

# INNOVASSYNTH INVESTMENTS LIMITED

6<sup>th</sup> Annual Report 2012-2013

**Board of Directors :**

S. B. Ghia ... *Chairman & Managing Director*  
 K. Ramasubramanian  
 Dr. B. Sahu  
 S. B. Chatterjee  
 A. K. Pandya

**Audit Committee :**

K. Ramasubramanian ... Chairman  
 A. K. Pandya ... Member  
 S. B. Chatterjee ... Member

**Company Secretary :**

S. B. Chatterjee

**Bankers :**

H.D.F.C. Bank Ltd

**Auditors :**

M/s. N. M. Rajji & Co.

**Registrar and Share Transfer Agents :**

Satellite Corporate Services Pvt. Ltd.  
 301, Sony Apartments  
 Opp. St. Jude High School  
 Off. Andheri-Kurla Road  
 Jarimari, Mumbai-400 072.  
 Phone: 28520461, 28520462  
 Fax: 28511809  
 E-mail : [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

**Registered Office :**

Paragon Condominium,  
 3rd Floor,  
 Pandurang Budhkar Marg,  
 Mumbai - 400 013.  
 Phone : 24922999 Fax: 24923142  
 E-mail : [pbk@innovassynthinvestments.com](mailto:pbk@innovassynthinvestments.com)  
 Website : <http://www.innovassynthinvestments.com>

**Request to the Shareholders**

Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring this copy of the Annual Report to the meeting.

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**NOTICE TO SHAREHOLDERS**

**NOTICE** is hereby given that the **6th ANNUAL GENERAL MEETING of the Members of INNOVASSYNTH INVESTMENTS LIMITED** will be held at **M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 4thFloor, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400 001** on **Monday, the 30<sup>th</sup> day of September, 2013 at 04.30 p.m.** to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at and Profit & Loss Accounts for the year ended 31<sup>st</sup> March 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K. Ramasubramanian, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. B. Sahu, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.
5. Special Business

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Ordinary Resolution :

**"RESOLVED THAT** the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') to the reappointment of Mr. Shyam B. Ghia as the Chairman & Managing Director of the Company, for a period of 5 (five) years with effect from 7th August, 2013 to 6th August 2018 and other applicable provisions, if any of the Companies Act, 1956 ('the Act') on the terms and conditions inter alia as set out in the agreement placed before the meeting and for the purpose of identification initialled by Mr. S.B. Chatterjee, Director & Company Secretary hereof;

**Registered Office :**

Paragon Condominium,  
3rd Floor, Pandurang Budhkar Marg,  
Mumbai - 400 013.

Place : Mumbai

Date : 14th August, 2013

**INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT :**

As required under the listing agreement, the particulars of Directors, who are proposed to be appointed/re-appointed are given below :

1. Name	<b>Mr. K. Ramasubramanian</b>
Age	72 Years
Qualifications	M.Sc., PGDM. Dip in Computer Science
Expertise	Director since August 7, 2008

**Directorship on the Board and Chairmanship/ Membership in Committees :**

Innovassynth Investments Ltd. (Director, Chairman/ Member of Audit Committee & Investors Grievance Committee), Mirae Asset Trust Company Ltd. (Director, Member of Audit Committee), Premier Medical Corporation Ltd. (Director) Innovassynth Technologies (India) Ltd. (Director, Member of Audit Committee), Futura Polyesters Ltd. (Director, Member of Audit Committee & Investors Grievance Committee).

2. Name	<b>Dr. B. Sahu</b>
Age	60 Years
Qualifications	M.A., PMIR, Ph.D
Expertise	Director since incorporation

**Directorship on the Board and Chairmanship/ Membership in Committees :**

Innovassynth Investments Ltd. - (Director, Member Investors Grievance Committee)

**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 AND A PROXY NEED NOT BE A MEMBER.
2. Proxies should be lodged at the Company's Registered office atleast 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 25th September, 2013 to Monday 30th September, 2013 (both days inclusive).

**By Order of the Board**

**S. B. Chatterjee**

Director & Company Secretary

## ANNEXURE TO THE NOTICE

**EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

At the Board Meeting held on 14th August, 2013 the Board reappointed subject approval of shareholders Mr. S.B. Ghia as Managing Director, without remuneration, with effect from 7th August, 2013 till the date of this meeting and it is now proposed to ratify his appointment, in this meeting, as Managing Director designated as Chairman and Managing Director on the same terms and conditions from the date of this meeting till 6th August, 2018.

Brief terms of appointment are as under :

- i. The Managing Director shall, during his tenure of Office as managing Director is not liable to retire by rotation as a Director of the Company.
- ii. The Managing Director shall not without Board's approval engage himself in any other business occupation or employment of a nature similar to, or competing with the Company's business.
- iii. The Managing Director shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.
- iv. The Managing Director or the Company may terminate this Agreement by giving 3 months notice.

Mr. S. B. Ghia have considerable expertise and experience in various fields. His elevation as the Managing Director will be in the interest of the Company.

The original agreement between the Company and Mr. S.B. Ghia referred to in the resolution are available for inspection of members at the registered office of the Company during the Company's normal business hours on all working days except Saturday.

Mr. S. B. Ghia is interested in the resolution at Item since it concerns his own appointment.

**Registered Office :**

Paragon Condominium,  
3rd Floor, Pandurang Budhkar Marg,  
Mumbai - 400 013.

Place : Mumbai

Date : 14th August, 2013

**By Order of the Board****S. B. Chatterjee**

Director &amp; Company Secretary

**DIRECTORS' REPORT**

To :

The Members,

Your Directors submit the 6th Annual Report of the Company along with the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Accounts for the year ended 31st March, 2013.

**1. Financial Results :**

In this financial year of the company an amount of Rs. 10,76,850/- has been incurred towards expenses of routine nature and the net loss of Rs. 10,76,850/- has been carried to the Balance Sheet. Except the holding of equity shares in Innovassynth Technologies (India) Limited referred below, the Company has not carried out any other business activity.

**2. Dividend :**

Your Directors do not recommend any dividend for the period under review due to the losses suffered by the Company.

**3. Directors :**

Mr. K. Ramasubramanian and Dr. B. Sahu are retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

**4. Personnel :**

None of the Company's employees was in receipt of remuneration aggregating to Rs. 60,00,000/- or more per annum or Rs. 5,00,000/- or more per month during the year under review.

**5. Fixed Deposits/Loans :**

During the period under review, the Company had not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956.

**6. Energy conservation, Technology absorption and Foreign Exchange :**

Since the Company does not own any manufacturing / production facility, information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

**Registered Office :**

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3rd Floor,  
Pandurang Budhkar Marg,  
Mumbai 400 013.  
Place : Mumbai,  
Date : 14th August 2013

During the year under review, the company did not have any foreign exchange earnings and outgo.

**7. Directors' responsibility statement :**

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 ("the Act") with respect to Directors' Responsibility Statement it is hereby confirmed:

1. that in the preparation of annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors had 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 as at the end of 31<sup>st</sup> March, 2013 and of the loss of the Company for the period.
3. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the directors had prepared the annual accounts on a going-concern basis.

**8. Auditors :**

You are requested to appoint auditors for the current year M/s. N. M. Rajji & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting, are eligible for reappointment.

**9. Corporate Governance :**

As required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited, Corporate Governance and Management Discussion and Analysis Report annexed to this report, form part of this Annual Report.

**10. Compliance Certificate :**

A Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

**On behalf of the Board**

**S. B. GHIA  
CHAIRMAN**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13**

Since Innovassynth Investments Limited has only one investment namely that of 2,38,50,070 shares in Innovassynth Technologies (India) Limited (ITIL) the Management Discussion And Analysis Report of ITIL has been attached below which may be treated as that of Innovassynth Investments Limited.

**1. Industry Structure and Developments**

The Company is engaged in the business of customs synthesis, contract research & manufacturing of specialty chemicals, toll manufacture of chemicals and similar businesses. Thus the Company is engaged in several diverse activities which cannot be benchmarked to any industry.

The Company is currently engaged in both contract research & development for product groups like protected nucleosides, phosphoramidites & amino acids, intermediates for active Pharma ingredients, specialty carbohydrate derivatives, metallocene compound, etc. The Company's focus on nucleosides and amidites has placed it in one among the top few companies engaged in this activity in the world. The Company manufactures specifically against orders received from its customers.

The Company also has a long term manufacturing contract since 2001 with Ciba Speciality Chemicals / BASF, Switzerland for manufacture of a speciality product. This has been one of the major manufacturing activities of the Company since its inception.

The Company has developed hundreds of molecules for several of its internationally well known clients. Last eight years of hard work and presentation of company's technical capabilities have resulted in well known chemical and pharma MNCs accepting Company's status as a quality Research & Development company especially in several new areas.

**2. Opportunities and threats**

The Company has been recognized internationally as one of the few companies in development and manufacture of nucleosides and amidites. This breakthrough opens up vast opportunities for the Company in this area. There are several Pharma MNCs worldwide which are actively engaged in developing new drugs based on DNA analysis, Stem cell research etc. The requirement for nucleosides and amidites of different types, for research, manufacture

and diagnostic offer unlimited opportunities. The Company is already in the supply chain of some of the large R&D and Pharma companies who are using the Company's products for their research. Some of the drugs developed by them are in the advanced stage of Clinical trials and once these are successful, the Company hopes to get multi ton orders from these companies for its products.

Similarly, in customs synthesis and contract manufacture, the Company has established its name and has been working successfully for Ciba Specialty Chemicals (& now with BASF) since 2001. In the last year, Company produced 419 metrics ton of a speciality products for this customer and has received order for around 432 MT for the year 2013-14 for the same.

**3. Performance**

The Company's turnover including service & other income for 2012-13 was Rs. 53.13 crores as compared with Rs. 50.71 crores during the previous year, i.e. an increase of 4.75%. The year has resulted in a net loss after tax of Rs. 3.59 crores compared with Rs. 5.83 crores during the last year. The Company is yet to reach a break even level to earn profits. This is due to the fact that the Company has to invest in infrastructure and servicing of fixed expenses in advance to established its credentials with prospective customers who come to audit the company's facilities prior to placing orders. The Company hopes to achieve progress in the current year which could result in cash break even situation. In view of the investments made earlier, the Company's financial costs, depreciation and other fixed costs cannot be fully absorbed at the current turnover level. Further the losses incurred by the Company have affected the current cash flow situation. However, the Company is in due process of receiving adequate orders for the current year to meet its budgetary projection.

**4. Outlook**

The company has established very firmly in the area of gene-based medicines as reliable supplier of various key intermediates for various drug in pipe line.

The company has emerged as a preferred supplier for regular amidites like DNA, RNA and Fluoro. Also many drug discovery companies with exclusive technologies have come to us to optimize their technology and scale up to multi kilo scale level for

supplying them intermediates on a regular basis. The company has been working consistently to upgrade its knowledge base by working on novel products and technologies. The intermediates we supply are going into development of new drugs for various diseases and many of these drug molecules are at phase II of clinical trials. There will be a large growth potential once these drugs go to market within the next 3-5 years.

The company is also into supplying many high value catalysts used for polymerization etc. and also a number of high performance chemicals for specific applications.

#### 5. Risks & concerns

As the Company is involved in research and development of new molecules and products there are possibilities of delay in its client's commercializing their development. Many of the clients who are carrying out clinical trials for drugs for which the Company has supplied the raw materials, are in advanced stage of trials. Once these trails are completed successfully and they commercialize the same, the Company will benefit by way of substantial orders. Further, development of new molecules and products involve considerable development costs which are to be amortized over a period of few years. There are possibilities that the client may not succeed in their development of their final products. In view of several new products being developed simultaneously, it would be difficult to asses the capacity utilization which depends on the product mix. The Company, however, attaches priority to high contribution products

to improve its profitability. The Company also depends for its growth on its vast skilled scientists and chemists whose continuance in service is a critical factor in spite of the high recurring and retention cost.

Due to slow down in economy of USA and European Countries the major drug developing companies based there are going a little slow in the development of new drugs. This may also affect the business of custom synthesis.

Keeping in view the available infrastructure the company is also in the process of negotiating with a new big Indian Pharma Companies for crams business. This is also likely to generate substantial business for helping the company going forward.

#### 6. Internal control systems and adequacy

The Audit Committee set up by the Board reviews periodically the internal audit reports submitted by the internal auditors. The Management periodically interacts with the internal and statutory auditors and implement the suggestions made by them from time to time. The Company has adequate internal control systems commensurate with its size and nature of operations.

#### 7. Human resources and industrial relations

Industrial relations remained cordial through the year. The number of permanent employees on roll of the Company is 200. Of this, there are 4 Doctorates (Ph.Ds) in Chemistry and 60 Chemists engaged in R & D work. The unionized workers are 67 in number.



**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013**

As required under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited, the report on Corporate Governance is given below:

**1. Company’s philosophy on Code of Corporate Governance:**

Our Company is committed to achieving high standards of corporate governance recognising the fact that management is accountable to all stakeholders for good governance. Some of the essential elements of good governance are fairness, ethics, transparency, accountability and responsibility.

Consistent with this commitment, our Company’s practices and policies continue to meet the above attributes in all spheres of production, operations and services.

World over corporate governance structures are dynamic, evolve over a period of time and keep changing in the light of new developments. Ours too is an ever-evolving process. We will make every effort in raising the standards of corporate governance and will constantly review systems and procedures in order to keep pace with the changing economic environment.

**2. Board of Directors:**

**(a) Composition of Board:**

The Board of Directors comprises of 5 Directors of which 1 is Executive and 4 are non-executive Directors. Directors include Chairman & Managing Director.

The Directors are eminent industrialists / professionals with experience in industry / business / finance and bring with them the reputation of independent judgment and experience, which they exercise, and also satisfy the criteria of independence. However, the Board of Directors, adopting a more exact view, has decided to treat only the directors, as indicated in para 2(b) below as independent directors.

**(b) Number of Board Meetings:**

Four Board Meetings were held during the year on 15/05/2012, 14/08/2012, 28/12/2012 & 13/02/2013.

**Details of Directors of the Company as on the date of this report**

Name of the Director	Category of Director	No. of Directorship in other Boards	No. of membership of other Board Committees	No. of chairmanship of other Board Committees	No. of Board Meetings attended during the year ended 31.03.2013	Attendance in last Annual General Meeting
Mr. S. B. Ghia	E	6	7	3	5	Present
Dr. B. Sahu	NE	NIL	NIL	NIL	1	Present
Mr. S. S. Sami*	NEI	---	---	---	---	---
Mr. K. Ramasubramanian	NEI	2	4	1	1	Absent
Mr. S. B. Chatterjee	NE	NIL	NIL	NIL	4	Present
Mr. Anil Kumar Pandya	NEI	NIL	NIL	NIL	3	Absent

\* resigned on 14-08-2012, E : Executive; NE : Non-Executive; I : Independent

**c) Details of Directors seeking Re-appointment as required under clause 49 IV(G)(i) of the Listing Agreement entered into with the Stock Exchange:**

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed / reappointed are given in the Notes to the Notice on page no. 3.

**d) Code of Conduct:**

The Board has laid down a code of conduct for all Board members and senior management of the Company which is posted on the website of the Company.

All Board members and senior management personnel have affirmed compliance with the code on an annual basis. A declaration to this effect signed by the CEO forms part of this Annual Report.



**3. Committees of the Board.**

**3.1 Audit Committee:**

The Audit Committee constituted in accordance with the Listing Agreement comprises of Mr. K. Ramasubramanian, who is Chairman of the Committee, Mr. S. B. Chatterjee & Mr. Anil Kumar Pandya.

**a) The Terms of reference:**

The terms of reference of the Audit Committee include the matters specified under Clause 49 (II) (D) of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

**b) Composition and Category:**

The Company has complied with the requirements of Clause 49 (II) (A) as regards the composition of the Audit Committee.

It comprises of 3 directors. All its present members are Non-executive directors two are independent directors. All members are financially literate and one member have accounting and related financial management expertise. Mr. S.B. Chatterjee, Company Secretary acts as the Secretary of the Committee.

**c) Number and attendance at each Audit Committee Meetings:**

During the financial year 2012-2013, three Audit Committee Meetings were held; the dates of the meetings were 15/05/2012, 28/12/2012 & 13/02/2013. The attendance of members at the meetings was as follows:

Name of Member	No. of meetings attended
Mr. S. S. Sami*	-
Mr. S. B. Chatterjee	3
Mr. K. Ramasubramanian	1
Mr. Anil Kumar Pandya	3

\* resigned on 14-08-2012

**3.2 Remuneration Committee:**

**a) Terms of reference:**

To periodically review in accordance with law the remuneration packages of executive whole-time directors and recommends suitable revision to the Board.

**b) Composition and Category:**

The Company has no employee /paid executive hence no remuneration committee meetings were held.

**Remuneration of Non-executive Directors as per Accounts for the financial year ended 31st March 2013.**

Name of Directors	Relationship with other Directors	Sitting fees of Board/Committee Meetings (Gross amount) (Rs.)
Mr. Shyam Sunder Sami	---	Nil
Mr. K. Ramasubramanian	---	5,000
Mr. Anil Kumar Pandya	---	15,000

All Non-Executive Directors do not hold any shares in the Company as on 31st March, 2013.

**3.3. Shareholder’s Information & Investor’s Grievance Committee:**

The Committee reviews and deals with complaints and queries received from the investors. It also reviews and deals with responses to letter received from the Ministry of Company Affairs, the Stock Exchange and Securities and Exchange Board of India.

The Shareholders/Investors Grievance Committee comprises two (2) members, Mr. K. Ramasubramanian, Chairman of the Committee and Dr. B. Sahu is member of Committee.

The Company Secretary Mr. S. B. Chatterjee, functions as the Secretary of the Committee. During the financial year ended 31st March, 2013, meetings of the Shareholders/Investors Grievance Committee were held on 15/05/2012, 14/08/2012, 1/10/2012 & 13/02/2013.

Attendance at Shareholders/Investors Grievance Committee Meetings :

<b>Name of the Member</b>	<b>No. of Meetings attended</b>
Mr. S. S. Sami ...	1
Mr. K. Ramasubramanian ...	2
Dr. B. Sahu ...	2

The status of the complaints received from investors is as follows :

**Shareholders'/Investors' Complaints**

<b>Particulars of Complaints</b>	<b>No. of complaints</b>
Complaints pending as on April 1, 2012 ...	Nil
Complaints received during 2012-2013 ...	Nil
Complaints identified and reported under Clause 41 of the Listing Agreement	Nil
Complaints disposed off during the year ended 31st March, 2013	Nil

The Board has designated Mr. S. B. Chatterjee, Company Secretary, as the "Compliance Officer". Satellite Corporate Services Private Limited is our Registrar and Share Transfer Agents.

**4. General Body Meetings:**

**Location and time of last three Annual General Meetings and Extraordinary General Meetings of the Company:**

<b>Financial Year</b>	<b>Date</b>	<b>Location of the meeting</b>	<b>Time</b>
<b>Annual General Meetings</b>			
2009-2010	14th Sept., 2010	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg. Trust, IMC Marg, Mumbai 400 020.	11.00 a.m.
2010-2011	21st Sept., 2011	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor 18/20, K. Dubash Marg, Mumbai 400 001.	3.00 p.m.
2011-2012	28th Sept., 2012	Walchand Hirachand Hall, 4th Floor, Indian Merchants Chamber Bldg. Trust, IMC Marg, Mumbai 400 020.	3.00 p.m.
<b>Extraordinary General Meetings</b>			
2011-2012	5th May 2011	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor 18/20, K. Dubash Marg, Mumbai 400 001.	3.00 p.m.

**5. Disclosures:**

Disclosure on Materially significant related party transactions i.e.transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have material conflict with the interest of the Company at large : Details are provided in Note No. 9 with provisions of Accounting Standard 18.
Details of non-compliance by the Company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any Statutory Authorities on any matter related to capital markets during the last 3 years : None in last three years.
Disclosure of Risk management : The company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
Disclosure of Accounting Standards : The Company has followed the Accounting Standards prescribed by the Companies (Accounting Standard) Rules 2006 referred to in sub-section (3C) of Section 211 of the Companies Act, in the preparation of the financial statements.

The Company has complied with the mandatory requirements of Clause 49.

**6. CEO / CFO Certification:**

Certificate from Mr. S. B. Ghia, Chairman & Managing Director and Mr. S. B. Chatterjee, Chief Financial Officer in terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges for the financial year ended 31st March, 2013 was placed before the Board of Directors of the Company in its meeting held on 14th August, 2013.

**7. Means of Communication:**

Quarterly Results	The results of the Company are published in newspapers as per the Listing Agreement as well as on Company's website.
Any website, where displayed	www.innovassynthinvestments.com
Whether it also displays official news releases	No
The presentations made to Institutional Investors or to the analysts	No presentations were made to institutional investors or to the analysts during the year under review.
Newspapers in which results are normally published in	Free Press Journal / Navshakti
Whether MD&A is a part of Annual Report or not	Management Discussion and Analysis Report forms part of this Annual Report.

**8. General Shareholder Information:**

AGM : Date, Time and Venue	30th September, 2013; 4.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400 001.
Financial Calendar	1. First Quarterly Result : April 2012 to June 2012 2. Second Quarterly Result : July 2012 to September 2012 3. Third Quarterly Result : October 2012 to December 2012 4. Last Quarterly Result : January 2013 to March 2013
Date of Book Closure	25th September, 2013 to 30th September 2013 (both days inclusive)
Dividend payment date	N. A.
Listing on Stock Exchange	Bombay Stock Exchange
Stock Code (Physical and Demat)	533315

**Monthly Highest & Lowest Closing quotations of the Equity shares for the year 2012-2013.  
Bombay Stock Exchange Limited**

Year	Month	High		Low		
		Rate (Rs.)	Date	Rate (Rs.)	Date	
2012	April	6.15	25-04-2012	4.00	04-04-2012	
	May	7.05	07-05-2012	4.47	14-05-2012	
	June	5.80	01-06-2012	3.80	27-06-2012	
	July	4.60	13-07-2012	3.27	26-07-2012	
	August	4.11	21-08-2012	3.10	03-08-2012	
	September	4.18	14-09-2012	2.76	11-09-2012	
	October	5.14	15-10-2012	3.45	31-10-2012	
	November	4.10	29-11-2012	3.30	20-11-2012	
	December	5.00	12-12-2012	3.41	27-12-2012	
	2013	January	5.14	29-01-2013	3.53	07-01-2013
		February	4.26	01-02-2013	3.31	12-02-2013
		March	3.65	20-03-2013	2.69	26-03-2013

**SENSEX information for the period April 2012 to March 2013**

Month		SENSEX			
		Open	High	Low	Close
April	2012	17,429.96	17,664.10	17,010.16	17,318.81
May	2012	17,370.93	17,432.33	15,809.71	16,218.53
June	2012	16,217.48	17,448.48	15,748.98	17,429.98
July	2012	17,438.68	17,631.19	16,598.48	17,236.18
August	2012	17,244.44	17,972.54	17,026.97	17,429.56
September	2012	17,465.60	18,869.94	17,250.80	18,762.74
October	2012	18,784.64	19,137.29	18,393.42	18,505.38
November	2012	18,487.90	19,372.70	18,255.69	19,339.90
December	2012	19,342.83	19,612.18	19,149.03	19,426.71
January	2013	19,513.45	20203.68	19,508.93	19,894.98
February	2013	19,907.21	19,966.69	18,793.97	18,861.54
March	2013	18,876.68	19,754.66	18,563.43	18,835.77

Registrar and Transfer Agents Satellite Corporate Services Pvt. Ltd.  
 B-302, Sony Apartments, Opp St. Jude's High School, Off Andheri-Kurla Road,  
 Jarimari, Mumbai - 400 072 • Phone: 28520461, 28520462  
 Fax: 28511809 • E-mail: service@satellitecorporate.com

**Share Transfer System** : Transfer of shares held in physical mode is processed by M/s Satellite Corporate Services Pvt. Ltd. and approved by the Company Secretary and Director pursuant to the powers delegated to them by the Board of Directors of the Company. The total numbers of share transfers during the year were 8767 with an average interval of 30 days between approvals.

**DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013**

Share holding of Nominal Value of Rs.	Shareholders		Share Amount		
	No. of shareholders	% of shareholders to total	Number of Shares	Nominal value of shares Rs.	% of share amount to total
Upto - 5,000	33,737	93.06	31,42,656	3,14,26,560	12.94
5,001 - 10,000	1,173	3.24	8,87,715	88,77,150	3.66
10,001 - 20,000	594	1.64	8,41,649	84,16,490	3.47
20,001 - 30,000	262	0.72	6,35,564	63,55,640	2.62
30,001 - 40,000	78	0.22	2,72,940	27,29,400	1.12
40,001 - 50,000	115	0.32	5,32,549	53,25,490	2.19
50,001 - 1,00,000	128	0.35	9,70,503	97,05,030	4.00
1,00,001 and above	163	0.45	1,69,94,459	16,99,44,590	70.00
<b>TOTAL</b>	<b>36,250</b>	<b>100.00</b>	<b>2,42,78,035</b>	<b>24,27,80,350</b>	<b>100.00</b>

**Shareholding pattern as on 31st March, 2013**

Category	No. of shares held	Percentage of shareholding
1. Promoter holding (including persons acting in concert)	78,63,113	32.39
2. Institutional Investors/Mutual Funds/Banks/FIIs	14,01,077	5.77
3. Others :		
Indian Public	1,09,59,971	45.15
Private Corporate Bodies	24,92,508	10.27
NRIs / OCBs	15,47,609	6.37
Foreign Bank	3,361	0.01
Any other (Clearing Member)	10,396	0.04
<b>GRAND TOTAL</b>	<b>2,42,78,035</b>	<b>100.00</b>

Dematerialization of shares and liquidity	: 90.63% of the value of the paid-up Share Capital comprising of 2,20,04,286 no of shares have been dematerialised as on 31st March, 2013.
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	: Nil
Address for Correspondence	: Innovassynth Investments Limited Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Worli, Mumbai 400 013

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**Declaration - Code of Conduct**

All Board members and senior management personnel have, for the Year ended 31st March, 2013, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the clause 49 of the Listing Agreement entered with the Stock Exchanges.

Place : Mumbai  
Date : 14th August, 2013

**For Innovassynth Investments Limited**  
**S. B. Ghia**  
**Chairman & Managing Director**

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of **INNOVASSYNTH INVESTMENTS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by INNOVASSYNTH INVESTMENT LIMITED for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of the certificate of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the reports issued by the Registrars of the Company to the Shareholders / Investor Grievance Committee, as at 31st March 2013, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai  
Date : 14th August, 2013

**For N. M. RAIJI & CO.,**  
Chartered Accountants  
Firm Reg. No. 108296W  
**CA. Y. N. THAKKAR**  
Partner  
Membership No. 33329

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Dematerialization of shares and liquidity : 90.63% of the value of the paid-up Share Capital comprising of 2,20,04,286 no of shares have been dematerialised as on 31st March, 2013.

Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity : Nil

Address for Correspondence : Innovassynth Investments Limited  
Paragon Condominium, 3rd Floor,  
Pandurang Budhkar Marg,  
Worli, Mumbai 400 013

**Declaration - Code of Conduct**

All Board members and senior management personnel have, for the Year ended 31st March, 2013, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the clause 49 of the Listing Agreement entered with the Stock Exchanges.

Place : Mumbai  
Date : 14th August, 2013

For **Innovassynth Investments Limited**  
**S. B. Ghia**  
**Chairman & Managing Director**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of **INNOVASSYNTH INVESTMENTS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **INNOVASSYNTH INVESTMENTS LIMITED** for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the condition of the certificate of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, *subject to delay in publishing the quarterly results for the quarter ended on September 30, 2012, non-publishing quarterly results for the quarter ended December, 31st 2012 in News papers and a gap of more than four months in two audit committee meetings.* We certify that the Company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the reports issued by the Registrars of the Company to the Shareholders / Investor Grievance Committee, as at 31st March 2013, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Mumbai  
Date : 14th August, 2013

**For N. M. RAIJI & CO.,**  
Chartered Accountants  
Firm Reg. No. 108296W  
**CA. Y. N. THAKKAR**  
Partner  
Membership No. 33329

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
INNOVASSYNTH INVESTMENTS LIMITED**Report on the Financial Statements**

We have audited the accompanying financial statements of INNOVASSYNTH INVESTMENTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the statement of Profit and Loss and the 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 sub-section (3C) of section 211 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement including the assessment of the risk of material misstatements 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 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 opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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.

- i. in the case of the Balance Sheet of the State of affairs of the Company as at 31st March, 2013;
- ii. in the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the Cash Flow 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"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order to the extent applicable.
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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 as sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors, as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

**For N. M. Raiji & Co.,**  
Chartered Accountants  
Firm Registration No. 108296W

**CA. Y. N. THAKKAR**  
Partner  
Membership No. 33329

Place : Mumbai  
Date : 7th June, 2013

## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of INNOVASSYNTH INVESTMENTS LIMITED ('the Company') for the year ended March 31, 2013. We report that :

The Clause No. 4(i), 4(ii), 4(iv), 4(viii), 4(xi) 4(xii), 4(xv), 4(xix), 4(xx) of the Order is not applicable to the Company.

- i. The Company has granted interest free unsecured loans, to a company aggregating to Rs. 3.25 lacs listed in the register maintained under section 301 of the Companies Act, 1956 for which no terms and conditions has been prescribed. Hence we are unable to comment on sub-clause (b), (c) and (d) of clause 4(iii) of the Order.

The Company has not taken any loans secured or Unsecured from Companies, Firms or other parties covered in the register maintained under section 301 of the Act hence sub-clause (e), (f) and (g) of clause 4(iii) of the Order are not applicable.

- ii. There are no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained in pursuance of section 301. Accordingly, sub-clause (b) is not applicable.
- iii. The Company has not accepted any deposits from the public.
- iv. The Company has an internal audit system commensurate with the size and nature of its business.
- v. (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed applicable statutory dues and, cess except Income Tax. Based on our audit procedures and according to the information and explanations given to us, there are no arrears of undisputed statutory dues which remained outstanding as at 31st March, 2013 for a period of

more than six months from the date they became payable.

- (b) According to the records made available to us and the information and explanations given by the management, there are no dues of income tax, wealth tax, cess that have not been deposited on account of any dispute.
- vi. The Company has accumulated losses at the end of the financial year and its accumulated losses at the end of the financial year are less than fifty percent of its net worth and it has incurred cash losses in the financial year and in the year immediately preceding such financial year.
- vii. The Company is not a chit/nidhi/mutual benefit fund/society.
- viii. The Company has maintained the proper records for dealing in shares and timely entries therein have been made therein. The shares are held by the company in its own name.
- ix. The term loans were applied for the purpose for which the loans were obtained.
- x. The Company has raised funds on short term basis have not been used for long term investment.
- xi. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xii. According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

**For N. M. Raiji & Co.,**  
Chartered Accountants  
Firm Registration No. 108296W

**CA. Y. N. THAKKAR**  
Partner  
Membership No. 33329

Place : Mumbai  
Date : 7th June, 2013



BALANCE SHEET AS AT 31st MARCH, 2013

(Amount in Rupees)

Particulars	Note No.	As at 31 <sup>st</sup> March 2013	As at 31 <sup>st</sup> March 2012
<b>A. EQUITY AND LIABILITIES</b>			
<b>Share Holders' Funds</b>			
Share Capital	1	<b>242,780,350</b>	238,780,350
Reserves and Surplus	2	<b>(5,028,135)</b>	(3,951,285)
Money received against share warrants			
<b>Share application money pending allotment</b>		---	---
<b>Non-current liabilities</b>			
Long-term borrowings		---	---
Deferred tax liabilities (net)		---	---
Other long-term liabilities		---	---
Long-term provisions		---	---
<b>Current Liabilities</b>			
Short-term borrowings	3	<b>1,000,000</b>	0
Trade payables	4	<b>89,999</b>	78,821
Other current liabilities	5	<b>87,974</b>	89,430
Short-term provisions		---	---
<b>TOTAL</b>		<b>238,930,188</b>	238,997,317
<b>B. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets			
(i) Tangible assets		---	---
(ii) Intangible assets		---	---
(iii) Capital work-in-progress		---	---
(iv) Intangible assets under development		---	---
Non-current investments	6	<b>238,500,700</b>	238,500,700
Deferred tax assets (net)		---	---
Long-term loans and advances		---	---
Other non-current assets		---	---
<b>Current Assets</b>			
Current investments		---	---
Inventories		---	---
Trade receivables		---	---
Cash and cash equivalents	7	<b>104,488</b>	496,617
Short-term loans and advances	8	<b>325,000</b>	---
Other current assets		---	---
<b>TOTAL</b>		<b>238,930,188</b>	238,997,317
See accompanying notes formnig part of the financial statements	1 - 11		

As per our Report annexed

For **N. M. RAIJI & CO.,**  
Chartered Accountants

**CA. Y. N. THAKKAR**

Partner

Mumbai : 7th June, 2013

For and on behalf of the board

**S. B. GHIA** Chairman and Managing Director  
**Dr. B. SAHU** Director

**S. B. CHATTERJEE** Company Secretary

Mumbai, 7th June, 2013

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

(Amount in Rupees)

Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
<b>I</b> Revenue from Operations		---	---
<b>II</b> Other Income		---	---
<b>III Total Revenue</b>		---	---
<b>IV Expenses</b>			
Cost of materials consumed		---	---
Purchase of stock-in-trade		---	---
Changes in inventories of finished goods, work-in-progress and stock-in-trade		---	---
Employee benefits expense		---	---
Finance costs		---	---
Depreciation and amortisation expense		---	---
Other Expenses	9	<b>1,076,850</b>	1,990,022
<b>Total expenses</b>		<b>1,076,850</b>	1,990,022
<b>V</b> Profit/(Loss) before exceptional and extraordinary items and tax		<b>(1,076,850)</b>	(1,990,022)
<b>VI</b> Exceptional items		---	---
<b>VII Profit / (Loss) before extraordinary items and tax</b>		<b>(1,076,850)</b>	(1,990,022)
<b>VIII</b> Extraordinary items		---	---
<b>IX</b> Profit / (Loss) before tax		<b>(1,076,850)</b>	(1,990,022)
<b>X Tax Expenses :</b>			
(a) Current tax		---	---
(b) Deferred tax		---	---
<b>XI Profit / (Loss) from continuing operations</b>		<b>(1,076,850)</b>	(1,990,022)
<b>XII</b> Profit / (Loss) from discontinuing operations (before tax)		---	---
<b>XIII</b> Tax expense of discontinuing operations		---	---
<b>XIV</b> Profit / (Loss) from discontinuing operations		---	---
<b>XV</b> Profit / (Loss) for the period		<b>(1,076,850)</b>	(1,990,022)
<b>XVI</b> Earnings per share (of Rs.10/- each) :			
(a) Basic		<b>(0.04)</b>	(0.08)
(b) Diluted		<b>(0.04)</b>	(0.08)

See accompanying notes forming part of the financial statements 1 - 11

As per our Report annexed  
For **N. M. RAIJI & CO.,**  
Chartered Accountants  
**CA. Y. N. THAKKAR**  
Partner  
Mumbai : 7th June, 2013

For and on behalf of the board  
**S. B. GHIA** Chairman and Managing Director  
**Dr. B. SAHU** Director  
**S. B. CHATTERJEE** Company Secretary  
Mumbai, 7th June, 2013

**CASH FLOW STATEMENT FOR THE PERIOD 01.04.2012 TO 31.03.2013**

(Amount in Rupees)

<b>Particulars</b>	<b>For the year ended 31 March, 2013</b>	<b>For the year ended 31 March, 2012</b>
<b>(A) CASH FLOW FROM OPERATIONS</b>		
(Loss) before tax and extra-ordinary item	<b>(1,076,850)</b>	(1,990,022)
Adjustment for :		
Operating Loss before working capital changes	<b>(1,076,850)</b>	(1,990,022)
Adjustment for :		
Other Receivable	---	---
Trade & Other Payables	<b>9,944</b>	(21,869)
Cash Generated from Operations	<b>(1,066,906)</b>	(2,011,891)
NET CASH FROM OPERATING ACTIVITIES (A)	<b>(1,066,906)</b>	(2,011,891)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities (B)	---	---
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	---	4,000,000
Advance Given	<b>(325,000)</b>	---
Proceeds from Short Term borrowings	<b>1,000,000</b>	---
Repayment of unsecured loan	---	(1,900,000)
Net cash from financing activities (C)	<b>675,000</b>	2,100,000
<b>Net increase in cash and cash activities (A + B + C)</b>	<b>(391,906)</b>	88,109
<b>Cash and cash equivalents as on 01.04.2012 (Opening Balance)</b>	<b>410,233</b>	322,124
<b>Cash and cash equivalents as on 31.03.2013 (Closing Balance)</b>	<b>18,326</b>	410,233
<b>NET INCREASE / (DECREASE) AS DISCLOSED ABOVE</b>	<b>(391,907)</b>	88,109

**Notes :**

1. Cash and Bank Balances as per accounts have been classified as cash and cash equivalents
2. All figures in brackets are outflows

As per our Report annexed  
For **N. M. RAIJI & CO.**,  
Chartered Accountants  
**CA. Y. N. THAKKAR**  
Partner  
Mumbai : 7th June, 2013

For and on behalf of the board  
**S. B. GHIA** Chairman and Managing Director  
**Dr. B. SAHU** Director  
**S. B. CHATTERJEE** Company Secretary  
Mumbai, 7th June, 2013

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 1 : SHARE CAPITAL**

(Amount in Rupees)

1(a)	Particulars	As at 31st March, 2013	As at 31st March, 2012
	<b>(a) Authorised</b> 2,50,00,000 (2,50,00,000) Equity Shares of Rs.10/- each with voting rights	<b>250,000,000</b>	250,000,000
	<b>(b) Issued</b> 24,278,035 (24,278,035) Equity Shaers of Rs.10/- each with voting rights	<b>242,780,350</b>	242,780,350
	<b>(c) Subscribed and fully paid-up</b> 24,278,035 (24,278,035) Equity Shares of Rs.10/- each with voting rights	<b>242,780,350</b>	242,780,350
	<b>TOTAL</b>	<b>242,780,350</b>	242,780,350

1(b) The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is set out below :

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs.	Number of shares	Rs.
Number of shares at the beginning	<b>24,278,035</b>	<b>242,780,350</b>	23,878,035	238,780,350
Add : Shares issued on preferential basis	<b>0</b>	<b>0</b>	400,000	4,000,000
Number of shares at the end	<b>24,278,035</b>	<b>242,780,350</b>	24,278,035	242,780,350

**1(c) Rights of Shareholders :**

The company has equity shares having a par value of Rs. 10/-. Each Shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Baord of Directors and final dividend proposed by the Board of Directors and approved by the shareholders.

In the event of liquidation by the company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the company, after distribution to those it was secured.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

1(d) Details of shares held by each shareholder holding more than 5% shares (as certified by Management)

Class of Shares / Name of Shareholders	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Bhupati Investments & Finance Pvt. Ltd.	<b>3,166,116</b>	<b>13.04</b>	3,166,116	13.04
Bloomngdale Investments & Finance Pvt. Ltd.	<b>2,412,414</b>	<b>9.94</b>	2,412,414	9.94
Matsyagandha Investment & Finance Pvt. Ltd.	<b>2,234,643</b>	<b>9.20</b>	2,234,643	9.20

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note 2 : RESERVES AND SURPLUS**

(Amount in Rupees)

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Capital Reserve	<b>220,350</b>	220,350
Surplus / (Deficit)		
Opening Balance	<b>(4,171,635)</b>	(2,181,613)
Add : (Loss) for the year transferred from Statement of Profit & Loss Account	<b>(1,076,850)</b>	(1,990,022)
Closing Balance	<b>(5,248,485)</b>	(4,171,635)
<b>TOTAL</b>	<b>(5,028,135)</b>	(3,951,285)

**Note 3 : SHORT-TERM BORROWINGS**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
(a) Loans repayable on demand (Unsecured)		
Matsyagandha Investments Finance Private Limited	<b>1,000,000</b>	0
<b>TOTAL</b>	<b>1,000,000</b>	0

**Note 4 : TRADE PAYABLES**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Others	<b>89,999</b>	78,821
<b>TOTAL</b>	<b>89,999</b>	78,821

**Note 5 : OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
(i) Other Payables		
Withholding Taxes	<b>1,812</b>	2,546
Sundry Deposit Payable	<b>0</b>	500
Dues to Fractional Shareholders	<b>86,162</b>	86,384
<b>TOTAL</b>	<b>87,974</b>	89,430

**Note 6 : NON-CURRENT INVESTMENTS (NON-TRADE, UNQUOTED - AT COST)**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Investment in equity instruments		
2,38,50,070 (2,38,50,070) Equity Shares of Rs. 10/- each of Innovassynth Technologies (India) Limited	<b>238,500,700</b>	238,500,700
<b>TOTAL</b>	<b>238,500,700</b>	238,500,700
Aggregate cost of unquoted investments	<b>238,500,700</b>	238,500,700

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note 7 : CASH AND CASH EQUIVALENTS**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Cash on hand	<b>840</b>	5,129
Balances with banks		
In Fractional Payment Account	<b>86,162</b>	86,384
In Current accounts	<b>17,486</b>	405,104
TOTAL	<b>104,488</b>	496,617

**Note 8 : SHORT-TERM LOANS AND ADVANCES**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Loans and advances to related parties		
Futura Polyesters Limited	<b>325,000</b>	---
TOTAL	<b>325,000</b>	---

**Note 9 : OTHER EXPENSES**

<b>Particulars</b>	<b>As at 31st March, 2013</b>	As at 31st March, 2012
Postage charges	<b>149,840</b>	490,346
Printing and Stationery	<b>240,113</b>	389,986
Custodial & Listing Fees	<b>259,485</b>	267,078
Registrar and share Transfer agent fees	<b>185,090</b>	197,097
Bank Charges	<b>0</b>	199,243
Processing Charges	<b>0</b>	137,161
Payment to Auditors		
As Auditor	<b>15,000</b>	15,000
Other Services	<b>14,000</b>	14,000
Reimbursement of expenses	<b>3,891</b>	2,987
Other Expenses	<b>209,431</b>	277,124
TOTAL	<b>1,076,850</b>	1,990,022

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Contd...)**

**Note 10 : NOTES FORMING PART OF THE ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A.** The financial statements are prepared on the accrual basis of accounting and in accordance with the standard on accounting notified by the Companies (Accounting Standards) Rules, 2006 and referred to in Section 211(3C) of the Companies Act, 1956.

**B. Revenue Recognition**

Dividend on Investments is accounted when the right to receive payment is established.

**C. Investments**

Investments being long term are stated at cost less diminution in the value of investments if any.

**D. Taxes on Income**

(a) Current Tax : Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

(b) Deferred Tax Provision : Deferred Tax is recognised on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred Tax Assets are recognised and carried forward against which deferred tax assets can be realised.

2. General instruction for preparation of Balance Sheet and Profit and Loss Statement as per revised Schedule VI are given to the extent they are applicable to the Company.

3. Figures of Previous Year have been regrouped wherever necessary.

**Note 11 : DISCLOSURES UNDER ACCOUNTING STANDARDS**

Related party transactions (as certified by the management)

Details of related parties :

<b>Description of relationship</b>	<b>Names of related parties</b>
Key Management Personnel (KMP) Relatives of KMP	MR. S. B. GHIA
Company in which KMP / Relatives of KMP can exercise significant influence	(A) BHUPATI INVESTMENTS & FINANCE PRIVATE LIMITED (B) CHIKA PRIVATE LIMITED (C) FUTURA POLYESTERS LIMITED

**Transactions with related parties :**

Company has given Loan to Futura Polyesters Limited Rs. 3,25,000 and closing balance is Rs. 3,250,000

**Sitting Fees paid to Directors -**

Mr. A. K. Pandya : Rs. 10,000/-  
Mr. Subramaniam : Rs. 10,000/-

**INNOVASSYNTH INVESTMENTS LIMITED**

**Registered Office :**

Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai 400 013.

**PROXY FORM**

Reg. Folio No.....

DP ID/Client ID.....

I/We .....

of ..... in the district of

..... being a member/members of the above named Company hereby appoint

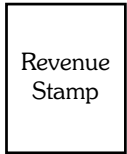
..... of ..... in the district of

..... of failing him .....

..... in the district of .....

as my/our proxy to vote for me/us on my/our behalf at the 6th ANNUAL GENERAL MEETING of the Company

to be held on 30th September, 2013 and at any adjournment thereof.



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

.....  
Signature

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.

**INNOVASSYNTH INVESTMENTS LIMITED**

**Registered Office :**

Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai 400 013.

**ATTENDANCE SLIP**

6th Annual General Meeting, on 30th September, 2013.

Reg. Folio No. ....

DP ID/Client ID .....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400 001 on Monday the 30th September, 2013 at 4.30 p.m.

.....  
Members' / Proxy's name in BLOCK Letters

.....  
Members/Proxy Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.



BOOK POST

To :

If undelivered please return to :  
INNOVASSYNTH INVESTMENTS LIMITED  
Paragon Condominium,  
3rd Floor, Pandurang Budhkar Marg,  
Mumbai 400 013.