

(2008-09)

**SEVENTEENTH
ANNUAL
REPORT**

OVERSEAS SYNTHETICS LIMITED

SIXTEENTH ANNUAL GENERAL MEETING

On Wednesday, the 30th day of September, 2009
at 1st floor, Jariwala Compound, Vasta Devdi Road, Katargam
Surat - 395 004 at 11.00 a.m.

BOARD OF DIRECTORS

Shri Rohit H. Patel Managing Director
Shri Dinkar H. Patel
Shri Mayur V. Shah
Shri M M. Khatri

AUDITORS

Natvarlal Vepari & Co;
Chartered Accountants
405, River Palace II
Nanpura
SURAT - 395 001

BANKERS

State Bank of Saurashtra
Begampura
SURAT - 395 003



CERTIFIED TRUE COPY

Shareholders are requested to bring their copy of the Annual Report alongwith them at the meeting as copies of the Report will not be distributed at the meeting.

NOTICE is hereby given that 17th Annual General Meeting of members of the Company will be held as scheduled below.

Date : 30th September, 2009
Day : Wednesday
Time : 11.00 A.M
Venue : 1st floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT - 395 004

to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, the audited Profit and Loss account for the year ended on 31st March, 2009 together with the Directors' and the Auditors' Report thereon.
2. To appoint a director in place of Shri Mayur V. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

Regd. Office:
Nutan Estate,
Vasta Devdi Road,
Katargam,
SURAT - 395 004.

By Order of the Board
for OVERSEAS SYNTHETICS LIMITED


sd/-

Place: Surat
Date: 10/08/2009

Rohit H. Patel
Mg. Director

NOTE

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE. A PROXY NEED NOT BE A MEMBER. A PROXY FORM TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS PRIOR TO MEETING.
2. The Shareholders are requested to notify change in their address immediately to the company.
3. The Shareholders desiring any information on accounts are requested to write to the attention of Managing Director so as to reach the Company on or before 19/09/2008.



DIRECTORS' REPORT

Your director's present 17th Annual Report and Audited Accounts for the year ended 31st March, 2009 together with the reports of the Auditors and Directors thereon.

FINANCIAL RESULTS

PARTICULARS	(Rs. in lakhs)	
	2008-09	2007-08
Sales and Other Income	19.60	71.65
Profit/(Loss) before depreciation	(61.95)	8.11
Provision for depreciation	0.77	0.64
Provision for deferred tax	--	--
Prior period adjustments	4.00	24.63
Extra Ordinary Items	0.00	10.32
Provision for taxation including FBT	0.08	0.07
Profit/(Loss) after tax	(66.80)	(6.91)
Add: Balance brought forward from previous year.	(913.36)	(906.44)
Balance carried to Balance Sheet	(980.16)	(913.36)

OPERATIONS

During the year under review, your company has achieved gross turnover of Rs.19.60 lakhs as against Rs.71.65 lakhs in the corresponding previous year.

Your Company has now concentrated on trading activities in the current year. However, your directors have chalked out a strategy to directly import the yarn and other textile goods from cheap sources such as China and Korea. This would lead to some profitable business. Your directors have also thought of changing the business activities to real estate field and are taking necessary action for the same.

DIRECTORS

Shri Mayur V. Shah, Director of the company would retire and being eligible offers himself for reappointment. Particulars of directors seeking re-appointment are given in the Corporate Governance.

EXPLANATIONS ON THE REMARKS/OBSERVATIONS OF AUDITORS

For the observations/qualifications made by the auditors, your directors submit their explanations as under:

1. Since the company's turnover is decreased below Rs. 20 lakhs, the company has depended on the internal staff members for checking and no external agency was appointed to carry out internal audit to save on expenses.
2. Since the company has no production, no cost record is required to be maintained under section 209(1)(d) of the Companies Act, 1956.
3. As per the consistent practice followed by the company, the gratuity continued to be accounted for on cash basis. It is observed by the management that most of the employees do not put in qualifying services for gratuity hence the same could not be provided for.
4. The remarks on the reconciliation of sundry debtors and creditors, etc. does not call for special remarks as it is customary to get balances confirmed and/or reconciled which hardly affects the financial statements.



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5. As consistently followed from year to year, the management firmly believes that for the assets not put to use during the year, no provision for the depreciation is justified. However for the use of assets except plant & machinery the depreciation to the extent of Rs. 77,130/- is provided for in the books.
6. For the deferred tax – non compliance with AS 22, the management firmly believes that in the near future, there is no possibility of writing off the deferred tax assets.
7. For the impairment of assets no provision is made as during the year some part of the assets were disposed off and would be treated accordingly in the current years accounts, reflecting a true and fair view, this year.

DIRECTORS' RESPONSIBILITY STATEMENT

As required by Section 217(2AA) of the Companies Act, 1956, your directors confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. your directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent as to give a true and fair view of the state of affairs of the company as on 31st March, 2009 and the Profit and Loss Account for the year ended on that date (save and except provision of depreciation)
3. 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 the frauds and other irregularities.
4. The directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

Information pursuant to provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended is NOT APPLICABLE as no employee of the company was in receipt of remuneration at the prescribed rate during the year under review.

PARTICULARS OF ENERGY CONSERVATION ETC.

Since the company was not engaged into any production activities but only local trading, the information required by Section 217(1)(e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, being not applicable, is not furnished.

AUDITORS

M/s. Natvarlal Vepari & Co; Chartered Accountants retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The observations made by auditors in their report are explained herein above.



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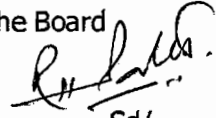
INDUSTRIAL RELATIONS

The Industrial relations remained cordial and peaceful. Your directors duly recognize and appreciate this valuable resource place on record their appreciation of the industrial peace.

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation of the contribution made by all concerned including its employees.

On behalf of the Board



DATE: 10/08/2009
PLACE: SURAT

Sd/-
Mayur V Shah
DIRECTOR

Sd/-
Rohit H. Patel
MG.DIRECTOR



Corporate governance

Board of Directors

The Board of Directors of the company comprised of 4 directors at the beginning of the financial year. The category and composition of the directors is as under:

Category	Name of the Director
Promoter/Managing Director	Rohit H Patel
Promoter/Non-executive Director	Dinkar H Patel
Independent director	Mayur V. Shah
Independent director	M M Khatri, Nominee Director-GIIC

There were four directors on the Board of Directors as against the minimum three required, Shri Mayur V. Shah being the director liable to retire by rotation would retire again at this AGM.

Shri Mayur V. Shah, aged 63 years, is graduate in Arts & Laws from Sir S. J. Law College, Bhavnagar. Shri Mayur V. Shah is a veteran business man dealing in Textile Machinery and has total experience of more than 47 years in this line. Shri Mayur V. Shah has been co opted as an additional director pursuant of provision 260 of the Companies Act, 1956,

Number of Board Meetings held during the year

4 meetings of the Board of directors as against four minimum were held during the financial year. The dates on which held were: 30/04/2008, 31/07/2008, 17/10/2008, 31/01/2009. None of the directors of the company was a member of more than 10 committee nor was the chairman of more than five committees across all the companies in which he was a director.

Attendance of each director at the Board Meeting and the last AGM

Name of Director	Attendance details		No. of directorships and committee memberships held		
	Board Meeting	last AGM	Other directorships	Committee Memberships	Committee Chairmanships
R H Patel, MD	4	Y	1	0	0
D H Patel NED	1	Y	1	0	0
Mayur V. Shah NED	4	N		0	0
M M Khatri, ND	0	N		0	0

(MD=Managing Director, NED=Non Executive Director, ND = Nominee Director)



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Board Committees

The Board of directors has not constituted any audit committee in view of erosion in the net worth below Rs. 5 Crore.

Details of Remuneration paid to the directors

None of the Directors was paid salary during the financial year under review. A sum of Rs.1000/- was paid to Shri Mayur V Shah, Director of the company.

Annual General Meetings

Locations and time of the last three AGMs were as under:

Year	Location	Date	Time
2005-2006	1 st Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	30/09/2006	09.30 A.M.
2006-2007	1 st Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	29/09/2007	09.30 A.M.
2007-2008	1 st Floor, Jariwala Compound, Vasta Devdi Road, Katargam, SURAT-395004	29/09/2008	09.30 A.M.

Disclosure on materially significant related party transactions

Details are as per Note No. 14 – Notes to Accounts attached to the financial statements.

Details of non-compliance by the company and the penalties etc.

No penalty was imposed on the company by Stock Exchange or SEBI or any other statutory authority on any matter related to the capital market.

Means of Communication

Half yearly un-audited results

Half yearly audited results are not sent to the household of the members.

Quarterly Results

Quarterly results are infrequently sent to the BSE on fax. The company being a sick company under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, no expenditure of advertisement is incurred by the company. This fact is brought to the notice of stock exchanges time and again.



General Shareholder Information

Annual general meeting for the financial year 2009 is proposed to be held on Wednesday, the 30th September 2009 at 1st floor, Jariwala Compound, Vasta Devdi Road, Katargam, Surat-395004 at 11.00 a.m.

Financial calendar

Unaudited Result of the First Quarter : By end of July
Unaudited Result of the Second Quarter: By end of October
Unaudited Result of the Third Quarter : By end of January
Unaudited Result of the Fourth Quarter : By end of April
Annual General Meeting By end of September

However, in view of note above, the said calendar is not adhered to as prescribed.

Book Closure details:

Dividend Payments: Not declared
Stock Code: BSE Stock Code 514330
Stock Market Data: No trading since 3rd February 2003 as scrip is suspended.
Registrar & Transfer Agents: In House at the registered office at Surat
Share Transfer System: In physical still, depending on the work load within 30 days from the date of lodgment of the transfer.

Distribution of Share holding as on 31/03/2009

Category		Shareholders		Share Amount	
From	To	Numbers	% to total	In Rupees	% to total
Upto	5,000	2617	85.22	4,839,350	6.81
5001	10,000	193	6.28	1,622,550	2.28
10,001	20,000	96	3.13	1,707,400	2.40
20,001	30,000	29	0.94	742,790	1.05
30,001	40,000	13	0.42	465,520	0.66
40,001	50,000	38	1.24	1,816,130	2.56
50,001	100,000	30	0.98	2,363,890	3.33
100,001	And above	55	1.79	57,489,440	80.92
*** Total ***		3071.00	100.00	71,047,070	100.00



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MANAGEMENT DISCUSSION AND ANALYSIS

Disclaimer on forward looking statements

This report contains some forward looking statements which can be identified by the context to the words like 'plans' expects, believes, anticipates, will, may, intends, projects etc. All such statements depict the future which may or may not happen or may prove wrong. These statements are based on certain assumptions about the company, product or other factors affecting the business or trade or policies of regulators and expectations may not realize.

The company and its management hereby disclaims its responsibility to publicly amend these statements and assumes no responsibility for them.

Financial Review

During the year under review, gross amount of turnover and other income taken together decreased from Rs. 71.65 lakhs to Rs.19.60 lakhs due to decrease in income from other sources. As informed in past directors' report, your company has closed down most of its operative departments four-five year back to reduce the impact of losses.

The major portion of income is attributed to rent of building and trading of yarn and shares.

Business Review

Your company has stopped all manufacturing activities. Your company has now planned to continue trading activities in Textile Goods in the current year.

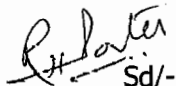
Manpower and Human Relations

Most of the staff has left the company with the closure of the manufacturing activities. A few staff members in the accounts and other administrative departments have reposed faith and confidence in the company. Relations with them continued to be cordial and peaceful

Tax Contribution

In view of no manufacturing activities, the company could not contribute sizably to the government exchequer except a few petty amounts and a big chunk remained to be paid to the government and other quasi-government authorities. Details are given in the auditors report.

On behalf of the Board



Sd/-

ROHIT H PATEL
MG.DIRECTOR


Sd/-
MAYUR V SHAH
DIRECTOR

DATE: 10/08/2009
PLACE: SURAT





AUDIT REPORT &
FINANCIAL
STATEMENT FOR
THE YEAR ENDED
31ST MARCH 2009



AUDITORS' REPORT

To,
The Members,
Overseas Synthetics Limited,
Surat.

We have audited the attached Balance Sheet of **OVERSEAS SYNTHETICS LIMITED, SURAT** as at 31st MARCH, 2009, Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto Annexure 'A' on the matters specified in paragraph 4 and 5 of the said order.

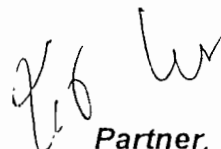
2. Further to our remark in 1 above, we report as under:

- (i) 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.
- (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books;



- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Profit and Loss account and Balance sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, **except as stated in Annexure "B"**.
- (v) In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in accordance with accounting principles generally accepted in India **except as stated in Annexure "B"**.
- I. In the case of the Balance Sheet of the Company of the state of affairs of the Company as at 31st MARCH, 2009.
 - II. In the case of the Profit and Loss account of the **loss** of the company for the year ended on that date.
 - III. In the case of the Cash Flow statement, of the cash flows for the year ended on that date.
- (vi) On the basis of written representation received from the Director of the company as at 31st March, 2009 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director of the company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For Natvarlal Vepari & Co.,
Chartered Accountants,


Partner.

RAVINDRA VEPARI
M. No. 6728

Surat, Date: 3 AUG 2009

OVERSEAS SYNTHETICS LIMITED, SURAT

ANNEXURE 'A' TO AUDITORS' REPORT YEAR ENDED: 31-3-2009.

- (1) (a) The Company has maintained records showing particulars including quantitative details and situation of fixed assets.
 - (b) As informed to us, the assets have been physically verified by the management during the period covered by the audit report.
 - (c) The company has disposed of substantial part of fixed assets. However going concern status has not been affected as in the view of the management of the company there is no intension to discontinue business or any substantial activity.

- (2) (a) As informed to us, the inventory has been physically verified during the period by the management at reasonable intervals.
 - (b) According to the information and explanations given to us, the procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of the business
 - (c) The company is compiling proper records of inventory. As informed, the discrepancies noticed on verification between the physical stock and the book records were not material and have been properly dealt with in the books of accounts.

- (3) (a) The Company has not granted any loans, secured or unsecured, to companies, firms, or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clauses (iii) (a), (b), (c) and (d) of the Order are not applicable.
 - (b) The Company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (e), (f) & (g) of clause (iii) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

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- (4) In our opinion and according to the information and explanations given to us, internal control procedures requires reinforcement to enable it to be commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed asset and for sale of goods. During the course of our assessment, no major weakness in internal control has come to our notice. However some minor irregularities were noticed.
- (5) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- (a) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions, exceeding the value of rupees five lakhs in respect of any party during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (6) During the year the Company has not accepted any deposit from the public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made there under. Hence clause 6 of the order is not applicable to the company.
- (7) ***In our opinion, the Company does not have an internal audit system commensurate with its size and nature of the business.***
- (8) ***According to information and explanations given to us, the Company has not made and maintained cost records prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.***
- (9)
- (a) The Company is generally regular in depositing undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues within the prescribed time limits with the appropriate authorities during the year except, the following dues which have been outstanding for more than six months as on 31st March, 2009.

Name of the Statute	Nature of Dues	Amount Rs.	Due Date	Date of payment
Employees' Provident Fund Act	Employees' Provident Fund Act Dues	310,675/-	31.03.2000	--
		200,909/-	31.03.2001	
Employees' State Insurance Act	Employees' State Insurance Act Dues	42,447/-	31.03.2000	--
		61,285/-	31.03.2001	

- (b) According to Information and explanation provided to us, there are no dues in respect of income tax, sales tax, wealth tax, custom duty, excise duty, cess which have not been deposited, on account of any dispute except the following:

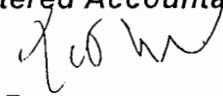
Name of the Statute	Nature of Dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944.	Central Excise Duty	339,426/-	02.02.1998	High Court

- (10) *The Company has accumulated losses at the end of the financial year which are exceeding fifty percent of its net worth and it has incurred cash losses during the current financial year and the immediately preceding financial year.*
- (11) According to records of the company, the company has neither borrowed from financial institutions or banks nor issued debentures. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture does not arise.
- (12) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (13) According to the information given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

- (14) No new term loan has been taken by the Company during the year.
- (15) According to the records examined, on an overall basis, funds raised on short term basis, have *prima facie* not been used for financing long term investments.
- (16) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities, and dealing and trading thereto is not their principal business. However, the Company has invested funds in marketable securities. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All investments in marketable securities and mutual funds have been held by the Company in its own name.
- (17) 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.
- (18) No debentures have been issued by the Company.
- (19) The Company has not raised any money by public issue, during the year.
- (20) According to the information received by us, no fraud on or by the Company, has been noticed or reported by the Company during the year.

Considering the nature of the present activities carried out, Clause (xx) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

For Natvarlal Vepari & Co.,
Chartered Accountants,


Partner.

RAVINDRA VEPARI
I.A. No. 6728

Surat,
Date:

3 AUG 2009

OVERSEAS SYNTHETICS LIMITED, SURAT

ANNEXURE 'B' TO AUDITORS' REPORT YEAR ENDED: 31-3-2009.

- (1) *The method of accounting for gratuity continues to be on cash basis, which is not in accordance with Revised AS-15 "Employee Benefits", issued by the ICAI.*
- (2) *Sundry debtors include debts which are doubtful of recovery, which are outstanding since a long time. However, the company has not considered making adequate provisions in this regard. Accordingly, loss for the year is understated by Rs.6,77,787/-.*
- (3) *Balances of sundry debtors, sundry creditors, unsecured loans, loans and advances are subject to confirmation and reconciliation if any.*
- (4) *During the year company has not provided depreciation to the extent of Rs. 1,509 in tone with the company policy of not providing depreciation on unused assets. As a result profit for the year is overstated to that extent.*
- (5) *During the year under the review, the company has not determined and considered the impact of Deferred Taxation as specified in AS – 22, Accounting for Taxes on Income, issued by the ICAI.*
- (6) *No working has been produced before us for Impairment of Assets, in absence of which we are not in position to comment on impact of AS – 28, Impairment of Assets, issued by the ICAI.*
- (7) *The company has sold its all plant and machineries; the company had not provided depreciation on some portion of such assets in earlier years which is not quantifiable. Hence effect of profit/loss on sale of such assets recognized in the books of accounts does not reflect the actual profit/loss.*
- (8) *Reference is invited to note no 12 of Schedule 14, which is contrary to the Accounting Standard – 22 "Accounting for Taxes on Income".*

Further, we report that for item numbers 1, 5,6,7 & 8 above, in absence of availability of required details/ stipulations, effect of the same on the financial result could not be quantified.

For Natvarlal Vepari & Co.,
Chartered Accountants,

Surat, Date: 3 AUG 2009

Ravindra Vepari
Partner
RAVINDRA VEPARI
M. NO. 0728

OVERSEAS SYNTHETICS LTD.,

BALANCE SHEET AS ON 31ST MARCH, 2009.

	Sch	Current Year Rs.	Previous Year Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
(a) Share capital	1	71,047,070 ✓	71,047,070
(b) Share Application Money		951,061 ✓	951,061
(c) Reserves and surplus	2	22,971,791 ✓	22,971,791
		<u>94,969,922</u>	<u>94,969,922</u>
Loan Funds			
Unsecured loans	3	57,630 ✓	-
Deferred Tax Liability			
(Refer Note 11 of Schedule 14)		3,923,845 ✓	3,923,845
TOTAL...		<u>98,951,397</u>	<u>98,893,767</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	3,961,574 ✓	24,733,320
Less: Depreciation		1,332,962 ✓	14,889,186
Net Block		<u>2,628,612 ✓</u>	<u>9,844,134</u>
Investments			
	5	655,198 ✓	739,100
Current assets, loans and advances			
(a) Sundry Debtors	6	1,719,224 ✓	1,215,266
(b) Cash and bank balances		46,035 ✓	245,656
(c) Loans and advances		439,748 ✓	1,033,830
		<u>2,205,007</u>	<u>2,494,752</u>
Less: Current liabilities and provisions			
(a) Current liabilities	7	4,538,922 ✓	5,513,942
(b) Provisions		14,571 ✓	6,500
		<u>4,553,493</u>	<u>5,520,442</u>
Net Current Assets		(2,348,486)	(3,025,690)
Profit & Loss Account		98,016,123	91,336,223
TOTAL....		<u>98,951,397</u>	<u>98,893,767</u>
Notes forming part of the accounts.	14		

As per our report of even date.
For Natvarlal Vepari & Co.
Chartered Accountants.

(Signature)
Partner.

Surat, dt.

3 AUG 2009

For and on behalf of the Board,

(Signature) Director.
(Signature) Director.

3 AUG 2009

OVERSEAS SYNTHETICS LTD.,

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.

	Sch	Current Year Rs.	Previous Year Rs.
Income			
Domestic Sales		1,173,615 ✓	5,407,188
Other income	8	786,238 ✓	761,904
TOTAL...		1,959,853	7,165,085
Expenditure			
Purchases & Expenses		973,371 ✓	5,156,898
Manufacturing and other expenses	9	53,270 ✓	92,752
Payment and benefits to employees	10	385,150 ✓	437,368
Administrative and other expenses	11	362,287 ✓	464,172
Selling and distribution expenses	12	7,848 ✓	3,486
Speculative Business Loss		44,585 ✓	187,564
Loss on sale of Investments		154,307 ✓	-
Depreciation		77,130 ✓	64,486
Financial charges	13	1,630 ✓	12,298
Loss on Sale of Fixed Assets		6,172,942 ✓	-
TOTAL...		8,232,520	6,419,024
Net Loss for the year before taxation		(6,272,667)	746,061
Less : Provision for Fringe Benefit tax		8,000	6,500
Net Loss for the year after taxation		(6,280,667)	739,561
Prior Period adjustments		399,161 ✓	2,463,068
Less : Short provision of tax in earlier years		71	-
Net Loss		(6,679,899)	(1,723,507)
Extra Oreinary Items		-	250,000
Unpaid Debenture Interest		-	781,836
Modvat Written off		-	-
		(6,679,899)	(691,671)
		(91,336,224)	(90,644,553)
Balance carried to Balance sheet.		(98,016,123)	(91,336,224)
Basic & Diluted Earning Per Share an Equity		(0.94)	(0.10)
Share of Rs.10/- each			
Weighted Average number of Shares outstanding		7,104,707	6,981,103

Notes forming part of the accounts.

14

As per our report of even date.

For Natvarlal Vepari & Co.

Chartered Accountants.

[Signature]
Partner.
3 AUG 2009

Surat, dt.

For and on behalf of the Board,

[Signature] Director.
[Signature] Director.
3 AUG 2009

OVERSEAS SYNTHETICS LTD.,

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	Sch	Rs.	Rs.
Share capital			
Authorised	1	90,000,000	90,000,000
9,000,000 (Previous Year 9,000,000) Equity shares of Rs.10 each			
Issued, subscribed and paid-up		71,047,070	73,212,070
7,104,707 (Previous Year 7,321,207) Equity shares of Rs.10 each.			
Less: Share Forfeiture		-	2,165,000
		<u>71,047,070</u>	<u>71,047,070</u>
(Of the above shares, 3,471,207 Equity shares were allotted to the members of amalgamating companies pursuant to the scheme of amalgamation, for consideration other than cash)			
Reserves and surplus			
Capital Reserves	2	1,082,500	1,082,500
General Reserve		641,320	641,320
Amalgamation Reserve		21,247,971	21,247,971
		<u>22,971,791</u>	<u>22,971,791</u>
Unsecured loans			
From Directors	3	57,630	-
		<u>57,630</u>	<u>0</u>
Investments			
Long Term Investments(Quoted)	5		
Aggregate Market Value Rs.2,90,506 (Prev. Yr. 5,27,920)			
Trade Investments :			
100(100) of RILN		17,173	0
100(7000) of Tele Data		129,598	89,116
100(100) of NTPC		-	24,387
800(800) of Petronet		79,480	79,480
100(100) of RIPL		-	21,114
2000(2000) of H. Cranks		9,980	9,980
1600(1600) of Infra D. Fin		276,304	245,846
5925(5925) of Ashok Ly.		141,363	250,704

2

OVERSEAS SYNTHETICS LIMITED

SCHEDULE - 4

FIXED ASSETS

SNo.	ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01.04.2008 Rs.	Additions Rs.	Deduct- tions Rs.	As on 31.03.2009 Rs.	As on 01.04.2008 Rs.	For the year Rs.	Adjust- ment Rs.	As on 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1]	BUILDINGS	3,659,880	-	-	3,659,880	1,189,927	59,656	-	1,249,583	2,410,297	2,469,953
2]	RESIDENTIAL FLAT	419,587	-	152,591	266,996	106,208	3,615	41,518	68,305	198,391	313,379
3]	PLANT & MACHINERY	20,196,279	-	20,196,279	-	13,168,910	-	13,168,910	-	-	7,027,369
4]	COMPUTER	34,648	-	-	34,648	1,215	13,859	-	15,074	19,574	33,433
	TOTAL	24,310,394	-	20,348,870	3,961,524	14,466,260	77,130	13,210,428	1,332,962	2,628,562	9,844,134
	PRE. YEAR	39,675,043	1,086,887	15,780,410	24,733,320	19,287,129	64,486	4,462,429	14,889,186	9,844,134	20,387,914

9

OVERSEAS SYNTHETICS LTD.,

	Sch	Rs.	Rs.
Other Investment			
Gujarat Industrial Co-op. Bank Ltd.		1,000	1,000
1 Equity shares of the Surat Peoples Co-op. Bank Ltd. of Rs.100 each fully paid up			
Surat Peoples Co-Op Bank Ltd.		100	100
10 Equity Shares of Gujarat Industrial Co-op. Bank Ltd. of Rs.100 each fully paid up			
PARTH CORPORATION		200	200
2 Equity Shares of Rs.100/- each fully paid up in Parth Corporation (P) Ltd.			
TOTAL..		<u>655,198</u>	<u>739,100</u>

Current assets, loans and advances

6

Sundry Debtors

Outstanding for more than six months	677,787 ✓	1,051,738
Others-Debtors	<u>1,041,437 ✓</u>	<u>163,528</u>
	<u>1,719,224</u>	<u>1,215,266</u>

Cash and bank balances

Cash on hand	3,559 ✓	1,067
Balances with Scheduled banks in Current accounts	42,476 ✓	15,351
Balances with Scheduled banks in Fixed deposit accounts	-	229,238
	<u>46,035 ✓</u>	<u>245,656</u>

Loans and advances

Advance (Recoverable in cash or in kind or value to be received).	9,000 ✓	-
Deposits	292,268 ✓	376,025
Advance Income Tax	15,872 ✓	28,305
Advance Fringe Benefit Tax	6,571 ✓	-
Rent Receivable	67,500 ✓	54,000
Other Receivable	<u>48,537 ✓</u>	<u>575,500</u>
	<u>439,748</u>	<u>1,033,830</u>

Current liabilities and provisions

7

Current liabilities

Sundry Creditors for Goods and expenses	4,474,980 ✓	4,120,884
Credit Balance with Bank due to Recocllation	53,930 ✓	537,581
Advance against sale of machinery	-	855,477
VAI Payable	<u>10,012 ✓</u>	-
	<u>4,538,922 ✓</u>	<u>5,513,942</u>

e

OVERSEAS SYNTHETICS LTD.,

	Sch	Rs.	Rs.
Provisions			
Provision for Fringe Benefit Tax		14,571 ✓	6,500
		<u>14,571</u>	<u>6,500</u>
Other income			
	8		
Discount received		-	18,632
Short Term Capital Gain		-	88,492
Rent income		783,000 ✓	642,750
Interest income		238 ✓	12,015
Dividend income		3,000 ✓	15
		<u>786,238</u> ✓	<u>761,904</u>
Manufacturing and other expenses			
	9		
Factory Expenses		-	18,295
Power & Fuel Expenses		53,270 ✓	68,510
Water Charge		-	5,710
Freight & Octroi		-	237
		<u>53,270</u>	<u>92,752</u>
Payment and benefits to employees			
	10		
Salaries and wages (Factory)		385,150 ✓	437,368
		<u>385,150</u>	<u>437,368</u>
Administrative and other expenses			
	11		
Directors remuneration		-	120,000
Directors fees		1,000 ✓	685
Rent, Rates & Taxes		90,000 ✓	90,000
Vehicle Expense		87,201 ✓	47,404
Legal and Professional Charges		39,101 ✓	59,485
Membership Fee		23,644 ✓	27,000
Audit Fees		44,944 ✓	33,708
Travelling & Conveyance Expenses		-	2,225
Repairs and Maintenance		1,846 ✓	741
Office Expenses		9,548 ✓	22,698
Misc. expenses		12,461 ✓	-
Telephone, Postage & Fax expense		45,627 ✓	51,712
Stationery and Printing Expenses		4,115 ✓	3,409
Computer Expenses		2,800 ✓	5,105
		<u>362,287</u>	<u>464,172</u>
Selling and distribution expenses			
	12		
Sales tax		3,853 ✓	3,486
Vatav Kasar		3,995 ✓	-
		<u>7,848</u>	<u>3,486</u>
Financial charges			
	13		
Bank charges		1,630 ✓	12,298
		<u>1,630</u>	<u>12,298</u>

↑

OVERSEAS SYNTHETICS LIMITED, SURAT

Accounting year: 2008-2009

Notes forming part of the Accounts:

Schedule - 14

(1) Significant Accounting Policies:

Significant accounting policies adopted in the preparation and presentation of the accounts are as under:

(a) Basis of Accounting:

The financial statements are prepared under historical cost convention on an accrual basis except Gratuity, which is accounted on cash basis.

(b) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction, net of CENVAT available less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

(c) Depreciation:

Depreciation on all depreciable fixed assets is provided under Straight Line Method as per rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition or deduction is provided on pro-rata basis. No depreciation is provided on the unused assets.

(d) Investments:

Long Term Investments are stated at cost of acquisition.

(e) Inventories:

Company does not hold any Inventory during the year. However as per the policy of the company, inventories are valued applying FIFO method as under:

- (i) Raw materials are valued at cost.
- (ii) Finished Goods are valued at cost or net realisable value whichever is lower.

(f) Retirement Benefits:

i. Short term Employee Benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, bonus, leave salary ex-gratia are recognized in the period in which employee renders the related services.

ii. Defined Contribution Plans:

Contributions to Defined Contribution Plans are recognized as expense in the Profit and Loss Account, as they are incurred.

iii. Defined Benefit Plans:

Gratuity is accounted by the entity as and when paid.

(g) Revenue Recognition:

As per policy of the company, Income from sales is being recognized net of discount etc. Job work income is recognized on completion of the work.

Income from Speculation business is recognized on the base of settlement of the contract.

(h) Borrowing Cost:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(2) The company is contingently liable in respect of the following:

(i) For-guarantees given by the Banks on behalf of the Company Rs. 2,00,000/- (Pre. Year Rs. 2,00,000/-).

(ii) Matters under dispute before various authorities under excise Rs. 11,21,262/- (Previous year Rs. 11,21,262/-).

(3) Payments to Auditors	Current Year	Pre. Year
(a) As Auditors:	44,944/-	33,708/-
(b) In any other matter:	--	--

(4) Sundry debtors include debts considered doubtful.

(5) Provision for taxation for the year under review has not been made in view of current year's loss as well as brought forward unabsorbed Business losses from previous year(s).

(6) Details of small-scale industrial undertaking creditors to whom a sum outstanding for more than 30 days are under compilation.

(7) Company has not identified any asset, which has been impaired in terms of Accounting Standard 28 Issued by The Institute of Chartered Accountants of India as on 31st March, 2009.

(8) The company has not deposited Rs. 51,007/- (P.Y. Rs. 51,007/-) of Provident Fund & Rs. 103,732/- (P.Y. Rs. 103,732/-) of Employee State Insurance dues pertaining to the earlier years.

(9) The company has identified two product segment viz 'Textile' and 'Speculation Business' as per Accounting Standard 17 "Segment Reporting" issued by the ICAI, and has not identified any geographical segment, where risks and returns are materially different. Segment wise details are as follows

Particulars	Accounting Year 2008-09				Accounting Year 2007-08			
	Textiles	Shares	Un allocable	Total	Textiles	Shares	Un allocable	Total
<u>Revenue</u>								
Sales	1,173,615	31,201,747	-	32,375,362	5,407,188	3,195,711	-	8,602,899
Operating Expenses	1,411,791	31,246,332	-	32,658,123	5,687,759	3,383,275	-	9,071,034
Operatin Profit/(Loss)	(238,176)	(44,585)	-	(282,761)	(280,571)	(187,564)	-	(468,135)
Other Income	-	-	786,238	786,238	-	-	1,757,896	1,757,896
Expenses	-	-	786,238	786,238	-	-	1,757,896	1,757,896
General Expenses	-	-	448,895	448,895	-	-	543,701	543,701
Loss on sale of Fixed Assets	-	-	6,172,942	6,172,942	-	-	-	-
Short Term Capital Loss	-	-	154,307	154,307	-	-	-	-
	-	-	6,776,144	6,776,144	-	-	543,701	543,701
Net Profit/(Loss)	(286,176)	(44,585)	(5,989,906)	(6,272,667)	(280,571)	(187,564)	1,214,195	746,060
<u>Other Information</u>								
<u>Segment Assets</u>								
Fixed Assets	-	-	2,628,562	2,628,562	-	-	9,844,134	9,844,134
Investment	-	655,198	-	655,198	739,100	-	-	739,100
<u>Current Assets</u>								
Debtors	1,719,224	48,537	-	1,767,761	1,051,738	163,528	-	1,215,266
Other Current Assets	437,246	-	-	437,246	1,279,486	-	-	1,279,486
Total Assets	2,156,470	703,735	2,628,562	5,488,787	3,070,324	163,528	9,844,134	13,077,985
<u>Segment Liabilities</u>								
Segment Liabilities	4,543,493	-	-	4,543,493	5,520,442	-	-	5,520,442

Note :The sale & Operating expenses in respect of shares segment represents the value of transactions of speculative nature and the same does not fall within the part of 'Turnover' and hence not reflected in the profit & loss account. They are taken in the above table only for the purpose of segment information.

(10) Related party Disclosure as per AS – 18 issued by ICAI is as under.

1) Key Managerial Personnel:

- a) Mr. Rohit. H. Patel - Managing Director
- b) Mr. Mayur. V. Shah - Director
- c) Mr. Dinkarbai. H. Patel - Director

2) Relatives of Key Managerial Personnel & their Enterprises, where transactions have taken place:

- a) Rohit Silk Mills (Prop. K. H. Patel (H.U.F.) - Brother of Director
- b) Kay Tee Fabrics (Prop. K. H. Patel) - Brother of Director
- c) Ram Fabrics (Prop. H. R. Patel (H.U.F.) - Father of Director
- d) Overseas Investment Corp. (Prop. H. R. Patel) – Father of Director
- e) Krupalu Fabrics (Prop. H. R. Patel) - Father of Director
- f) Overseas Textiles (Prop. M. H. Patel (H.U.F.) - Brother of Director
- g) Narendra Textile (Prop. Jankiben M. Patel) – Wife of Director's Brother
- h) Dinesh Textiles (Prop. Rekhaben D. Patel) – Wife of Director

	Nature of Transactions	Related In 1 above	Parties In 2 above
1	Godown Rent	-	48,000
2	Office Rent	-	42,000

(11) The company has not reduced deferred tax liability / created deferred tax assets in respect of its brought forward losses & unabsorbed depreciation under the tax law, because the management is of the opinion that there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets could be absorbed.

(12) Additional information pursuant to the provisions of Paragraphs 3, 4B, 4C and 4D of Part II of the Schedule VI to the Companies Act, 1956.

Information pertaining to capacity, goods manufactured turnover, stock and raw materials consumed, etc.

i) <u>Product</u>	<u>Licenced Capacity</u>	<u>Installed Capacity</u>
1. Grey cloth		
Curr. Year	230,000 Mtrs.	230,000 Mtrs.
Pre-Year	230,000 Mtrs.	230,000 Mtrs.
2. Yarn		
Curr. Year	660 Tonnes	960 Tonnes
Pre. Year	660 Tonnes	960 Tonnes

L

Note: 1. Installed capacity being a technical matter is as certified by the director on which Auditors have placed reliance.

j) No Raw Material was consumed either in the current year or previous year; hence there was no production and sales of finished product in the related period. Accordingly, furnishing of information relating thereto would not be applicable.

k) Trading Details :Yarn

	Current Year		Previous Year	
	Kgs.	Rs.	Kgs.	Rs.
Opening stock	--	--	--	--
Purchases	12,356.00	9.73	66,267.27	51.57
Sales	12,356.00	11.73	66,266.27	54.07
Closing Stock	--	--	--	--

Note : Purchase and Sales is shown net of VAT amount.

l) Value of Imports calculated on CIF Basis Rs. Nil (Pre. Year Rs. Nil).

	<u>Current Year</u>	<u>Previous Year</u>
m) Earnings in Foreign Exchange: FOB value of goods exported	Nil	Nil
o) Remittance in Foreign Currency	Nil	Nil
p) Remittance in Foreign Currency	Nil	Nil

(13) Previous year figures have been recast and regrouped wherever necessary to make them comparable with the figures of the current year.

(14) Share Application Money of Rs. 9.51 Lacs represents amount taken from promoters pending allotment of shares.

(15) Information required in terms of Part IV of Schedule VI to the Companies Act, 1956 is attached.

Signature to Schedules "1" to "14"

**For NATVARLAL VEPARI & CO.,
CHARTERED ACCOUNTANTS,**

900-W
PARTNER

**PLACE: SURAT,
DATE: 3 AUG 2009**

For and on behalf of the Board,

X R. Patel.
Director

M. Shah.
Director

**PLACE: SURAT,
DATE: 3 AUG 2009**

Overseas Synthetics Ltd.,

Accounting year: 2008-2009

Annexure 'A' to the Notes to Accounts

I. REGISTRATION DETAILS :

Registration No.

1	7	3	1	6
---	---	---	---	---

 State Code:

0	4
---	---

Balance sheet date:-

3	1	0	3	2	0	0	9
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II. CAPITAL RAISED DURING THE YEAR

(Rs. in 000's)

Public Issue	Right Issue														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0
0	0	0	0	0	0	0									
0	0	0	0	0	0	0									
Bonus Issue	Private Placement														
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	0	0	0	0	0	0	0
0	0	0	0	0	0	0									
0	0	0	0	0	0	0									

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:

(Rs. in 000's)

Total Liabilities	Total Assets												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>0</td><td>3</td><td>5</td><td>0</td><td>5</td></tr></table>	1	0	3	5	0	5	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>0</td><td>3</td><td>5</td><td>0</td><td>5</td></tr></table>	1	0	3	5	0	5
1	0	3	5	0	5								
1	0	3	5	0	5								
Sources of Funds:													
Paid-up Capital	Reserve & Surpluses												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>7</td><td>1</td><td>0</td><td>4</td><td>7</td></tr></table>	7	1	0	4	7	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>2</td><td>9</td><td>7</td><td>2</td></tr></table>	2	2	9	7	2		
7	1	0	4	7									
2	2	9	7	2									
Share Application Money	Deferred Tax Liability												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>5</td><td>1</td></tr></table>	9	5	1	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>3</td><td>9</td><td>2</td><td>4</td></tr></table>	3	9	2	4					
9	5	1											
3	9	2	4										
Application of Funds:													
Secured Loans	Unsecured Loans												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>5</td><td>8</td></tr></table>	5	8							
N	I	L											
5	8												
Net Fixed Assets	Investments												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>2</td><td>6</td><td>2</td><td>9</td></tr></table>	2	6	2	9	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>6</td><td>5</td><td>5</td></tr></table>	6	5	5					
2	6	2	9										
6	5	5											
Net Current Assets	Misc. Expenditure												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>2</td><td>3</td><td>4</td><td>8</td></tr></table>	-	2	3	4	8	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L				
-	2	3	4	8									
N	I	L											
Accumulated Losses	Deferred Tax Asset												
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>9</td><td>8</td><td>0</td><td>1</td><td>6</td></tr></table>	9	8	0	1	6	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td></tr></table>							
9	8	0	1	6									

IV. PERFORMANCE OF COMPANY:

(Rs. in 000's)

Turnover	Total Expenditure										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>1</td><td>9</td><td>6</td><td>0</td></tr></table>	1	9	6	0	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>8</td><td>2</td><td>3</td><td>3</td></tr></table>	8	2	3	3		
1	9	6	0								
8	2	3	3								
Profit/Loss before Tax	Profit/Loss after tax										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>6</td><td>2</td><td>7</td><td>3</td></tr></table>	-	6	2	7	3	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>6</td><td>6</td><td>8</td><td>0</td></tr></table>	-	6	6	8	0
-	6	2	7	3							
-	6	6	8	0							
Earning per Share in Rs.	Dividend rate %										
<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>0</td><td>9</td><td>4</td></tr></table>	-	0	9	4	<table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L			
-	0	9	4								
N	I	L									

V. GENERIC NAMES OF TWO PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY OF COMPANY: (as per monetary terms)

Far Natvarlal Vepari & Co.
 Product Description:

5	4	0	6													
F	A	B	R	I	C	O	F	S	Y	N	T	H	E	T	I	C
F	I	L	A	M	E	N	T	Y	A	R	N					

Item Code No. (ITC Code):

5	4	0	2
---	---	---	---

 Product Description:

S	Y	N	T	H	E	T	I	C								
F	I	L	A	M	E	N	T	Y	A	R	N					

Signature to Annexure "A"
As per our report of even date.

By order of the Board,

For Natvarlal Vepari & Co.
Chartered Accountants.
Partner
Sural, Dt **3 AUG 2009**

(Signature)
(Director/Whole-time Director)
Sural, Dt **3 AUG 2009**

OVERSEAS SYNTHETICS LIMITED, SURAT.
Cash Flow Statement for the year ended 31st March, 2009

	31.03.2009	31.03.2008
		Rs.
(A) Cash Flow from Operating Activities:		
Net profit/(loss) before tax and Extraordinary items:	(6,272,667)	739,560
Adjusted for:		
- Extra ordinary items	-	1,031,836
+ Depreciation	77,130	64,486
+ Loss on sale of Fixed Assets	6,172,942	-
+ Loss on sale of Investment	154,307	-
- Profit on Sale of Assets	-	(995,993)
Preliminary Expenses written off	-	-
Operating Profit before Working Capital Changes	131,712	839,888
Adjusted for:		
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Trade and Other Receivables	-	(871,004)
(Increase)/Decrease in Loans and Advances	90,124	(374,860)
Increase/(Decrease) in Trade Payables & other liabilities	(975,020)	(6,921,584)
Cash Generated from Operations before prior period item	(753,185)	(7,327,560)
Prior Period Items (Net)	(399,161)	(2,463,069)
Net Cash Generated from Operations	(1,152,346)	(9,790,629)
(B) Cash Flow from Investing Activities:		
Sale of Fixed assets	965,500	10,513,946
Purchase of Fixed Assets	-	(34,649)
Sale of Investment	418,851	797,200
Purchase of Investment	(489,256)	-
Profit on Sale of Assets	-	995,993
Net Cash Generated from Investing Activities	895,095	12,272,490
(C) Cash Flow from Financing Activities:		
Increase in share capital	-	(715,000)
Share Application Money Returned	-	(3,173,999)
Amalgamation Reserve adjusted	-	327,000
Amount Realised on share forfeiture	-	1,082,500
Proceeds from UnSecured borrowings	57,630	-
NET CASH USED IN FINANCING ACTIVITIES	57,630	(2,479,499)
Net (Decrease)/Increase in Cash and Cash Equivalents	(199,621)	2,362
Cash and Cash Equivalents as at 1st April, 2008	245,656	243,294
Cash and Cash Equivalents as at 31st March, 2009	46,035	245,656

For and on behalf of Board of Directors

R. Patel
 DIRECTOR

M. Patel
 DIRECTOR.

Surat,
 Date:

3 AUG 2009

AUDITORS' REPORT

WE have audited the above Cash Flow Statement of OVERSEAS SYNTHETICS LTD. derived from audited financial statements and the books and records maintained by the Company for the year ended 31st MARCH, 2009 and found the same in agreement therewith.

FOR NATVARLAL VEPARI & CO.,
 Chartered Accountants

V. D. W.

Partner.

Place: Surat
 Surat,

3 AUG 2009