



**SYNTHIKO FOILS LIMITED**

**28<sup>TH</sup>  
ANNUAL REPORT  
2012- 2013**

## SYNTHIKO FOILS LIMITED

### **BOARD OF DIRECTORS:**

Mr. Ramesh Dadhia	:	Chairman and Managing Director
Mr. Bhavesh Dadhia	:	Whole Time Director
Mr. Dilip D. Punjabi	:	Independent Non-Executive Director

### **AUDITORS:**

M/s. Arvind & Company  
Chartered Accountants, Mumbai

### **BANKERS:**

1. State Bank of India, Vile Parle (East)
2. Corporation Bank, Vile Parle (East)
3. Bassein Catholic Co-Op. Bank Limited, Bhayander (E)
4. State Bank of India, Jawhar
5. Jawhar Urban Co-Op. Bank Limited, Jawhar

### **REGISTERED OFFICE:**

84/1, 84/2, Jamsar Road,  
Jawhar, Thane-401603  
Email: [foilslimited@rediffmail.com](mailto:foilslimited@rediffmail.com)  
Telefax: 02520- 222360

### **REGISTRAR AND SHARE TRANSFER AGENT:**

**Purva Sharegistry India Pvt Ltd**  
9, Shiv Shakti Industrial Estate,  
Sitaram Mills Compound, J.R. Boricha Marg,  
Opp. Kasturba Hospital, Lower Parel (E),  
Mumbai - 400013

### **LISTING OF EQUITY SHARES:**

#### **BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai - 400 001.

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## NOTICE

Notice is hereby given that the Twenty-Eighth **Annual General Meeting** of the members of **Synthiko Foils Limited** will be held on **Monday the 30<sup>th</sup> September, 2013** at **11.30 am** at the registered office of the company situated at **84/1, 84/2, Jamsar Road, Jawhar, Dist. Thane-401603** to transact the following business:

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### **Ordinary business:**

1. To receive, consider and adopt the audited accounts for the year ended **March 31, 2013** along with notes thereon as on that date and the reports of Directors and Auditors thereon.
2. To reappoint M/s. Arvind & Company, auditor of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.
3. To appoint Director in place of Mr. Dilip Punjabi who retires by rotation and eligible offers himself for re-appointment.

**For and on behalf of the Board**

**Sd/-**

**Ramesh Dadhia  
Managing Director**

**Date: May 30, 2013**

**Place: Jawhar**

### **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/herself and such proxy need not be a member of the company.
2. The proxies, in order to be effective must be duly stamped and signed and should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Wednesday, the September 25, 2013 to Monday, the September 30, 2013** (both days inclusive).
4. Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report, for admission to the meeting hall and also requested to bring copies of Annual Report.
5. Corporate members are required to produce to the Company a duly certified copy of the Board Resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the AGM.
6. Members whose shareholding is in the electronic mode are requested to direct change of address notification and updation of Saving Bank Account details to their respective Depository Participants.

7. Members holding shares in physical form are requested to intimate to the Company's Registrar and Share Transfer Agent, Purva Shareregistry India Pvt. Ltd., 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400013, the following:
- a) Change in their address, if any, along with the pincode.
  - b) Request for consolidation of shareholdings in one account if share certificates are held in multiple accounts or joint accounts in identical order of names.
8. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to members. To support this commendable initiative of MCA, company intend to implement the said initiative in full-fledged manner from subsequent general meetings and therefore seek members' support by requesting them to register their email address in respect of electronic holdings with their Depository through their concerned Depository Participants as early as possible. Members who hold shares in physical mode are requested to register their email address by addressing to Registrar and Transfer Agent, Purva Shareregistry India Pvt. Ltd., 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400013.

**For and on behalf of the Board**

**Sd/-**

**Place: Jawhar**  
**Date: May 30, 2013**

**Ramesh Dadhia**  
**Chairman & Managing Director**

## Directors' Report

To,  
The Members,  
Synthiko Foils Limited

Your Directors have great pleasure in presenting **28<sup>th</sup> Annual Report** along with the Audited Balance sheet and Profit and Loss Account for the year ended **March 31, 2013**.

### 1. Financial results:

Particulars	Year ended on 31-03-2013 Amount in Rs.	Year ended on 31-03-2012 Amount in Rs.
Total Income	133,098,242	136,200,881
Depreciation	1,644,443	1,459,196
Net Profit/(Loss) before Tax	2,402,417	3,895,001
Less: Provision for Taxation	738,868	1,005,054
Net Profit/(Loss) after Tax	1,663,550	2,889,947

### 2. Performance review:

In the current financial year, your Company reported Turnover of Rs. 127,987,647/- (Rupees twelve crore seventy nine lacs eighty seven thousand six hundred and forty seven only) as against Rs. 129,256,894/- (Rupees twelve crore ninety two lacs fifty six thousand eight hundred and ninety four only) in the financial year 2011-12. Due to decline in sales, your Company reported lower profit in comparison to the previous year. After making necessary provisions, the net profit after tax for the financial year 2012-13 stood at Rs. 1,663,550 (Rupees sixteen lacs sixty three thousand five hundred and fifty only) as against Rs. 2,889,947/- (Rupees twenty eight lacs eighty nine thousand nine hundred forty seven only) in the financial year 2011-12.

### 3. Dividend:

In view of financial position of the Company, your Directors do not recommend any dividend for the year 2012-2013.

### 4. Directors:

Mr. Dilip D. Punjabi, Director of the Company, retires by rotation and being eligible offered himself for re-appointment. The Members are requested to re-appoint him in the ensuing Annual General Meeting.

### 5. Fixed deposits:

The Company has not accepted public deposits within the meaning of section 58A of the Companies Act, 1956 and rules framed there under.

### 6. Subsidiaries:

Since the Company has no subsidiary, provisions of section 212 of the Companies Act, 1956 does not apply to the Company.

**7. Auditors:**

M/s. **Arvind & Company**, Chartered Accountants, and statutory auditors of your company hold office until the conclusion of the forthcoming Annual General Meeting and have signified their willingness to be re-appointed and have further confirmed that their appointment if made shall be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

In view of the above members are requested to re-appoint M/s. Arvind & Company as statutory auditors from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

**8. Auditors' report:**

The Auditors' Report states that the company has given guarantee for loans taken by firm in which company is a partner from banks.

**9. Particulars of employees:**

There were no employees who were in receipt of the remuneration in excess of the limits as set out in the provisions of section 217(2A) of the Companies Act, 1956 and rules made thereunder.

**10. Particulars of conservation of energy technology absorption:**

Further, the details of total energy consumption and energy consumption per unit of production in the prescribed format under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is enclosed as **Annexure A** to this report.

**11. Foreign exchange earnings and outgoings:**

The details of the foreign exchange transactions are given below:

Particulars	(In Rupees)	
	2012-2013	2011-2012
Total Foreign Exchange Earned	4,881,000	NIL
Total Foreign Exchange Used	62,952,000	45,936,000

**12. Corporate governance report:**

The corporate governance code is mandatory for the listed company having paid-up capital of Rs. 3,00,00,000/- (Rupees Three Crores) or more. Since the paid up capital of the Company as on March 31, 2013 is Rs. 85,71,000/- (Rupees Eighty Five Lacs Seventy One Thousand only) i.e. below the aforesaid limit, the Corporate Governance code is not mandatory to the Company.

**13. Compliance certificate:**

Compliance Certificate as required under Section 383A of the Companies Act, 1956 prepared and issued by HS Associates, Company Secretaries in Practice is annexed to this report as **Annexure B**.

**14. Directors responsibility statement:**

The Board of Directors hereby confirms:

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

**15. Stock exchange requirements:**

Being listed at BSE Limited, your company has paid listing fees till March, 2014.

**16. Acknowledgement:**

Your Directors take this opportunity to place on record, gratitude for corporation and support received from their Banker, various departments and agencies of Central and State Government and dedication and commitment of the staff at all levels.

**For and on behalf of the Board**

**Sd/-**

**Ramesh Dadhia  
Chairman & Managing Director**

**Place: Jawhar  
Date: May 30, 2013**

**Power & fuel consumption**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current year</b>	<b>Previous year</b>
1.	Electricity		
a)	Purchased		
	Unit	1,36,346	1,40,832
	Total Amount	11,45,100	13,53,718
	Rate/Unit	8.40	9.61
b)	Own Generation		
(i)	Through diesel generator		
	Units	13415.56	16,685.63
	Amount	6,98,012	7,33,000
	Cost/unit	52.02	43.93
(ii)	Through fuel		
	Units	3,98,290	4,40,850
	Units per ltr. Of fuel oil/gas (Amount)	15,18,168	15,63,306
	Cost/unit	3.81	3.54

**For and on behalf of the Board****Sd/-****Ramesh Dadhia  
Chairman & Managing Director****Place: Jawhar  
Date: May 30, 2013**



**Compliance Certificate**

CIN of the Company: **L27200MH1984PLC033829**

Nominal Capital: **Rs. 1,00,00,000/-**

**To**  
**The Members,**  
**Synthiko Foils Limited**

We have examined the registers, records, books and papers of **SYNTHIKO FOILS LIMITED** (the "Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2013** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under and wherever the documents are filed late, the additional filing fees have been paid.
3. The Company being a Public Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **7 (Seven)** times on April 2, 2012, May 2, 2012, May 11, 2012, August 14, 2012, August 30, 2012, November 12, 2012 and February 14, 2013 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members and Share Transfer Book from Saturday, 22<sup>nd</sup> September, 2012 to Saturday, 29<sup>th</sup> September, 2012 (both days inclusive).
6. The Annual General Meeting for the financial year ended on March 31, 2012 was held on September 29, 2012 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. An Extra Ordinary General Meeting was held on April 30, 2012 during the financial year ended March 31, 2013.

8. The Company has given guarantee to Partnership firm for a loan taken by the firm from a Bank, in which Company is 50% partner and director is interested, without complying with the provisions of Section 295 of the Act.
9. The Company has duly complied with the provision of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued duplicate share certificates during the financial year.
13. The Company:
  - (i) Has duly delivered share certificates on transfers of 10,200 shares. However, there was no allotment or transmission of shares during the year under review.
  - (ii) Was not required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year;
  - (iii) Was not required to post warrants to any members of the Company as no dividend was declared during the financial year;
  - (iv) Was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years, required to be transferred to the Investor Education and Protection Fund (IEPF) as there was no such amount lying in the Books of Accounts of the Company to be transferred so;
  - (v) Has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill in the casual vacancy during the financial year.
15. There was no appointment of Managing Director/Whole Time Director during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.

17. The Company was required to obtain approval of the Central Government pursuant to Section 295 of the Companies Act, 1956, which was not obtained; other than this no approval was required of Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has no preference share capital or debentures and as such there was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance, the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Directors, Members, Public financial Institutions, Banks, and others during the financial year ending 31<sup>st</sup> March, 2013 are duly complied with the section 293(1)(d) of the Act.
25. The Company has made loans and investments or given guarantees or provided securities in other bodies corporate in compliance of the provisions of section 372A of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to the situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the financial year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to the name of the Company during the financial year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to the share capital of the Company during the financial year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.

31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The provisions of Section 418 of the Act are not applicable to the Company during the financial year.

**Place: Mumbai**  
**Date: May 30, 2013**

**Signature**  
**Sd/-**

**Hemant Shetye**  
**Partner**  
**Hs Associates**  
**C.P. No.: 1483**

### **Annexure "A"**

#### **Registers and records maintained by the company**

- a) Register of members under Section 150
- b) Index of members under Section 151
- c) Register of Transfer
- d) Registers and Returns under Section 163
- e) Register of Contracts under Section 301
- f) Register of Directors, Managing Director, manager and secretary under Section 303
- g) Register of Directors' shareholdings under Section 307
- h) Register of charges under Section 143
- i) Register of Share application and allotment
- j) Minutes Book under Section 193
- k) Books of Account under Section 209
- l) Register of Investments, Loans and Guarantees under section 372A

### **Annexure "B"**

#### **Forms and returns as filed by the company with the registrar of companies, during the financial year ended on 31<sup>st</sup> March, 2013**

<b>Sr. No</b>	<b>E-Form</b>	<b>Section</b>	<b>Date of Filing</b>	<b>Particulars</b>
1.	Form 8	Sec 135	08.06.2012	Modification to Charge Id no. 90241393
2.	Form 8	Sec 135	11.06.2012	Modification to Charge Id no. 90241393
3.	Form 23	Sec 192	05.11.2012	Filing of form 23 for registration of Ordinary resolution
4.	Form 66	Sec 383A	23.10.2012	Filing of Compliance Certificate for the financial year ended March 31, 2012
5.	Form 20B	Sec 159	28.11.2012	Filing of Annual return for the year 2012
6.	Form 23AC & ACA	Sec 220	15.01.2013	Filing of Balance sheet and Profit and loss Account for financial year ended March 31, 2012

**Place: Mumbai**  
**Date: May 30, 2013**

**Signature**  
**Sd/-**

**Hemant Shetye**  
**Partner**  
**Hs Associates**  
**C.P. No.: 1483**

## **Report of the Independent Auditors**

To the Members of **Synthiko Foils Ltd**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Synthiko Foils Ltd** (“the Company”), which comprise the Balance Sheet as at March 31, 2013, 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.

### **Management’s Responsibility for the Financial Statements**

Management 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 Section 211 (3C) of the Companies Act, 1956 (“the Act”). 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.

### **Auditor’s 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 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 misstatements.

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. 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.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (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**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227(3) of the Act, we report that;
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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.
  - c. The balance sheet, the Statement of Profit and Loss, and the Cash flow statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the statement of Profit and loss, & the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act;
  - e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the board of directors, none of directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For ARVIND & COMPANY**  
**Chartered Accountants**  
**Firm Reg. No.100569W**  
**Sd/-**  
**[Gaurang A. Patel]**  
**Partner**  
**M. No. 36700**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2013**

**M/S. SYNTHIKO FOILS LTD.**  
**ANNEXURE TO THE AUDITOR'S REPORT**

*Referred to in Paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date*

1. In respect of its **Fixed Assets:**
  - a. The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets on the basis of available information.
  - b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
  
2. In response of its **Inventories:**
  - a. The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion & according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
  
3. In respect of the loans, secured or unsecured, granted or taken by the Company to /from companies, firms or other parties covered in the register maintained under Section 301 of the companies act, 1956:
  - a. As informed, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) & (d) of the Order are not applicable.



- b. In our opinion & according to the information and explanations given to us the rate of interest and other terms and conditions of the loans given by the company, are not prima facie prejudicial to the interest of the company.
  - c. The principal amounts are repayable over a period of three to five years, while the interest is payable annually at the discretion of the company.
  - d. In respect of the said loans and interest thereon, there are no overdue amounts.
  - e. The company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clause (iii) (f) & (iii) (g) of paragraph 4 of the Order are not applicable.
4. In our opinion & according to the information & explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
  - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion & according to the information & explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 58A and 58AA of the Act and rules framed thereunder. Therefore, the provision of Clause (vi) of paragraph-4 of the order are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of **Statutory Dues**:

a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education & protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess & other material statutory dues applicable to it.

b. According to the information & explanations give to us, no undisputed amount payable in respect of provident fund, investor education & protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess & other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

10. The Company does not have accumulated losses at the end of the financial year. The company has not incurred cash losses during the financial year covered by the audit & in the immediately preceding financial year.

11. Based on our audit procedures & according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the company is not a chit fund/nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company.

14. The Company has maintained proper records of the transactions & contracts in respect of dealing or trading in shares, securities, debentures & other investments & timely entries have been made therein. All shares, securities, debenture and other investments have been held by the company in its own name.

15. The company has given guarantees for loans taken by firm in which company is a partner from banks. According to the information & explanations given to us, we are of the opinion that the terms & conditions thereof are not prima facie prejudicial to the interest of the company.

16. The company has not raised new term loans during the year. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.

17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that there are no funds raised on short-term basis that have used for long term investment.

18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company has created securities/ charges in respect of secured debentures issued.

20. The Company has not raised any monies by way of public issues during the year.

21. During the course of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, & according to the information & explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the Management.

***For ARVIND & COMPANY  
Chartered Accountants  
Firm Reg. No.100569W***

**Sd/-**

**[Gaurang A. Patel]  
Partner  
M. No. 36700**

**Place: Mumbai  
Date : 30<sup>th</sup> May, 2013**

**M/S SYNTHIKO FOILS LTD**  
**BALANCE SHEET AS AT 31ST MARCH, 2013**

PARTICULARS	Refer Note No.	In Rupees 31-Mar-13	In Rupees 31-Mar-12
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	1	8,571,000	8,571,000
(b) Reserves and surplus	2	13,778,614	12,115,065
<b>2. Non-current liabilities</b>			
Long-term borrowings	3	9,528,852	13,670,850
Deferred tax liabilities (net)		2,414,330	2,214,757
Other long term liability			
Long term provision	4	576,560	521,712
<b>3. Current liabilities</b>			
(a) Short term borrowing	5	19,072,663	16,100,797
(b) Trade Payables	6	34,352,594	25,719,684
(c) Other current liabilities	7	3,989,012	3,084,430
(d) Short-term provisions	8	943,224	1,319,117
<b>TOTAL</b>		<b>93,226,849</b>	<b>83,317,412</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	22,008,952	20,579,262
(ii) Intangible assets		-	-
(b) Capital work in progress		-	-
(c) Noncurrent Investment	10	3,520,788	4,637,255
(d) Deferred tax assets (net)			
(e) Long term loan and advances	11	825,160	822,150
<b>2 Current assets</b>			
a) Inventories	12	14,879,457	6,706,182
b) Trade receivables	13	36,527,306	37,134,474
c) Cash and cash equivalents	14	6,461,791	6,990,972
d) Short-term loans and advances	15	9,003,394	6,447,117
<b>TOTAL</b>		<b>93,226,849</b>	<b>83,317,412</b>

**Significant Accounting Policies**  
**Notes on Financial statements**  
**As per our Report of even date**

24

For ARVIND & COMPANY

Chartered Accountants

Sd/-

G.A.PATEL

Partner

Membership No:36700

Firm No. :-100569W

Mumbai,

Dated : 30<sup>th</sup> May, 2013

For SYNTHIKO FOILS LTD

Ramesh Dadhia

Director

Bhavesh Dadhia

Director

Mumbai,

Dated : 30<sup>th</sup> May, 2013

**M/S SYNTHIKO FOILS LTD**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Refer Note No.	In Rupees	
		For The Year Ended 31-Mar-2013	For The Year Ended 31-Mar-2012
I. Revenue from operations	16	127,987,647	129,256,894
II. Other income	17	5,110,595	6,943,987
<b>III Total Revenue (I + II)</b>		133,098,242	136,200,881
IV. Expenses:			
Purchases	18	117,295,945	103,578,237
Manufacturing expenses	19	6,209,646	5,680,911
Changes in inventory of Finished Goods	20	-8,173,275	4,859,774
Employee benefits expense	21	4,938,588	5,353,637
Finance costs	22	4,410,226	3,877,064
Depreciation and amortization expense	9	1,644,443	1,459,196
Other expenses	23	4,370,251	7,497,061
<b>Total expenses</b>		130,695,825	132,305,880
<b>V. Profit before exceptional and extraordinary items and tax (IV-III)</b>		2,402,417	3,895,001
VI. Tax expense:			
(1) Current tax		575,000	750,000
(2) Deferred tax		199,573	255,054
(3) Earlier year taxes/Interest on TDS		<b>-35,705</b>	0
		<b>738,868</b>	<b>1,005,054</b>
<b>VII Profit (Loss) for the period from continuing operations (VI-V)</b>		1,663,550	2,889,947
VIII Earnings per equity share:			
(1) Basic		1.94	3.46
(2) Diluted		1.94	3.46
<b>Significant Accounting Policies</b>	<b>24</b>		
<b>Notes on Financial statements</b>			
<b>As per our Report of even date</b>			
<b>For ARVIND &amp; COMPANY</b>	<b>For SYNTHIKO FOILS LTD</b>		
<b>Chartered Accountants</b>			
Sd/-			
G.A.PATEL	Ramesh Dadhia	Bhavesh Dadhia	
Partner	Director	Director	
Membership No:36700			
Firm No. :-100569W			
Mumbai,	Mumbai,		
Dated : 30 <sup>th</sup> May, 2013	Dated : 30 <sup>th</sup> May, 2013		

**M/S SYNTHIKO FOILS LTD**

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013**

<u>PARTICULARS</u>	In Rupees 31-Mar-13	In Rupees 31-Mar-12
<b>NOTE 1 SHARE CAPITAL</b>		
<u>Authorised</u>		
10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
<u>Issued</u>		
8,70,000 Equity Shares of Rs.10/- each	8,700,000	8,700,000
<u>Subscribed &amp; Paid up</u>		
8,70,000 Equity Shares of Rs.10/- each fully paid	8,700,000	8,700,000
less: calls in arrears	129,000	129,000
<b>Total</b>	<b>8,571,000</b>	<b>8,571,000</b>

**NOTE 1(i) :- The reconciliation of the number of share outstanding is set out below:**

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	870,000	8,700,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	870,000	8,700,000

**NOTE 1(ii) :- The details of shareholders holding more than 5% shares:-**

SR NO	Name of Shareholder	31-Mar-13		31-Mar-12	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	TARADEVI J DADHIA	105,000	12.07%	105,000	12.07%
2	RAMESH J. DADHIA	82,820	9.52%	82,820	9.52%
3	MAHESH J. DADHIA	44,300	5.09%	44,300	5.09%
		232,120	26.68%	232,120	26.68%

**NOTE 2 RESERVES AND SURPLUS**

<b>Particulars</b>	<b>In Rupees</b>	
	<b>31-Mar-13</b>	<b>31-Mar-12</b>
-		
Surplus		
Capital reserve(Government Grant received)	1828000	1828000
Opening balance	10,287,064	7,397,117
(+) Net Profit/(Net Loss) For the current year	1,663,550	2,889,947
Closing Balance	11,950,614	10,287,064
Note :- Preliminary expenses to the extent not written off	-	-
<b>Total</b>	<b>13,778,614</b>	<b>12,115,064</b>

**NOTE 3 LONG TERM BORROWING**

<b>Particulars</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
<b>Secured loan</b>		
<b>(a) Term loans</b>		
from banks	2,867,053	4,479,320
Less:Installment Due within a year	1,704,000	
from other parties	1,163,053	
<b>(b) Loans and advances from related parties</b>	8,365,799	9,191,530
<b>Total</b>	<b>9,528,852</b>	<b>13,670,850</b>

Note:-The term loans from Bank has been secured against hypothecation Plant & Machinery & other moveable assets.

Average Rate of Interest for the loan taken are 14.35%

**NOTE 4 LONG TERM PROVISION**

<b>Particulars</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Provision for Gratuity	576,560	521,712
-		
<b>TOTAL</b>	<b>576,560</b>	<b>521,712</b>

**NOTE 5 SHORT TERM BORROWING**

<u>Particulars</u>	31-Mar-13	31-Mar-12
BANK OVERDRAFT <u>(The Bank Overdraft has been secured against Stock and Book Debts)</u>	19,072,663	16,100,797
TOTAL	19,072,663	16,100,797

**NOTE 6 TRADE PAYABLES**

<u>Particulars</u>	31-Mar-13	31-Mar-12
Sundry creditors for expenses	2,520,954	2,318,643
Sundry creditors for goods	31,831,640	23,401,042
TOTAL	34,352,594	25,719,684

**NOTE 7 OTHER CURRENT LIABILITIES**

<u>Particulars</u>	31-Mar-13	31-Mar-12
Duties and taxes	226,618	735,063
Outstanding expenses	1,699,648	2,327,097
Creditors for Fixed Assets	358,746	22,270
Term Loan From Bank	1,704,000	-
	<b>3,989,012</b>	<b>3,084,430</b>

**NOTE 8 SHORT TERM PROVISIONS**

<u>Particulars</u>	31-Mar-13	31-Mar-12
(a) Provision for employee benefits	39,291	27,759
(b) Income Tax Earlier Year	328,933	1,291,358
(b) Income Tax Provision ( A Y : 2013-14 )	575,000	-
<b>Total</b>	<b>943,224</b>	<b>1,319,117</b>



M/S. SYNTHIKO FOILS LTD.

NOTES FORMING PART OF BALANCE SHEET AS AT 31/03/2013

NOTE - 9

FIXED ASSETS

Particulars	Gross Blocks					Depreciation				Net Block	
	Rate	At Cost 01/04/2012	Addition During the Year	Deduction During the year	As At 31/03/2013	As At 01/04/2012	For the Year	Dedn. During the year	As At 31/03/2013	As At 31/03/2013	As At 31/03/2012
<b>TANGIBLE ASSETS</b>											
<b>UNIT I</b>											
Land	-	74,469	-	-	74,469	-	-	-	-	74,469	74,469
Building Plant & Machinery	3.34%	8,121,706	90,350	-	8,212,056	3,685,983	273,518	-	3,959,501	4,252,555	4,435,723
Laboratory Equipment	4.75%	12,074,551	666,659	-	12,741,210	5,857,957	598,462	-	6,456,419	6,284,791	6,216,594
Office Equipment	4.75%	88,386	-	-	88,386	33,728	4,198	-	37,926	50,460	54,658
Computers	4.75%	417,420	129,891	-	547,311	119,442	22,604	-	142,046	405,265	297,978
Furniture & Fixture	16.21%	198,565	32,143	-	230,708	183,342	35,490	-	218,832	11,876	15,223
Vehicles	6.33%	2,279,270	-	-	2,279,270	790,289	144,278	-	934,567	1,344,703	1,488,981
	9.50%	865,419	-	-	865,419	337,119	82,215	-	419,333	446,086	528,300
<b>UNIT II</b>											
Computer Vasai	16.21%	37,643	-	-	37,643	6,470	6,102	-	12,572	25,071	31,173
Electric Equipments	4.75%	173,315	47,655	-	220,970	11,836	9,227	-	21,063	199,907	161,479
Furniture	6.33%	88,592	-	-	88,592	5,995	5,608	-	11,603	76,989	82,597
Lab Equipments	4.75%	42,503	-	-	42,503	2,640	2,019	-	4,659	37,844	39,863
Plant & Machinery	4.75%	7,591,985	2,107,436	-	9,699,421	439,763	460,722	-	900,485	8,798,936	7,152,222
<b>TOTAL</b>		<b>32,053,824</b>	<b>3,074,134</b>	<b>-</b>	<b>35,127,958</b>	<b>11,474,563</b>	<b>1,644,443</b>	<b>-</b>	<b>13,119,006</b>	<b>22,008,952</b>	<b>20,579,262</b>
<b>Previous Year</b>		<b>30,318,435</b>	<b>1,936,707</b>	<b>201,318</b>	<b>32,053,824</b>	<b>10,015,367</b>	<b>1,459,196</b>	<b>-</b>	<b>11,474,563</b>	<b>20,579,262</b>	<b>20,303,070</b>
<b>Capital Work In Progress</b>										-	-
<b>Capital Advances</b>										-	511,000
<b>Total</b>										<b>22,008,952</b>	<b>21,090,262</b>

**NOTE 10 NON CURRENT INVESTMENT**

<u>Particulars</u>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Investment in m/s samriddhi foils	3,519,038	4,635,505
175 fully paid Shares of urban co. op bank ltd (f.v. Rs. 10)	1,750	1,750
<b>Total</b>	<b>3,520,788</b>	<b>4,637,255</b>
<b>NOTE 11 LONG TERM LOANS AND ADVANCES</b>		
<u>Particulars</u>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Electricity Security deposit	45,160	42,150
Factory Deposit	780,000	780,000
<b>Total</b>	<b>825,160</b>	<b>822,150</b>

**NOTE 12 INVENTORIES**

<u>Particulars</u>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Closing stock	14,879,457	6,706,182
<b>Total</b>	<b>14,879,457</b>	<b>6,706,182</b>

**NOTE 13 Trade Receivable**

<u>Particulars</u>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Sundry debtors		
Outstanding More than 6 months	1,432,248	1,580,445
Others	35,095,058	35,554,029
<b>Total</b>	<b>36,527,306</b>	<b>37,134,474</b>

**NOTE 14 CASH & CASH EQUIVALENTS**

<u>Particulars</u>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
a. Balances with banks		
- Current Account	39,680	2,042,732
- Deposit Accounts	6,322,870	4,899,047
b. Cash on hand	99,241	49,194
<b>Total</b>	<b>6,461,791</b>	<b>6,990,972</b>

<b>NOTE 15 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Particulars</b>	<b>31-Mar-13</b>	<b>31-Mar-12</b>
Advances to creditors	380,821	58,087
Balance with Revenue authority	8,387,979	6,369,630
Advance rent paid(zabir Sabir- vasai)	15,400	15,400
Pradip Dusane - Advance	40,000	-
Prepaid factory license fees	2,000	-
Prepaid Insurance	2,241	-
ICRA	30,337	-
Advance Tax	22,500	-
TDS Receivable	122,116	-
	<b>9,003,394</b>	<b>6,447,117</b>

M/S SYNTHIKO FOILS LTD.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	In Rupees	In Rupees
	For The Year Ended 31-Mar-2013	For The Year Ended 31-Mar-2012
<b>NOTE 16 REVENUE FROM OPERATIONS</b>		
Sales	127,987,647	129,256,894
Less: Service Tax & Education Cess		
Net Income from Services Rendered	127,987,647	129,256,894
<b>Total</b>	<b>127,987,647</b>	<b>129,256,894</b>
<b>NOTE 17 OTHER INCOME</b>		
Job work	3,779,953	5,989,314
Interest on fixed deposit	<b>470,915</b>	354,694
Share in net profit from samriddhi Foil	<b>283,533</b>	566,014
DEPB Licence	-	33,965
Duty Drawback	177,913	-
Miscellaneous receipt	2,205	-
Income from Block & Design	396,076	
<b>Total</b>	<b>5,110,595</b>	<b>6,943,988</b>
<b>NOTE 18 :- PURCHASE</b>		
Purchases	117,295,945	103,578,237
<b>Total</b>	<b>117,295,945</b>	<b>103,578,237</b>
<b>NOTE 19 :-MANUFACTURING EXPENSES</b>		
Block & Design Exp.	-	226,331
Factory Rent	1,400,000	1,560,000
Diesel expenses	698,012	915,064
Repairs and maintenance	201,298	385,344
Other manufacturing Expense	3,910,336	2,594,172
<b>Total</b>	<b>6,209,646</b>	<b>5,680,911</b>

<b>NOTE 20 :- CHANGES IN INVENTORIES</b>			
Op stock		6,706,182	11,565,956
Cl. Stock		14,879,457	6,706,182
	<b>Total</b>	<b>-8,173,275</b>	<b>4,859,774</b>
<b>NOTE 21 EMPLOYEE BENEFITS EXPENSE</b>			
(a) Salaries and incentives		3,258,588	3,673,637
(b) Directors Remuneration		1,680,000	1,680,000
(f) Staff welfare expenses		-	-
	<b>Total</b>	<b>4,938,588</b>	<b>5,353,637</b>
<b>NOTE 22 FINANCE COST</b>			
Bank Interest		2,474,987	2,224,266
Bank charges		354,599	117,425
Interest on tempo loan		-	583
Interest on term loan		540,510	767,879
Interest on TDS Late Payment		3,200	5,863
L/C Interest and commission charges		992,770	588,548
Loan processing fees		11,460	172,500
Interest on Customs Duty		18,700	-
Penalty on duty a ailment of excise duty		14,000	-
	<b>Total</b>	<b>4,410,226</b>	<b>3,877,064</b>
<b>NOTE 23 OTHER EXPENSES</b>			
1	Loss from currency Exchange	393,616	983,193
2	Administrative expenses	627,772	995,437
3	Conyance Expenses	795,422	896,772
4	Rates and taxes	54,161	409,454
5	Legal & Professional fees	495,629	1,424,399
6	carriage outward charges	253,402	344,150
7	Balance w/off	4,212	751,916
8	Commission Sales	1,511,416	1,532,883
9	Insurance charges	84,484	70,617
10	Other Selling & Distribution Expenses	49,013	-
11	Auditor Remuneration	101,124	88,240
	<b>Total</b>	<b>4,370,251</b>	<b>7,497,061</b>

## **NOTE 24**

### **M/S SYNTHIKO FOILS LTD**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Basis of Preparation of Financial Statements**

The financial statements are prepared under the accrual basis and under historical cost convention, in accordance with the generally accepted accounting principles, in India and the provisions of the Companies Act, 1956.

##### **B. Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expense during the reporting period. Difference between the actual results and estimates are recognized in the period in which the result are known/materialized.

##### **C. Own Fixed Assets**

Fixed assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any.

##### **D. Depreciation and Amortization**

- (i) Depreciation on fixed assets is provided to the extent of depreciable amount on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life, on fixed assets.
- (ii) Depreciation on additions to the assets during the year is being provided on pro-rata basis at their respective rate with reference to the month of acquisition / installation as required by Schedule XIV to the Companies Act, 1956.
- (iii) Depreciation on assets sold, scrapped or discarded during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or discarded, as required by Schedule XIV to the Companies Act, 1956.
- (iv) Depreciation is adjusted in subsequent periods to allocate the assets revised carrying amount after the recognition of an impairment loss on a systematic basis over its remaining useful life.

##### **E. Impairment of Assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

##### **F. Foreign Currency Transactions.**

- (a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

- (b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference & the premium paid on forward contracts is recognized over the life of the contract.

**G. Investments.**

Current investments are carried at cost. Long term investments are stated at cost.

**H. Inventories**

Raw materials have been valued at cost, finished goods and work in progress is valued at lower of cost (excluding excise) or market price, whichever is lower.

**I. Revenue Recognition**

Revenue is recognized only when it can be reliably measure and it is reasonable to expect ultimate collection, Revenue from operations includes sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net), Value Added Tax (VAT) and gain / loss on corresponding hedge contracts, Dividend income is recognized when right to receive is established. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

**J. Excise Duty / Service Tax and Sales Tax/ Value Added Tax**

Excise duty /Service tax is accounted on the basis of both, payments made in respect of goods cleared /paid is charged to profit and loss account.

The company follows the practice of not providing for excise duty on finished goods materials not cleared from the factory premises. Consequently the said practice has no effect on the profit & Loss Account for the year.

**K. Employee benefits**

- (i) Short term employee benefits are recognized as an expenses at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expenses is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

**L. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assts. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to profit and loss account.

**M. Provision for current and deferred tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income tax act, 1961. Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**N. Provisions, Contingent Liabilities and Contingent Assets.**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingents Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



M/s SYNTHIKO FOILS LTD

ACCOUNTING YEAR ENDED: 31.03.2013

ASST. YEAR 2013-2014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Fixed Assets: Fixed assets are stated at cost less depreciation inclusive of rates, duties, & taxes and other incidental expenses.
2. The factory land and Building situated at Plot No. 84/1 , Jamsar Road , Jawhar, Thane has a charge against the loan taken by Samriddhi Foils of Rs.85,00,000/- in which company is 50% Partner.
3. Depreciation: Depreciation of fixed assets is provided on Straight Line Method basis in accordance with Schedule XIV to the Companies Act 1956.
4. Inventories: Raw materials have been valued at cost, finished goods and work in progress is valued at lower of cost (excluding excise) or market price.
5. Sales: Sales are recognized on passing of property by goods basis.
6. Gratuity: Gratuity is calculated on the basis of 26 days basic pay as per the provision of the Income Tax Act 1961. However the company does not get the valuation from actuaries as of yet. The valuation is done by the management.
7. Inter Unit Sales and purchases are adjusted in accounts.

NOTES TO ACCOUNTS

1. Excise duty on closing Stock : The company follows the practice of not providing for excise duty on finished goods materials not cleared from the factory premises . Consequently the said practice has no effect on the profit & Loss Account for the year.
2. Remuneration to directors : Remuneration to Executive Director Rs.8,40,000/
3. Particular regarding capacity, Production & stocks & material consumed

A Capacity:

The Company does not need Industrial License for production. Hence figures relating to licensed and installed capacity is not required.

B Production:

As certified by the Executive Director.

Particulars	2012-2013 ( Qty in M T )	2011-2012 ( Qty in M T )
Aluminum Foils and Packaging & others	551.05	598.38

C. Stocks

Particulars	2012-2013 Qty ( in M T )	2012-2013 Value(in lakhs )	2011-2012 Qty ( in M T )	2011-2012 Value(in lakhs )
Opening Stock	41.42	67.06	74.93	115.56
Closing Stock	83.03	150.78	41.42	67.06

D. Sales

Particulars	2012-2013 Qty ( in M T )	2012-2013 Value (in lakhs )	2011-2012 Qty ( in M T )	2011-2012 Value (in lakhs )
Aluminium Foils & Packing	551.05	1279.87	598.38	1292.57

E. Raw Material Consumed

Particulars	2012-2013 Qty ( in M T )	2012-2013 Value (in lakhs )	2011-2012 Qty ( in M T )	2011-2012 Value (in lakhs )
	703.24	1172.95	648.27	1035.78

4. Raw Material Consumed

Particulars	2012-2013 Value	2012-2013 %	2011-2012 Value	2011-2012 %
Importer	629.52	53.67	459.36	44.35
Indigenous	543.43	46.33	576.42	55.65

5. Stores & Spares Consumable

Particulars	2012-2013 Value	2012-2013 %	2011-2012 Value	2011-2012 %
Indigenous			NIL	NIL

(Rupees in Lacs )  
2012-2013                      2011-2012

6. a) C I F Value of Imports :

Raw Materials                      629.52                      459.36

B ) F O B Value of Exports :                      48.81                      NIL

7. In the opinion of the management Fixed Assets, Current Assets, Loans & Advances are Current Liability and Provisions are net realizable value in the ordinary course of business.

8. Inventories are values and certified by the management in respect of quality & value.

9. Deferred revenue expenses are preliminary expenses and Public Issue expenses .These expenses are written of over a period of ten years.

10. The Company has not appointed full time Company Secretary as required under the Companies Act 1956, but efforts are being made to recruit some one, if available within the Company's norms.

11. Contingent Liability:- The company has given a guarantee against the loan of Rs.85,00,000/- taken by Samriddhi Foils against which it has kept security of its factory Land &

Building situated at Jawahar. The Company is contingently liable to pay import and inland letter of credit of Rs.2,14,86,440/-.

	( Rupees in Lacs )	
	2012-2013	2011-2012
12. <u>Payments to Auditors:</u>	1.01	0.88
Audit & Tax Audit Fees		
( Including Service Tax )		
Related Party Disclosures :		
( In accordance with Accounting Standard 18 issued by the Institute of Chartered Accountants of India )		

	( Rupees in Lacs )	
	2012-2013	2011-2012
Directors Remuneration :		
1. Mr. Rameshchandra J Dadhia	8.40	8.40
2. Mr. Bhavesh R Dadhia	8.40	8.40
	—	—
	16.80	16.80
	=====	=====

ESSEF Laminates

( Proprietor of the Firm related to all the Directors )

	( Rupees in Lacs )	
	2012-2013	2011-2012
Purchase	45.25	40.20
Job Work	37.19	57.07
Sales	31.15	161.39

13. As regards the Accounting Standard 17 “ Segment Reporting “ there is neither more than one business segment nor more than one geographical segment , segment information as per AS-17 is not required to be furnished.

14. The Company does not possess information as to which of its suppliers is small scale industrial undertakings holding permanent registration certificate issued by the relevant authorities. Consequently, the liability if any, of interest which would be payable on delayed payments under Small Scale and Ancillary Industrial Undertakings Act 1993, of India cannot be ascertained. However, the Company has not received any claim in respect of such interest. In view of the above, outstanding due to Small Scale industrial undertaking cannot be ascertained.

15. The balance of secured and unsecured loans, sundry debtors, sundry creditors, current liabilities, loans and advances are subject to confirmation and reconciliation. Adjustments, which may arise on receipts of confirmation and completion of reconciliation, are not ascertainable at this stage.

16. Previous year figures are re grouped / re arranged / re classified wherever is necessary.

*For ARVIND & COMPANY*  
*Chartered Accountants*  
*Firm Reg. No.100569W*

[Gaurang A. Patel]  
Partner  
M. No. 36700

Place : Mumbai  
Date : 30th May, 2013

DETAILS OF UNSECURED LOANS

1. BHAVESH DADHIA

Op Balance Max O/S	Addition	Deduction	Closing	ROI	Interest	TDS
3022100 3022100	648003	1039000	2631103			

2. RAMESH DADHIA

Op Balance TDS Max O/S	Addition	Deduction	Closing	ROI	Interest	TDS
6004430 6004430	516266	950000	5569696			

3. YOGESH DADHIA.

Op Balance Max O/S	Addition	Deduction	Closing	ROI	Interest	TDS
165000 165000	NIL	NIL	165000			

**M/s SYNTHIKO FOILS LTD.**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

	2012-2013		2011-2012	
<b><u>CASH FLOW FROM OPERATING ACTIVITIES:</u></b>				
Net Profit (Loss) after tax extra-ordinary items		1,663,550		2,889,947
<b><u>ADJUSTMENT FOR:</u></b>				
Depreciation	1,644,443		1,459,196	
Provision for defferd tax	199,573		255,054	
Provision for gratuity	54,848		107,843	
Preliminary Exp. & Public issue Exp. W/off	-		-	
	1,898,864		1,822,093	
Income from partership firm	(283,533)		(566,014)	
Interest & Misc. Income received	(470,915)	<u>1,144,416</u>	(354,694)	901,384
Operating Loss/Profit before working capital charges		2,807,966		3,791,332
<b><u>ADJUSTMENT FOR:</u></b>				
Trade & other receivable	607,168		(9,741,258)	
Trade Payable	8,632,910		-	
Inventories	(8,173,275)		4,859,774	
Other Current Assets	(2,556,277)		532,414	
Provisions	(375,893)		299,037	
Current liabilities	904,582	(960,785)	3,199,014	(851,019)
Cash generated from operating activities (A)		1,847,180		2,940,313
<b><u>CASH FLOW BEFORE EXTRA-ORDINARY ITEMS:</u></b>				
Add : Subsidy from govt of mah sicom ltd		-		-
Previous year (w/off) Expenses		-		-
Cash generated from operating activities (A)		1,847,180		2,940,313
<b><u>CASH FLOW FROM INVESTING ACTIVITIES:</u></b>				
Purchase of fixed assets	(3,074,134)		(1,425,706)	
Sale/ Adjustments in Fixed Assets			201,318	
Decrease in Investment	1,400,000		-	
Investment made during the year	-			
Long term loan & advances	(3,010)			
Interest & Miss. Income received	470,915	(1,206,229)	354,694	(869,694)
Net cash outflow from investing activity (B)		(1,206,229)		(869,694)
<b><u>CASH FLOW FROM FINANCING ACTIVITIES:</u></b>				
Proceeds from Long Term Capital borrowing including working capital borrowing including Secured loans	-		-	
	2,971,866		554,081	
	(1,612,267)		-	

borrowing including Unsecured loans	(825,731)		700,000	
Less : Repayment of long term borrowings	-	533,868	(512,238)	741,843
(C)		533,868		741,843
Net increase/Decrease in cash & equivalents (A+B+C)		1,174,819		2,812,461
Cash & Cash equivalents at the beginning of the year		6,990,972		4,178,511
<b>Cash &amp; Cash equivalents at the end of the year</b>		<b>8,165,792</b>		<b>6,990,972</b>

**As per our Annexed report of even date**

For ARVIND & COMPANY

For SYNTHIKO FOILS LTD

Chartered Accountants

G.A.PATEL

Ramesh Dadhia

Bhavesh Dadhia

Partner

Director

Director

Membership No:36700

Firm No. :-100569W

Mumbai, 30th May, 2013

Mumbai, 30th May, 2013







**Synthiko Foils Limited**  
**Regd. Off.: 84/1, 84/2, Jamsar Road, Jawhar, Thane-401603**

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**Attendance Slip**

I hereby record my presence at the 28<sup>th</sup> **Annual General Meeting** of the Company at **Registered Office** of the Company on 30<sup>th</sup> day of September, 2013.

DP ID: \_\_\_\_\_ Folio No. /Client ID: \_\_\_\_\_

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(Full name of Proxy)

\_\_\_\_\_  
Proxy Signature

**Note:** No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

Shareholders attending the meeting in person or by proxy are requested to fill and sign the attendance slip and hand it over at the entrance of the meeting hall.

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**Synthiko Foils Limited**  
**Regd. Off.: 84/1, 84/2, Jamsar Road, Jawhar, Thane-401603**

**Proxy Form**

I/We ..... of ..... in the district of ..... being a member/members of the above named Company hereby appoint ..... of ..... in the district ..... of ..... or failing him ..... of ..... in the district of ..... as my/our proxy to vote for me/us on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> day of September, 2013 at 11.30 am and at any adjournment thereof.

Signed this..... day of ....., 2013.

DP ID: .....Folio No. /Client ID: .....

No. of Shares .....

Signature .....

AFFIX REVENUE STAMP Rs. 1/-
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**Note:** This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

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**Book - Post**

**If undelivered please, return to:  
SYNTHIKO FOILS LIMITED  
84/1, 84/2, JAMSAR ROAD,  
JAWAHAR, THANE- 401 603.**

**SYNTHIKO FOILS LIMITED**

Regd. Office : 84/1, 84/2, Jamsar Road, Jawhar,  
Dist. : Thane - 401 603. Tel. : 02520-222360  
E-mail : foilslimited@rediffmail.com

To,  
Department of Corporate Service (DCS-CRD),  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001

Date: September 23, 2013

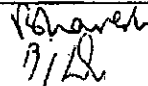
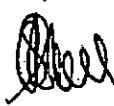
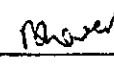

**Sub.:** Compliance as per Clause No. 31(a) of the Listing Agreement  
**Ref.:** Scrip Code: 513307

Dear Sir,

As per listing requirements enclosed please find 6 (Six) copies of the Annual Reports duly certified by the Director of the Company.

Further, as per SEBI Circular CIR/CFD/DIL/7/2012 dated August 13, 2012 below is the Form B required to be filed by the Company with the concerned stock exchange(s).

**FORM B**

1.	Name of the Company	:	Synthiko Foils Limited
2.	Annual Financial Statements for the year ended	:	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	:	Qualified
4.	Frequency of observation	:	since 10/12/2008
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	:	In the Annual report under Annexure to Auditors Report : Point no. 15 (please refer Page no. 17 in the Annual report)
6.	To be signed by:-		
	• Mr. Bhavesh Dadhia (CEO & Whole Time Director)	:	
	• Mr. Ramesh Dadhia (CFO & Managing Director)	:	
	• Mr. Gaurang Patel of M/s Arvind & Company (Statutory Auditors of the Company)	:	
	• Mr. Bhavesh Dadhia (Chairperson of Audit Committee)	:	

Kindly take the same on your record and acknowledge the receipt of the same.

Thanking you,

Yours truly,

For Synthiko Foils Limited

  
Bhavesh Dadhia  
(Whole Time Director)

ENCL: as above