

RAJAN. P. RAUT
CHARTERED ACCOUNTANT
5, Apsara Building,
Roshan Nagar, Borivli-West
Mumbai – 400 092

AUDITOR'S REPORT

To,
THE MEMBERS OF
ANAND SYNTHOCHEM LTD.

1. I have audited the attached Balance Sheet of **ANAND SYNTHOCHEM LTD.** as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted my audit in accordance with the auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. *In spite of the erosion of the company's net worth, the accounts for the year are prepared on going concern basis in view of the reasons stated in Note No.1(A) of Significant Accounting Policies .*
4. As required by the Companies (Auditor's Report) Order, 2003 ('the said order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 , I enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order to the extent applicable.
5. Further to my comments above , I report that :-
 - i. I have obtained all the information and explanation, which to the best of my knowledge and belief were necessary for the purposes of my audit;
 - ii. In my opinion, proper books of accounts, as required by law, have been kept by the company so far as appears from my examination of those books.
 - iii. The Balance Sheet and the Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts ;



- iv. In my opinion, the Balance Sheet and the Statement of Profit & Loss are in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- v. On the basis of written representations received from the directors as on 31st March, 2012 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of the clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi. In my opinion and to the best of my information and according to the explanations given to me, the said financial statements together with the notes thereon / attached thereto and the schedule of Significant Accounting Policies given in the prescribed manner the information required by the Act 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 March 31, 2012 and
 - b. In the case of the Statement of Profit and Loss of the Loss for the year ended on that date.




RAJAN. P. RAUT
CHARTERED ACCOUNTANT

PROPRIETOR
M. No. 46712

Place : Mumbai.

Date : 21st May, 2012

ANAND SYNTHOCHEM LTD
ANNEXURE TO THE AUDITOR'S REPORT

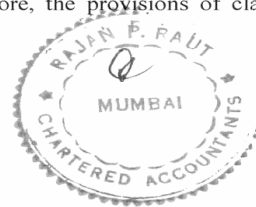
Referred to in paragraph (3) of my report to the members of ANAND SYNTHOCHEM LIMITED on the accounts for the year ended 31st March, 2012

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation in most cases of fixed assets.
(b) In my opinion and according to the information and explanations given to me, the assets have been physically verified by the management according to the regular programme of periodical verification in a phased manner. In my opinion, the frequency of verification is reasonable, considering the size of the operations of the company. No material discrepancy between the book record and physical record were noticed in respect of the assets physically verified.
(c) In my opinion and according to the information and explanations given to me, fixed assets have not been disposed off by the company during the year.
- 2) According to the information and explanation given to me, there is no inventory during the year and hence this clause relating to physical verification of inventory is not applicable to the company.
- 3) The company has not granted or taken any loans from any parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence this clause is not applicable to the company.
- 4) In my opinion and according to the information and explanation given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of examination, and according to the information and explanation given to me, I have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- 5) According to information and explanation given to me, the Company has not entered into any transactions that need to be entered into the Register maintained under section 301 of the Companies Act, 1956.
- 6) As the Company has not accepted any deposit as defined in Rule 2(b) of the Companies (Acceptance of Deposits) Rule, 1975, the question of compliance with the directive issued by



the Reserve Bank of India and provision of Section 58A of the Companies Act, 1956 and Rules framed there under does not arise.

- 7) The Company has no formal internal audit department as such, but its control procedures ensure reasonable internal checking of its financial and other records.
- 8) The maintenance of the cost records is not been prescribed by the Central Government Under Section 209(1)(d) of the Companies Act, 1956 (1 of 1956).
- 9) (a) In my opinion and according to the information and explanation given to me, undisputed statutory dues in respect of provident fund, employees state insurance contribution, income tax, sales tax, excise and other material statutory dues applicable to the Company have generally been regularly deposited with the appropriate authority.
(b) In my opinion and according to the information and explanation given to me, no undisputed amounts in respect of income tax, wealth tax, sales tax, excise duty were in arrears as at 31st March, 2012 for a period of more than 6 months from the date they became payable.
(c) In my opinion and according to the information and explanation given to me, there are no dues of sales tax and income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- 10) *The Company has accumulated losses as at the end of the year and has incurred cash losses during the financial year and also during the immediately preceding financial year.*
- 11) On the basis of my examination and according to the information and explanation given to me, the Company has not defaulted in repayment of dues to any bank. The Company has not obtained any borrowing from any financial institution or by way of debentures.
- 12) The company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In my opinion the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provision of any special statute as specified under clause (xiii) of the order are not applicable to the Company
- 14) In my opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of the order are not applicable to the Company.
- 15) In my opinion the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) In my opinion and according to the information and explanations given to me, the Company has not availed any term loans. Therefore, the provisions of clause (xvi) of the order are not applicable to the Company.



- 17) According to the information and explanation given to me, and on all overall examination of the balance sheet of the Company, I report that, prima facie, no funds raised on short term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
- 18) The Company has not made any preferential allotment during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issue during the year.
- 21) To the best of my knowledge and according to the information and explanation given to me, during the year, no fraud on or by the Company has been noticed or reported during the year




RAJAN. P. RAUT
CHARTERED ACCOUNTANT

PROPRIETOR
M. No. 46712

Place : Mumbai.

Date : 21st May, 2012

ANAND SYNTHOCHEM LIMITED

Balance Sheet as at 31st March, 2012

Particulars	Note No.	As At	As At
		31.03.2012 (Rupees)	31.03.2011 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	17,400,000	17,400,000
(b) Reserves and Surplus	3	62,332,948	(17,476,462)
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	-	3,450,000
(b) Deferred tax liabilities (Net)	5	943,381	943,381
		943,381	4,393,381
(3) Current Liabilities			
(a) Short-term borrowings	6	3,841,864	-
(b) Trade payables	7	11,880	18,620
(c) Other current liabilities	8	256,620	269,039
		4,110,364	287,659
Total		84,786,693	4,604,578
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	84,258,753	4,301,958
(b) Long-term loans and advances	10	5,230	3,230
(2) Current assets			
(a) Trade receivables	11	-	89,415
(b) Cash and cash equivalents	12	496,892	41,061
(c) Short-term loans and advances	13	13,500	34,447
(d) Other current assets	14	12,318	134,467
		522,710	299,390
Total		84,786,693	4,604,578

Significant Accounting Policies
The accompanying notes are integral part of the financial statements.

1
2-22

As per my report of even date attached

RAJAN P. RAUT
Chartered Accountant



PROPRIETOR
M.No. 46712

Place : Mumbai
Date : May 21st, 2012

For and on behalf of the Board

G.D.SHENOY
DIRECTOR

JAYANTHI KAMATH
DIRECTOR

Place : Mumbai
Date : May 21st, 2012



ANAND SYNTHOCHEM LIMITED

Statement of Profit and Loss Account for the year ended 31st March, 2012

Particulars	Note No.	2011-2012	2010-2011
		(Rupees)	(Rupees)
I. Revenue from operations	15	558,289	1,041,588
II. Other Income	16	17,411	24,129
III. Total Revenue (I + II)		575,700	1,065,717
IV Expenses:			
Employee benefit expense	17	435,536	824,702
Financial costs	18	92	74
Depreciation expense	9	1,772,205	-
Other expenses	19	287,457	421,465
Total Expenses		2,495,290	1,246,241
V. Profit before Prior period expenses	(III - IV)	(1,919,590)	(180,524)
VI. Prior period expenses		-	50,004
VII. Profit before tax (V - VI)		(1,919,590)	(230,528)
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX. Profit/(Loss) for the period	(VII-VIII)	(1,919,590)	(230,528)

Significant Accounting Policies

The accompanying notes are integral part of the financial statements.

1
2-22

As per my report of even date attached


RAJAN P. RAÜT
Chartered Accountant



PROPRIETOR
M.No. 46712

Place : Mumbai
Date : May 21st, 2012

For and on behalf of the Board


G.D. SHENOY
DIRECTOR


JAYANTHI KAMATH
DIRECTOR



Place : Mumbai
Date : May 21st, 2012

ANAND SYNTHOCHEM LIMITED

1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, except for certain fixed assets, which were revalued on 30th August 2011 and in case of assets where a provision is made for impairment losses, on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and comply with the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The accounts of the Company have been prepared on a going concern basis notwithstanding that the Company has discontinued its manufacturing operations with effect from September, 1997.

During the year ended 31 March 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for the preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The company has reclassified the previous year's figures to conform to this year's classification.

B. FIXED ASSETS AND DEPRECIATION :

Fixed Assets is stated at cost less Depreciation. On all assets acquired prior to 01.08.1975 depreciation is provided on written down value basis at rates specified in Schedule XIV of the Companies Act, 1956. On all assets acquired on or after 01.08.1975, depreciation is provided on straight line method basis at rates specified in Schedule XIV to the Companies Act, 1956.

On 31st August 2011, the Company has revalued its land as on that date. This land is measured at fair value less impairment loss, if any, recognised after the date of the revaluation. In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve.

C. TAXES ON INCOME :

Deferred Tax liability on timing differences between Taxable Income and Accounting Income is accounted for using the tax rates and the tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is a virtual certainty of realisation. Deferred Tax Asset not Created for Carry forward of Loss.





ANAND SYNTHOCHEM LIMITED

Notes to financial statements for the year ended 31st March 2012

2 : SHARE CAPITAL	As At 31.03.2012 (Rupees)	As At 31.03.2011 (Rupees)
AUTHORISED		
17,40,000 (17,40,000) Equity Shares of Rs.10/- each	17,400,000	17,400,000
ISSUED , SUBSCRIBED AND PAID UP :		
17,40,000 (17,40,000) Equity Shares of Rs. 10/- each fully paid up	17,400,000	17,400,000
TOTAL	17,400,000	17,400,000

a. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding Company are as below:

	As At 31.03.2012 (Rupees)	As At 31.03.2011 (Rupees)
All in Numbers		
FDC Limited, the holding company		
17,40,000 (17,40,000) equity shares of Rs.10 each fully paid up	17,400,000	17,400,000

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity shareholders was Rs. Nil (Previous year - Rs.Nil)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	As At 31.03.2012 Numbers	As At 31.03.2011 Numbers
1. FDC Limited, the holding company	1,740,000	-
% shareholding	100.00%	-
2. Mangala Ashok Chandavarkar	-	547,900.00
% shareholding		31.49%
3. Meera Ramdas Chandavarkar	-	517,000.00
% shareholding		29.71%
4. Sandhya Mohan Chandavarkar	-	426,900.00
% shareholding		24.53%

3 : RESERVES & SURPLUS

	As At 31.03.2012 (Rupees)	As At 31.03.2011 (Rupees)
Capital Reserve	2,100	2,100
General Reserve	6,575,329	6,575,329
Investment Allowance Reserve	6,726	6,726
Revaluation Reserves		
Opening balance	-	-
Add: Assets revalued during the year (Refer Note No.8)	81,729,000	-
Closing balance	81,729,000	-
Debit balance in Profit and loss account	(25,980,207)	(24,060,617)
TOTAL	62,332,948	(17,476,462)



4 : LONG TERM BORROWINGS	As At 31.03.2012 (Rupees)	As At 31.03.2011 (Rupees)
Deposits from shareholder (Unsecured)	-	3,450,000
	-	3,450,000

5: DEFERRED TAX LIABILITY		
Depreciation	943,381	943,381
TOTAL	943,381	943,381

6 : SHORT TERM BORROWINGS		
Loan From holding Company	3,841,864	-
TOTAL	3,841,864	-

7 : TRADE PAYABLES		
Sundry Creditors - Expenses (Refer Note No.20)	11,880	18,620
TOTAL	11,880	18,620

8 : OTHER CURRENT LIABILITIES		
Audit fees payable	7,500	8,273
Electricity Charges payable	1,500	-
Rent Payable	247,500	229,500
T.D.S on Contractor	120	380
Service Tax Payable	-	8,520
Employee Professional tax	-	875
Bonus Payable	-	21,491
TOTAL	256,620	269,039

10 : LONG TERM LOANS & ADVANCES		
Security Deposits MSEB-Dombivali Premises	2,000	-
Security Deposits With MSEB	3,230	3,230
	5,230	3,230

11 : TRADE RECEIVABLES		
Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Other receivables	-	89,415
TOTAL	-	89,415

12 : CASH & CASH EQUIVALENTS		
Cash In Hand	303	208
Balances scheduled bank in current accounts	496,589	40,853
TOTAL	496,892	41,061

13 : SHORT TERM LOANS & ADVANCES		
Prepaid Expenses	13,500	13,500
IT Fund Receivable	-	20,947
TOTAL	13,500	34,447

14 : OTHER CURRENT ASSETS		
TDS on Handling Charges	12,318	107,217
Rent Receivable	-	27,250
TOTAL	12,318	134,467



15 : REVENUE FROM OPERATIONS

	2011-2012 (Rupees)	2010-2011 (Rupees)
Handling Charges Received	558,289	1,041,588
TOTAL	558,289	1,041,588

16 : OTHER INCOME

Amt received from Gratuity fund	920	-
Amt received from Superannuation fund	14,000	13,000
Interest on Income Tax Refund	2,491	2,129
Rent Received	-	9,000
TOTAL	17,411	24,129

17 : EMPLOYEE BENEFIT EXPENSES

Salaries	410,837	794,211
Bonus/Exgratia	15,699	21,491
Directors remuneration	9,000	9,000
TOTAL	435,536	824,702

18 : FINANCIAL COSTS

Bank charges	92	74
TOTAL	92	74

19 : OTHER EXPENSES

Audit Fees (Refer Note No.21)	7,500	8,273
Electricity Charges	6,386	3,360
Security Charges	136,500	114,000
Legal & Professional fees	2,475	13,709
Postage	200	150
Rates & Taxes	12,364	12,364
Rent paid	18,000	18,000
Sundry Dr/Cr Bal W/off	95,282	-
Sundry Fees	8,750	1,605
Property Tax	-	50,004
Donation	-	200,000
TOTAL	287,457	421,465

20 On the basis of the information available with the company, there is no amount due but remaining unpaid for more than 30 days as at 31st March 2012 to any supplier who is a Small Scale or ancillary industrial undertaking.

		<u>2011-2012</u>	<u>2010-2011</u>
21	Payment to Auditors	Rupees	Rupees
	Audit fees	7,500	7,500
	Service Tax	-	773
		<u>7,500</u>	<u>8,273</u>

22 Previous year's figures have been regrouped/ reclassified, wherever necessary to confirm to this years classification.

As per my report of even date attached

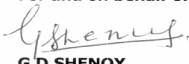

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For and on behalf of the Board


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DIRECTOR


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DIRECTOR



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