                                                |                   |                  |
| 29 | The Balances of Debtors, Creditors & Loans & Advances are subject to confirmations.                                                                                                                                                                                                                                                                                                     |                   |                  |
| 30 | The company has not received any intimation from suppliers regarding their status under the Micro, Small & Medium Enterprise Development Act, 2006 and hence disclosure requirements in the this regard as per schedule VI of the the Companies Act, 1956 could not be provided.                                                                                                        |                   |                  |
| 31 | The Company's primary business segment is manufacturing of Dyes & Intermediates. Based on guiding principles given in Accounting Standard on "Segment Reporting" AS-17 issued by the Institute of Chartered Accountants of India, this activity falls with in a single primary business segment and accordingly the disclosure requirements of AS-17 in this regard are not applicable. |                   |                  |
| 32 | <b>Related party Disclosures</b><br>During the year the company entered into transaction with the related parties. Those transactions along with related balances as at 31st March, 2012 and for the year then ended are presented in the following table.                                                                                                                              |                   |                  |
| a) | Related parties where control exists.                                                                                                                                                                                                                                                                                                                                                   | 2013-14           | 2012-13          |
| 1) | Joint venture                                                                                                                                                                                                                                                                                                                                                                           | Nil               | Nil              |
|    | <b>2) Associates</b>                                                                                                                                                                                                                                                                                                                                                                    |                   |                  |
| A) | CS Speciality chemical Pvt Ltd                                                                                                                                                                                                                                                                                                                                                          |                   |                  |
|    | Sales of goods/Processing charges                                                                                                                                                                                                                                                                                                                                                       | 23,908,114        | 17,945,334       |
|    | Purchase of goods                                                                                                                                                                                                                                                                                                                                                                       | 109,782           | -                |
|    | Services charges received                                                                                                                                                                                                                                                                                                                                                               | -                 | 788,520          |
|    | Outstanding balance as at the year end receivable (Net)                                                                                                                                                                                                                                                                                                                                 | 533,411           | 397,320          |
| 3) | Key Management Personnel & their relatives                                                                                                                                                                                                                                                                                                                                              |                   |                  |
|    | Mr. Satish B Zaveri                                                                                                                                                                                                                                                                                                                                                                     |                   |                  |
|    | Mr. Sandeep S. Zaveri (Son)                                                                                                                                                                                                                                                                                                                                                             |                   |                  |
|    | Mrs. Kamal S Zaveri (Spouse)                                                                                                                                                                                                                                                                                                                                                            |                   |                  |
|    | Nature of transactions                                                                                                                                                                                                                                                                                                                                                                  |                   |                  |
|    | Remuneration paid to Managing Director (including contribution to PF)                                                                                                                                                                                                                                                                                                                   |                   |                  |
|    | Mr. Satish B Zaveri                                                                                                                                                                                                                                                                                                                                                                     | -                 | 58,209           |
|    | Salary paid to Director (including contribution to PF)                                                                                                                                                                                                                                                                                                                                  |                   |                  |
|    | Mr. Sandeep S. Zaveri                                                                                                                                                                                                                                                                                                                                                                   | 168,504           | 153,459          |
|    | Consultancy charges paid                                                                                                                                                                                                                                                                                                                                                                |                   |                  |
|    | Mrs. Kamal S Zaveri                                                                                                                                                                                                                                                                                                                                                                     | -                 | -                |
|    | Outstanding balance as at year end                                                                                                                                                                                                                                                                                                                                                      |                   |                  |
| 33 | <b>Payment to Auditors:</b>                                                                                                                                                                                                                                                                                                                                                             | <b>2013-2014</b>  | <b>2012-2013</b> |
|    |                                                                                                                                                                                                                                                                                                                                                                                         | Rs.               | Rs.              |
| a) | For Statutory Audit Fees                                                                                                                                                                                                                                                                                                                                                                | 20,000            | 20,000           |
| b) | For Tax Audit Fees                                                                                                                                                                                                                                                                                                                                                                      | 5,000             | 5,000            |
|    |                                                                                                                                                                                                                                                                                                                                                                                         | 25,000            | 25,000           |
| 34 | <b>Earnings per Share:</b>                                                                                                                                                                                                                                                                                                                                                              |                   |                  |
|    | Profit/(Loss) after taxation                                                                                                                                                                                                                                                                                                                                                            | 1,145,085         | (15,956,377)     |
|    | Number of Equity Shares                                                                                                                                                                                                                                                                                                                                                                 | 3,070,000         | 3,070,000        |
|    | Nominal Value per Share (Rs.)                                                                                                                                                                                                                                                                                                                                                           | 10                | 10               |
|    | Earnings per share                                                                                                                                                                                                                                                                                                                                                                      | 0.37              | (5.20)           |
| 35 | <b>VALUES &amp; PERCENTAGE OF IMPORTED AND INDIGENOUS RAW MATERIAL CONSUMPTION</b>                                                                                                                                                                                                                                                                                                      |                   |                  |
|    | <b>Value Rs.</b>                                                                                                                                                                                                                                                                                                                                                                        | <b>Percentage</b> |                  |
| 1. | Imported                                                                                                                                                                                                                                                                                                                                                                                |                   |                  |
|    | 3,508,496                                                                                                                                                                                                                                                                                                                                                                               | 6.40%             |                  |
|    | (1,428,240)                                                                                                                                                                                                                                                                                                                                                                             | (5.37)%           |                  |
| 2. | Indigenous                                                                                                                                                                                                                                                                                                                                                                              |                   |                  |
|    | 51,320,997                                                                                                                                                                                                                                                                                                                                                                              | 93.60%            |                  |
|    | (25,181,705)                                                                                                                                                                                                                                                                                                                                                                            | (94.63)%          |                  |
|    | 54,829,492                                                                                                                                                                                                                                                                                                                                                                              | 100%              |                  |
|    | (26,609,944)                                                                                                                                                                                                                                                                                                                                                                            | (100)%            |                  |
| 36 | C.I.F Value of Imports                                                                                                                                                                                                                                                                                                                                                                  | 4,043,616         |                  |
|    | (729,816)                                                                                                                                                                                                                                                                                                                                                                               |                   |                  |
| 37 | Export at FOB Value                                                                                                                                                                                                                                                                                                                                                                     | 7,312,391         |                  |
|    | Nil                                                                                                                                                                                                                                                                                                                                                                                     |                   |                  |
| 38 | Figures in brackets are in respect of previous year. Figures of previous year have been restated, regrouped and rearranged wherever necessary.                                                                                                                                                                                                                                          |                   |                  |
|    | <b>For and on behalf of the Board of Directors</b>                                                                                                                                                                                                                                                                                                                                      |                   |                  |
|    | <b>sd/-</b><br><b>Satish Zaveri</b><br>Director                                                                                                                                                                                                                                                                                                                                         |                   |                  |
|    | <b>sd/-</b><br><b>Sandeep Zaveri</b><br>Director                                                                                                                                                                                                                                                                                                                                        |                   |                  |
|    | Place : Vapi                                                                                                                                                                                                                                                                                                                                                                            |                   |                  |
|    | Date : September 1, 2014                                                                                                                                                                                                                                                                                                                                                                |                   |                  |



## CHEMIESYNTH (VAPI) LIMITED

## Cash Flow Statement for the year ended 31 March, 2014

|                                                                             | For the year ended<br>31 March, 2014 | For the year ended<br>31 March, 2013 |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>                               |                                      |                                      |
| Net Profit/(Loss) before tax                                                | 1,145,085                            | (19,894,858)                         |
| Adjustments for:                                                            |                                      |                                      |
| Depreciation                                                                | 2,465,808                            | 6,305,785                            |
| Interest expenses                                                           | 2,938,056                            | 3,826,664                            |
| Interest income                                                             | (194,670)                            | (158,368)                            |
| Profit on sale of fixed assets                                              | (1,130,683)                          | (56,249)                             |
| Operating Profit before Working Capital Changes                             | 5,223,596                            | (9,977,025)                          |
| Changes in:                                                                 |                                      |                                      |
| Trade Receivables and other current assets                                  | (1,386,854)                          | 3,185,864                            |
| Inventories                                                                 | (8,695,903)                          | 1,714,512                            |
| Long term loans and advances                                                | 250,336                              | 182,658                              |
| Trade Payables and other current liabilities                                | 6,598,562                            | 1,974,623                            |
| <b>CASH GENERATED FROM OPERATIONS</b>                                       | <b>1,989,738</b>                     | <b>(2,919,369)</b>                   |
| Interest and Finance Charges                                                | (2,938,056)                          | (3,826,664)                          |
| Taxes Paid                                                                  | -                                    | -                                    |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                               | <b>(948,319)</b>                     | <b>(6,746,033)</b>                   |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>                               |                                      |                                      |
| Purchase of Fixed Assets                                                    | (1,939,012)                          | (2,793,546)                          |
| Interest income                                                             | 194,670                              | 158,368                              |
| Sale of Fixed Assets                                                        | 4,594,000                            | 2,350,848                            |
| Investments                                                                 | -                                    | -                                    |
| <b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>                            | <b>2,849,658</b>                     | <b>(284,330)</b>                     |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>                               |                                      |                                      |
| long term borrowings availed / (repaid)                                     | 2,705,000                            | 9,121,063                            |
| Advance from customer repaid                                                | (6,627,714)                          | (1,800,000)                          |
| Increase/(Decrease) in Working Capital from Bank                            | 3,584,968                            | 413,128                              |
| <b>NET CASH FROM FINANCING ACTIVITIES (C)</b>                               | <b>(337,746)</b>                     | <b>7,734,191</b>                     |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b> | <b>1,563,593</b>                     | <b>703,828</b>                       |
| <b>CASH &amp; CASH EQUIVALENTS AS AT THE COMMENCEMENT OF THE YEAR</b>       | <b>1,705,405</b>                     | <b>1,001,577</b>                     |
| <b>CASH &amp; CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>                | <b>3,268,998</b>                     | <b>1,705,405</b>                     |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)</b> | <b>1,563,593</b>                     | <b>703,828</b>                       |

FOR CHEMIESYNTH (VAPI) LIMITED

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

sd/-  
(DIRECTOR)

sd/-  
(DIRECTOR)

sd/-  
MANOJ T. SHAH  
Partner  
M.NO.043777  
PLACE: VAPI  
DATE: September 1, 2014

ATTENDANCE SLIP

CHEMIESYNTH (VAPI) LIMITED

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

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

L.F. No:

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

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company at Plot No 27 GIDC, Vapi Dist. Bulsar, Gujarat-396195.

Signature of the Holder / Proxy

PROXY FORM

CHEMIESYNTH (VAPI) LIMITED

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

L.F. No:

I/We..... of .....  
being a member / members of **CHEMIESYNTH (VAPI) LIMITED** hereby appoint  
..... of .....  
or failing him ..... of.....  
as my / our Proxy to vote for me / us and on my / our behalf, at the 28<sup>th</sup> Annual General Meeting of  
the Company to be held at 11.30 a.m. on Tuesday, 30<sup>th</sup> September 2014 and at any adjournment  
thereof.

As witness my / our hand(s) this .....day of.....2014

Affix one rupee  
revenue stamp

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

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