

19th
Annual Report
2009-2010



PARAS
PETROFILS LTD.

**19th
Annual
Report
2009-2010**

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BOARD OF DIRECTORS

SHRI JIVABHAI A. PATEL (Chairman)
SHRI ASHOKKUMAR R. JAIN (Managing Director)
SHRI SIDDHARTH C. PATEL
SHRI KAILASHCHAND R. JAIN
SHRI ANANDKUMAR R. JAIN
SHRI HARSHAD J. PATEL
SHRI PRAVINCHAND JARIWALA
SHRI ANIL BANSAL
SHRI HARIKISHAN PANPALIYA
SHRI MURLI MANOHAR MODANI

COMPANY SECRETARY

SHRI RAJENDRA PARAKH

AUDITORS

M/s. RKG & CO.
Chartered Accountants, Surat.

REGISTERED OFFICE & FACTORY

PARAS PETROFILS LTD.
Block No. 529, N.H. No. 8,
Village Palsana, Dist. Surat - 394315

REGISTRAR & SHARE TRANSFER AGENT

M/s. BIGSHARE SERVICES PVT LTD
E-2, Ansa Industrial Estate
Sakivihar Road
Sakinaka, Andheri (E)
Mumbai - 400 072

ANNUAL GENERAL MEETING

30th September, 2010

TIME

3:00 P.M.

VENUE

Block No. 529, N.H. No. 8, Village Palsana Dist. Surat

NOTICE

NOTICE is hereby given that the **19th** Annual General Meeting of the Members of Paras Petrofils Limited will be held at its Registered office of the Company at Block No.529, N H 8, Village Palsana District Surat – 394 315 on 30th September,2010 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet as at 31st March, 2010, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Siddharth Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anand Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Jivabhai Patel who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors till next Annual General Meeting and fix their remuneration.

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

“RESOLVED THAT M/s R.K.G. & CO. Chartered Accountants, be and are hereby appointed as auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend (and on a poll, vote) instead of him/her. A proxy need not be a member. Proxies in order to be effective must be received by the Company not later than forty eight hours before the time for commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to handover the enclosed Attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the meeting hall.
4. Members are requested to bring their copy of the Annual Report to the meeting.

Registered Office:

Block No. 529, N.H.No.8,
Village: Palsana, Dist. Surat.
Place : Palsana
Date : 15.05.10

By order of the Board of Directors

Ashok R. Jain
Managing Director

Information required under Clause 49 IV (G) of the Listing Agreement, with respect to the re-appointment of Shri Siddharth Patel, Shri Anand Jain and Shri Jivabhai Patel has been disclosed in the statement forming a part of the report on Corporate Governance.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 19th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

SUMMARISED FINANCIAL RESULTS

The Summarised Financial Results of the Company for the year ended 31st March, 2010 were as follows.

	2009-2010 (Rs.in lacs)	2008-2009 (Rs.in lacs)
Gross Turnover	10804.35	9151.03
Gross Profit before Interest & Depreciation	937.29	807.79
Less: Interest	127.00	200.53
Less: Depreciation	451.00	442.61
Net Profit/(Loss) for the Year	359.29	164.65
Provision for tax	148.44	45.14
Profit After Tax	210.85	119.51
Add Balance Brought Forward from previous year	324.90	205.39
Balance available for appropriation	535.75	324.90
Transfer to Reserves	NIL	NIL
Surplus Carried to Balance Sheet	535.75	324.90

DIVIDEND

In view of the meager profits, and the tremendous growth potential which the Directors believe is there in the Yarn industry which is also ascertainable from the tremendous change in the performance of the Company and for expanding and strengthening the reserves and networks of the Company, the Board of Directors have decided not to propose any dividend for the year ended on 31st March, 2010.

The Directors believe this would increase shareholder value and eventually lead to a higher return threshold.

OPERATIONS

Your Director's are pleased to inform that the trend of growth which started in the previous year ended 31st March, 2009 continued this year also and the turnover of the Company, operating profit, profit after tax all of them showed an increase in the positive direction.

Your Directors are pleased to report that during the year under review the profits of the Company before tax increased to Rs. 359.29 lacs in comparison to 164.65 lacs for the previous year ended on 31.03.2009. The gross turnover of the company for the year ended on 31.03.2010 was Rs. 10804.35 lacs as compared to Rs. 9151.03 lacs for the corresponding year ended on 31.03.2009.

BOARD OF DIRECTORS

Under section 256 of the Companies Act, 1956 Shri Siddharth Patel, Shri Anand Jain, and Shri Jivabhai Patel retire by rotation and being eligible offer themselves for re-appointment. The board recommends reappointment of retiring directors.

A brief resume of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas etc. as stipulated under Clause 49 of the Listing Agreement entered into with the various Stock Exchanges are provided in the report of Corporate Governance forming part of the Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors state that:

- (i) In preparation of the annual accounts for the financial year ended 31 March, 2010, the applicable accounting standards have been followed along with proper explanations relating to material departures.

- (ii) Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of the profit of the Company for the year ended on that date.
- (iii) Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

FIXED DEPOSIT

As reported in the year 2008-2009 your Company continued to accept/renew deposits during the year 2009-2010 and maintained a high standard of service. As on 31st March, 2010 there have been no defaults in payment of Deposits and also no deposits remained unclaimed after maturity.

PARTICULARS OF EMPLOYEES

Particulars of employees required u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employee is qualified for such of the disclosure.

AUDITORS AND AUDITORS REPORT

M/s R. K. G. & Co., Chartered Accountants, 409, Ajanta Shopping & Textile Arcade, Ring Road, Surat – 395 002 will cease to hold the office at the conclusion of the ensuing Annual General Meeting and are recommended for the reappointment.

The Company has received a certificate from the retiring auditors to the effect that the appointment if made, will be in accordance with the limits specified in section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

Notes forming part of the accounts, which are specifically referred to by the Auditors in their report are self-explanatory and therefore, do not call for any further comments.

ENERGY CONSERVATION

Information required u/s 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption are as per the Annexure forming part of this Report.

SAFETY HEALTH & ENVIRONMENT

Your company is committed to being proactive to Safety, Health and Environment. Continued safety awareness was maintained through several activities such as training, competitions, awards, etc. where there is high worker participation.

CORPORATE GOVERNANCE

A separate section on Corporate Governance containing all the information as mandated by the Listing Agreement is attached herewith and forms a part of this report.

Certificate from the Practicing Company Secretary of your Company regarding compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange is attached herewith and forms a part of the Corporate Governance report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis on matters relating to business performance, as stipulated in Clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in the Annual Report.

ACKNOWLEDGEMENTS

Your Directors would take this opportunity to express their gratitude to the Government authorities, Institutions, business constituents and Shareholders for the faith, guidance and support to the Company during the year under review. Your Directors also wish to sincerely appreciate the spirit of dedication and commitment of all the employees during the year under review.

For and on behalf of the Board

Place : Palsana
Date : 15.05.2010

Ashok R. Jain **Jivabhai A. Patel**
Managing Director Chairman

ANNEXURE TO DIRECTORS REPORT

Form for disclosure of particulars with respect to Conservation of Energy

A) ENERGY CONSUMPTION	2009-10	2008-09
1. (a) Electricity:		
Purchased Units	8,56,014	10,58,454
Total Amount (Rs.)	60,43,882	72,66,113
Average rate/unit (Rs.)	7.06	6.86
(b) Through Gas Generator		
Unit	1,14,74,234	76,99,834
Total Amount	5,06,15,720	2,63,22,189
Cost/Unit	4.41	3.42

B) DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT.

1. Specifies areas in which R&D carried by the Company : Nil
2. Future plan of action : Not Specified
3. Expenditure on R&D : Nil

Technology absorption, adoption and innovation:

1. Efforts, in brief, made towards technology absorption, adoption and innovation.

The Company has adopted latest technology to improve quality, increase efficiency and reduce cost of production. During the year under consideration Company has replaced 4 end winder of POY line purchase in the year 1996 by 8/12 end winder of latest technology.

2. Benefits derived as a result of the above efforts, e.g, product improvement; cost reduction, product development, import substitution etc.

Adoption of latest technology as stated above have resulted in high productivity and accuracy of good quality, reduction of production cost and also help in optimum utilisation of the production capacity.

3. Particulars of Imported Technology :

As stated above.

C) FOREIGN EXCHANGE EARNING AND OUTGO :

The information of Foreign exchange earning and outgo is contained in Schedule 14 para C (f) to C (I) of the Accounts.

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE & DEVELOPMENTS:**

The company is engaged in the manufacturing of Polyester Filament Yarn products namely Polyester Partially Oriented Yarn (POY), Fully Draw Yarn (FDY) and Texturised Yarn. The demand for synthetic yarn is showing a continuous growth since last few years in both domestic and international markets.

The growth in textile industry on the whole has shown rise in the year 2009. The textile industry has started getting momentum and has registered a marginal growth. The primarily consuming economy of United States of America (U.S.A.) has started showing signs of marginal growth and recovery during the end of 2009. The domestic industry is continuously striving to increase exports by providing best quality product at competitive prices, to ensure better utilization of capacities. The news from domestic scenario in terms of overall growth of the economy as well as the growth of textile sector was also encouraging for our industry. Looking at the abovementioned facts it is expected that the growth in this sector is expected to be significant in the coming period.

SWOT ANALYSIS:

The manufacturing set-up of our company is in the heart of the synthetic yarn market of Surat which is the biggest yarn consumption city in the whole country. This facilitates us in providing cheaper goods in comparison to few other big players as there is less time consumption during transport, less cost of packing and transporting of goods. The overall economic scenario and the increasing demand of polyester cloth creates a tremendous market for the smooth functioning and expansion of the whole polyester industry.

The major yarn industry till few years ago was regulated by the decisions of few big players in the market. However the situation has now changed and there is a whole lot of small players which contribute an important share in the market. The increase in the number of players in the market may affect the margins or the demand negatively. However the Company is trying to expand its customer base and improve its profitability.

There is non-integration in the product line, the company may have cyclical ups and down on its margins. The integration helps in more stable operations as compared to stand-alone units. However the difference is marginal over product life cycle.

The performance of the Company will depend on the availability of raw materials and the price of the same. However it is expected that the increase in production of Chips in the Country will not cause problems in supply of raw materials and increase in prices of raw materials may also be absorbed by the increase in the prices of the Company's finished products.

ADEQUACY OF INTERNAL CONTROL:

The company has an internal control system commensurate with its size and nature of business and meeting with the following objectives,

- Efficient use and safeguarding of resources.
- Compliance with statutes, policies and procedures.
- Transactions being accurately recorded and promptly reported.

Company has a proper, strong independent and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported correctly.

The internal control systems are also designed to ensure that the financial and other records are reliable for preparing financial statements and other data.

The company having audit committee looking after internal controls, its procedures and policies adopted by the company and is reported to the board of directors in their meeting.

HUMAN RESOURCE DEVELOPMENT:

The company believes that the quality of its employees is the key to success in the long run. It realizes the importance of a component and motivated manpower in achieving its goals. The Company's work environment is challenging and provides opportunity for skill enrichment. A systematic performance appraisal system is used for motivating the performance of officers and staff at all levels. Industrial relation has continued to be harmonious throughout the year.

ENVIRONMENT AND SAFETY

The Company is conscious of the need for an environmentally clean and safe operations. The Company's policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

CAUTIONERY STATEMENT:

Statement in the Management Discussion & Analysis Report which seeks to describe the company's objectives, projections, estimates or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws and regularities. Actual results could differ materially from those expressed of implied.

The company undertakes no obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realized. We request readers to bear this in mind while reading this report.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

The Securities and Exchange Board Of India (SEBI) regulated corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under Clause 49 of the Listing Agreement. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, our Company is required to incorporate a separate segment on Corporate Governance in the Annual Report of the Company. Moreover, with the increase in participation of shareholders in the performance and other various activities of the Company the Corporate Governance has become the centre stage.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance is based on envisaging the attainment of highest levels of integrity, transparency and accountability in all fields of operations. The Company believes in adoption of policies, processes and procedures for the Good Corporate Governance, in line with the highest standards of management and business integrity. It believes that all its actions must serve the underlying goal of enhancing the overall shareholder value on a sustained basis. Your Company is committed to execute sustainable business practices and creating long-term value for all its shareholders. Together, these constitute "Code of Corporate Governance" which is implemented to ensure transparency, consistency and uniformity of processes and actions. The Company is in full compliance with the requirements of Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The composition of the Board was in conformity with Clause 49 of the Listing Agreement, which stipulates that 50% of the Board should comprise of Non Executive Directors. It further stipulates that if the Chairman is Executive Director than 50% of the Board should be of independent Directors and if not than atleast one third of the Board should be independent. The Board of Directors along with the Committees provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As on March 31, 2010 the Company's Board of Directors consists of Ten Directors out of whom one is Managing Director and nine are non-executive directors. The Chairman of the company is a Non-Executive director.

During the Financial year 2009-2010 the Board of Directors met 4 times on 30.06.2009, 31.07.2009, 31.10.2009, and 30.01.2010.

The maximum time gap between any two meetings was not more than four months.

The company holds minimum of four meetings in each year after the end of each quarter. Besides, additional Board Meeting may be convened at any time for the specific requirements of the company.

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The following table provides details of directors, attendance of directors at the board meeting and at the last annual general meeting, number of membership held by them in the board/committees of other public limited companies.

Name of the Directors	Category	No. of Board Meeting attended during the year held on 30.09.2009		Whether attended last AGM of Public Companies	No. of Outside Directorships Companies	No. of Committee positions held in other Public	
		Held	Attended			Chairman	Member
Shri Jivabhai A Patel	Chairman/ Non Executive	4	4	Yes	-	-	-
Shri Ashok R Jain	Managing Director	4	4	Yes	-	-	-
Shri Siddharthbhai C Patel	Non Executive/ Independent	4	2	No	-	-	-
Shri Kailashchand Jain	Non Executive	4	4	Yes	-	-	-
Shri Harshad J Patel	Non Executive	4	1	No	-	-	-
Shri Anandkumar Jain	Non Executive	4	3	No	-	-	-
Shri Pravinchand Jariwala	Non Executive/ Independent	4	2	No	-	-	-
Shri Murlı Manohar Modani	Non Executive/ Independent	4	3	No	-	-	-
Shri AnılKumar Bansal	Non Executive/ Independent	4	2	No	-	-	-
Shri Harıkıshan Panpaliya	Non Executive/ Independent	4	3	No	-	-	-

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Board has laid down a Code of Conduct has been circulated to all the members of the Board, Executive as well as Non Executive and the members of the Senior Management also to whom the said code is applicable as defined in Clause 49 of the Listing Agreement. All Board members and senior management persons have affirmed compliance with the Code of Conduct Further as per the requirements of the above mentioned clause the Managing Director has also confirmed and certified the same. A declaration to this certification signed by the Managing Director of the Company is attached to this report as an annexure.

A copy of the Code has also been kept on the website of the Company which is www.paraspetrofilms.com.

C.E.O. / C.F.O. CERTIFICATION

The Managing Director of the Company has furnished the requisite certificate to the Board of Directors under Clause 49 V of the Listing Agreement which is attached at the end of the report.

3. AUDIT COMMITTEE:

The Audit committee has been constituted as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The role of the Audit Committee is to supervise the Company's reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about adequacy of internal control systems, the scope of Audit including the observations of the Auditors, major accounting policies, practices and entries, compliances with accounting standards and listing agreement with the stock exchanges, reviewing with the management the annual financial statements before submission of the same to the Board for approval with reference to matters to be included in

the Directors Responsibility Statement, adjustments to be made in the financial statements arising out of Audit findings, qualifications in the Draft Audit Report, Disclosure of any related party transaction and other legal requirements concerning financial statements, if any, to review the Company's financial and risk management policies and discuss with the internal auditors and significant findings for follow-up thereon, to review the quarterly, half yearly and annual financial statements before they are submitted to the Board of Directors.

The Audit Committee comprises 3 non executive directors. The committee met 6 times during the year and attendance of members at the meetings was as follows:

Name of the Member	Status	No. of Meetings
Shri Siddharthbhai Patel	Chairman	4
Shri Jivabhai Patel	Member	4
Shri Pravinchandra Jariwala	Member	4

4. REMUNERATION TO DIRECTORS:

The company does not have formal remuneration committee. No remuneration is paid to Directors.

Details of remuneration paid or payable to Directors for the financial year ended 31st March, 2010 are Not Applicable as no remuneration is paid to any of the Directors.

5. SHARE TRANSFER-CUM-INVESTORS GRIEVANCE COMMITTEE:

The company has constituted a "Share Transfer-cum-investors Grievance Committee" comprised of following Directors:

1. Shri Jivabhai Patel (Chairman)
2. Shri Pravinchandra Jariwala

The Board has delegated to the committee powers to inter alia approve the transfer/transmission of share, issue of duplicate share certificate and review of all matters connected with Investors complaints/Grievances if any and redressal of the same. The committee also approves requests for issue of new share certificates on split / consolidation / renewal / rematerialisation etc.

The committee also sees the overall performance of the Registrar and Share Transfer agent, and recommend to the Board of director for improvement in the investor service.

The Company Secretary is the Compliance officer. He also acts as the Secretary to the Committee and is responsible for convening and holding of the meetings of the Committee. The Committee met 24 times in the previous year that is it meets once in a fortnight to ensure proper services to the stakeholders of the Committee. There was no pending complaint as on 01st April, 2009, the total number of complaints received and resolved during the year ended 31st March, 2010 were 12 (Twelve) respectively. There was no complaint pending as on 31st March 2010.

The Minutes of the committee meeting are placed at the Board Meeting from time to time.

6. GENERAL BODY MEETING:

The last three Annual General Meetings and Extra-ordinary General Meetings were held as under:

Year	Place		Date	Time
2008-2009	Block No.529, N.H.No.8 Village Palsana Surat	AGM	30-09-2009	3.00 P.M.
2007-2008	-do-	AGM	30-09-2008	3.00 P.M.
2006-2007	-do-	AGM	29-09-2007	3.00 P.M.

No special resolution was passed in the previous three Annual General Meetings.

No special resolution was passed last year through Postal Ballot and similarly there is no special resolution proposed to be passed through Postal Ballot.

7. DISCLOSURES:

- (a) During the year, there were no transactions of material nature with the directors or management or their subsidiaries or relatives that had potential conflict with the interest of the company.
None which require separate disclosure.
- (b) No penalty has been imposed or stricture has been made by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years. However the trading in the shares of the Company has been suspended by he NSE in January, 2006.
- (c) The Company has not adopted any Whistle Blower Policy but no personnel is being denied any access to the Audit Committee.
- (d) All the mandatory requirements of this Clause have been complied with by the Company.
- (e) The Company has obtained a certificate from a practicing company secretary regarding compliance of conditions of corporate governance which is attached to this report.

8. MEANS OF COMMUNICATION:

The Company has its own website named as www.paraspetrofiles.com from where the shareholder's can find a copy of annual and quarterly results respectively. All other information relating to company of shareholders interest is available on the website of the Company.

The company has regularly sent the audited financial accounts as well as quarterly un-audited results to the Stock Exchanges after the Board of Directors took them on record.

The quarterly and half-yearly results of the company are published normally in the English Newspaper – Times of India & Economic Times and Vernacular Newspaper- Economic Times.

9. GENERAL SHAREHOLDER INFORMATION :

- (a) Annual General Meeting : 30th September, 2010 at 3.00 p.m. at Registered Office the Company Block No. 529, N. H. No. 8, Village Palsana, Dist. Surat
- (b) Financial Calendar (Tentative) : April 2010 to May 2011
- | | |
|-----------------------------|-----------------------|
| Annual Results of 2009-2010 | May 15, 2010 |
| First Quarter Results | July/August, 2010 |
| Annual General Meeting | 30th September, 2010 |
| Second Quarter Results | October/November 2010 |
| Third Quarter Results | January/February 2010 |
- (c) Book Closure Date : 24th September, 2010 to 30th September 2010 (Both days inclusive)
- (d) Listing of Equity Share on Stock Exchange:
1. The Vadodara Stock Exchange Limited - Vadodara
 2. The National Stock Exchange of India Limited - Mumbai
 3. The Bombay Stock Exchange - Mumbai
 4. The Calcutta Stock Exchange Limited - Calcutta
 5. The Jaipur Stock Exchange Limited - Jaipur
 6. The Delhi Stock Exchange Association Limited - New Delhi

Note: Annual Listing fee for the financial year 2010 – 11 has been paid to Vadodara, Bombay and National Stock Exchanges and the same for the financial year (s) 1999-2000 and onwards have not been paid to the Stock Exchanges of Calcutta, Jaipur and New Delhi.

(e) Stock Market Data:

Month	Bombay Stock Exchange	
	High	Low
April- 2009	0.80	0.50
May - 2009	1.27	0.58
June- 2009	1.66	0.96
July - 2009	1.13	0.82
August - 2009	1.02	0.82
September - 2009	1.19	0.92
October - 2009	1.00	0.73
November - 2009	1.00	0.72
December- 2009	1.10	0.75
January - 2010	1.02	0.72
February - 2010	0.96	0.75
March - 2010	1.06	0.76

(f) Registrar and Share Transfer Agents:

All the work related to Share Registry, both in physical and electronic form, is handled by the Company's Registrar and Transfer Agent M/s Bigshare Services Pvt. Ltd.

M/s Bigshare Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072.

Ph: (022) 28470652, 28470653 Fax: 28475207

(g) Share Transfer System:

The company's shares are traded in the Stock Exchanges compulsorily in demat mode. Shares in physical mode which are lodged for transfer are processed and forwarded to the registrar and share transfer agent M/s Bigshare Services P.Ltd., and sent to the company for approval at regular interval and returned to the shareholders within the stipulated time. The Board has formed a share transfer cum investor grievance committee for the purpose of transfer, transmission etc.

The Company's Representatives visit the office of the Registrar and Share Transfer Agent from time to time to monitor, supervise and ensure that there are no delays or lapses in the system. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

(h) Summary of shareholding

Distribution of Shareholding as on 31.03.2010:

Category	No. of shares held	% of share holding
Indian Promoters	137074054	41.01
Mutual Fund & UTI	2000000	0.60
Private Corporate Bodies	84869198	25.39
Indian Public	101771947	30.45
NRIs/OCB	8386803	2.51
Others (Demat/ transit)	118998	0.04
TOTAL	33,42,21,000	100.00%

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Category wise Summary of Holders / Holdings as on 31st March, 2010:

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of totalShares
1 – 5000	26,125	87.96889	45128399.00	13.50256
5001 – 10000	1,964	6.61324	16668431.00	4.98725
10001 – 20000	787	2.65001	11992864.00	3.58830
20001 – 30000	279	0.93946	7163251.00	2.14327
30001 – 40000	90	0.30305	3235559.00	0.96809
40001 – 50000	96	0.32325	4655585.00	1.39297
50001 – 100000	125	0.42090	9484393.00	2.83776
100001 & above	232	0.78120	235892518.00	70.57980
Total	29698	100.00	334221000	100.00

(i) Dematerialisation of Shares :

13,70,59,100 Equity Share representing 41.008 % of the total Equity Capital of the Company are held in a dematerialisation form with National Securities depository Limited (NSDL) and Central depository Services (India)Limited (CDSL) as on

(j) Plant Location :

Block No. 529, N. H. No. 8, Vill: Palsana. Dist. Surat

(k) Address for investor correspondence :

ParasPetrofils ltd., Block No. 529, N.H. No.8, Village Palsana, Dist. Surat.

OR

301, Jeevan Deep Complex, Opp. J.K. Tower Ring Road, Surat

OR

M/s Bigshare Services Pvt. Ltd.,
E-2/3,Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072.

For and on behalf of the Board of Directors

Place : Palsana
Date : 15-05-2010

Ashok R. Jain
Managing Director



**Details of the Directors retiring by rotation and seeking Re-appointment at the Annual General Meeting
(Pursuant to clause 49 of the listing agreement)**

Name	Shri Siddharth Patel	Shri Anand Jain	Shri Jivabhai Patel
Date of Birth	10-07-1954	08-12-1959	30-04-1938
Experience	Vast business experience and a successful entrepreneur through his life. Associated with the Company since almost 16 years now	Vast business experience of textiles and detailed knowledge of working of the Company	Rich business experience of textile industry and yarn segment specially. He has been associated with the Company since incorporation.
Date of Appointment	30/06/1994	30/06/1994	30/06/1994
List of Directorship in Other Companies	-	-	-
List of Membership in Other Companies	-	-	-
No. of Shares held	28,40,000	58,11,000	91,44,000

**Annexure to Corporate Governance Report of Paras Petrofils Limited
Declaration regarding Affirmation of Code of Conduct**

In terms of the requirement of the Clause 49 of the Listing Agreement, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

Place : Surat
Date : 15th May, 2010

Ashok R. Jain
Managing Director

AUDITORS' CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by M/s Paras Petrofils Limited, Block No. 529, N H No. 8, Village Palsana, Dist. Surat – 394315, for the year ended on 31st March 2010 as stipulated in clause 49 of the Listing agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance stipulated in the above-mentioned listing agreement. We further state, as informed, that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records / certificate maintained/given by the Company and its Registrars and Share Transfer Agents.

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

For **M. D. Baid & Associates**
Company Secretary

Date : 15th May, 2010
Place : Surat

Mohan Baid
Partner
Membership No. 3598

CEO/CFO CERTIFICATION

**To,
The Board of Directors
Paras Petrofils Limited.**

Sir,

I, Ashok R Jain, Managing Director, hereby certify that

- a) I have reviewed the Financial Statement and cash flow statement for the year ended on 31st March 2010 and that to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or in violation of the Company's code of conduct.
- c) I accept the responsibility for establishing and maintaining internal control for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and I have disclosed to the auditors and the audit Committee, that there is no deficiencies in the design or operation of such internal controls, if any, of which I am aware.
- d) I have indicated to the auditors and Audit Committee
 - i) That there is no significant change in internal control over financial reporting during the year.
 - ii) There is no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) There is no significant fraud of which I have become aware and that the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For Paras Petrofils Limited

Place : Palsana
Date : 15.05.2010

Ashok R Jain
Managing Director



AUDITORS' REPORT

To
The Members **PARAS PETROFILS LTD.**
Surat.

We have audited the attached Balance Sheet of **PARAS PETROFILS LTD.** as at 31st March, 2010 and Profit & Loss Account for the year ended on that date and annexed thereto and the Cash Flow Statement for the year ended on that date. 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 the 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 amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provided a reasonable basis for our opinion.

- (1) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section 4(A) of Section 227 of the Companies Act, 1956, we enclose in Annexure a statement on the matters specified in Para - 4 & 5 of the said Order.
- (2) Further to our comments in the Annexure referred to above, we state that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from examination of such books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
 - (d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the accounting standards referred to in sub-section 3(C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2010, and
 - (ii) in the case of Profit & Loss Account, of the Profit of the company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the Cash Flow of the company for the year ended on that date.

for **R K G & CO.**
Chartered Accountants
Firm Reg. No. : 103366W

(CA RAMESH GOYAL)
Partner
M.No.37747

Place : Surat
Date : 15.05.2010

ANNEXURE TO AUDITOR'S REPORT**(Referred to in Para - I of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the assets have been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable having regards to the size of the company and nature of its assets. No material discrepancies were noticed on verification.
- (c) During the year, the company has not disposed off a major part of the Plant & Machinery and therefore do not affect the going concern status of the company.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of Verification is reasonable.
- (b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) (a) The company has not granted loan to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act.
- (b) The company has taken unsecured loan from three companies, one firm and seventeen other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 12.69 Crores and year end balance of the loan taken from such parties was Rs. 7.82 crores.
- (c) In our opinion and according to the information and explanation given to us, the rate of interest where applicable and other terms and conditions of loan taken are not prima facie prejudicial to the interest of the company.
- (d) In our opinion and according to the information and explanations given to us, the company is regular in payment of principal amount and interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of goods and service. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According the information and explanations given to us, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rule, 1975 with regard to acceptance of deposit from public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they become payable.
- (c) As on 31.03.2010, according to the record of the company, the following disputed dues have not been deposited with the appropriate authorities.

Name of the Statute	Nature of Due	Amount (in lacs)	From, where dispute is pending	Year
Gujarat Sales Tax Act	Sales Tax	83.11	Joint Sales Tax Commissioner-(Appeal)-II	Acc. Year 2002-2003
Gujarat Sales Tax Act	Sales Tax	19.86	Joint Sales Tax Commissioner-(Appeal)-II	Acc. Year 2001-2002
Gujarat Sales Tax Act	Sales Tax	1.73	Joint Sales Tax Commissioner-(Appeal)-II	Acc. Year 2000-2001
Central Excise and Custom Act	Excise Duty	1.98	Commissioner-(Appeal-1) Surat	Acc. Year 2005-2006

- (x) In our opinion, the company has no accumulated losses and has not incurred cash loss during the financial year under review and in the immediate preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company does not have any loan from Bank, financial Institution and debenture holder.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to information and explanations given to us, the company does not trade in shares or other securities. However it has made investment in the quoted shares/mutual funds. The company has maintained proper records of the transaction and contract and timely entry have been made therein. All the investments are held in the name of the company.
- (xv) In our opinion and according to information and explanations given to us, the company has given guarantees for loans taken by others from bank and financial institutions. The terms and conditions are not prejudicial to the interest of the company.
- (xvi) In our opinion, the company has not obtained term loans during the year. Hence the provisions of clause 4(xvi) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) In our opinion and according to information and explanations given to us, the company has not made preferential allotment of share to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has not raised any money by way of public issue.
- (xxi) Based upon the audit procedure performed and as per the information and explanations given to us by the management, we report that no fraud on or by the company has been noticed during the year.

for **R K G & CO.**
Chartered Accountants
Firm Reg. No. : 103366W

(CA RAMESH GOYAL)
Partner
M.No.37747

Place : Surat
Date : 15.05.2010

PARAS PETROFILS LTD.**BALANCE SHEET AS ON 31ST MARCH, 2010**

PARTICULARS	SCHEDULE	AS ON	AS ON
		31.03.2010	31.03.2009
SOURCE OF FUND			
SHAREHOLDERS FUND			
Share Capital	1	367,843,000.00	367,843,000.00
Reserve & surplus		53,575,922.00	32,490,857.00
		<u>421,418,922.00</u>	<u>400,333,857.00</u>
LOAN FUNDS			
Secured Loans		—	—
Unsecured Loan	2	82,650,799.00	140,890,926.00
		<u>82,650,799.00</u>	<u>140,890,926.00</u>
Deferred Tax Liability		46,069,177.00	33,852,821.00
TOTAL		<u>550,138,898.00</u>	<u>575,077,604.00</u>
APPLICATION OF FUND			
Fixed Assets	3		
Gross Block		886,020,048.00	867,156,558.00
Less Depreciation		423,838,742.00	378,780,414.00
Net Block		462,181,306.00	488,376,144.00
Investment	4	3,400,348.00	2,393,208.00
CURRENT ASSETS, LOANS & ADVANCES	5		
Inventory		31,151,741.00	27,868,067.00
Sundry Debtors		47,568,669.00	42,815,232.00
Cash & Bank Balances		8,421,127.00	10,949,430.00
Loans & Advances		27,445,034.00	26,870,278.00
		<u>114,586,571.00</u>	<u>108,503,007.00</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	6	24,333,900.00	22,219,571.00
Provision		5,695,427.00	1,975,184.00
		<u>30,029,327.00</u>	<u>24,194,755.00</u>
Net Current Assets/Liabilities		84,557,244.00	84,308,252.00
MISCELLANEOUS EXPENDITURE		—	—
(To the extent not written off or adjusted)			
Total Rs.		<u>550,138,898.00</u>	<u>575,077,604.00</u>

As per our report of even date

For R K G & Co.

Chartered Accountants

Firm Reg. No. : 103366W

CA Ramesh Goyal

Partner

Mem. No. : 37747

Place : Surat

Date : 15.05.2010

Rajendra Parakh

Company Secretary

For and on behalf of the Board

Ashok R. Jain

Director

Harshad J. Patel

Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS ON 31.03.2010	AS ON 31.03.2009
INCOME			
Gross Turnover		1,080,435,095.00	915,103,103.00
Less:- Excise Duty & Sales Tax Expenses		118,424,501.00	90,047,587.00
Net Turnover		962,010,594.00	825,055,516.00
Other Income	7	9,964,479.00	8,194,382.00
Increase/Decrease in Stock	8	6,930,144.00	(22,202,884.00)
TOTAL		978,905,217.00	811,047,014.00
EXPENDITURE			
Raw Material Consumed	9	741,789,967.00	611,682,498.00
Manufacturing Expenses	10	113,408,136.00	94,203,580.00
Payment to Employees	11	10,846,654.00	10,140,979.00
Adm. and Selling Expenses	12	19,131,764.00	14,241,182.00
Financial Expenses	13	12,700,300.00	20,052,711.00
TOTAL		897,876,821.00	750,320,950.00
PROFIT/(LOSS) BEFORE DEPRECIATION			
		81,028,396.00	60,726,064.00
Depreciation		45,099,646.00	44,770,850.00
Add :- Prior Period Depreciation Adjustment		—	(509,336.00)
Profit before Tax		35,928,750.00	16,464,550.00
Less :- Provision for Taxation (MAT)		5,695,427.00	1,865,434.00
Less :- Deferred Tax Assets/(Liability)		(12,216,356.00)	(2,430,433.00)
Less :- Fringe Benefit Tax		—	109,750.00
Add/(Less) :- Prior Period Income Tax Adjustment		3,068,098.00	(107,642.00)
Profit after Tax		21,085,065.00	11,951,291.00
Add :- Balance B/f		32,490,857.00	20,539,566.00
Balance carried to Balance Sheet		53,575,922.00	32,490,857.00

Notes forming part of Accounts 14

As per our report of even date

For R K G & Co.

Chartered Accountants

Firm Reg. No. : 103366W

CA Ramesh Goyal

Partner

Mem. No. : 37747

Place : Surat

Date : 15.05.2010

Rajendra Parakh

Company Secretary

For and on behalf of the Board

Ashok R. Jain

Director

Harshad J. Patel

Director

PARAS PETROFILS LTD.

SCHEDULES FORMING PART OF THE ACCOUNTS

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009									
SCHEDULE -1 : SHARE CAPITAL											
AUTHORISED CAPITAL											
33,63,78,000 (33,63,78,000) Equity Shares of Rs.1 each	336,378,000.00	336,378,000.00									
33,62,200 (33,62,200) 11% Non cumulative Preference Shares of Rs.10 each	33,622,000.00	33,622,000.00									
	370,000,000.00	370,000,000.00									
ISSUED, SUBSCRIBED & PAID UP CAPITAL											
33,42,21,000 (33,42,21,000) Equity Share of Rs. 1/- each,fully paid up issued for cash at par	334,221,000.00	334,221,000.00									
33,62,200 (33,62,200) 11% Non cumulative Preference Shares of Rs.10 each	33,622,000.00	33,622,000.00									
Total Rs.	367,843,000.00	367,843,000.00									
SCHEDULE -2 : UNSECURED LOANS											
From Directors	17,319,844.00	20,249,816.00									
From Others	65,330,955.00	120,641,110.00									
Total Rs.	82,650,799.00	140,890,926.00									
SCHEDULE - 3 : FIXED ASSETS											
ASSETS	RATE %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.09	ADDITION	DEDUCTION	AS ON 31.03.10	AS ON 01.04.09	DEDUCTION	FOR THE YEAR	AS ON 31.03.10	AS ON 31.03.10	AS ON 31.03.09
LAND	0.00	1,392,510	—	—	1,392,510	—	—	—	—	1,392,510	1,392,510
FACTORY BUILDING	3.34	57,264,973	211,785	—	57,476,758	18,762,179	—	1,917,960	20,680,139	36,796,619	38,502,794
VEHICLE	9.50	2,444,372	—	60,505	2,383,867	477,313	41,318	228,332	664,327	1,719,540	1,967,059
FURNITURE & FIXTURE	6.33	3,325,596	24,310	—	3,349,906	2,071,356	—	211,617	2,282,973	1,066,933	1,254,240
PLANT & MACHINERY	5.28	799,729,709	18,795,933	355,783	818,169,859	355,769,633	—	42,489,232	398,258,865	419,910,994	443,960,076
OFFICE EQUIPMENT	4.75	999,952	51,950	—	1,051,902	382,627	—	49,269	431,896	620,006	617,325
COMPUTER	16.21	1,999,446	195,800	—	2,195,246	1,317,306	—	203,236	1,520,542	674,704	682,140
T O T A L :-		867,156,558	19,279,778	416,288	886,020,048	378,780,414	41,318	45,099,646	423,838,742	462,181,306	488,376,144
PREVIOUS YEARS		866,585,989	1,088,962	518,393	867,156,558	334,994,792	985,228	44,770,850	378,780,414	488,376,144	531,591,197



PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE -4 : INVESTMENT		
Quoted (At Cost) Non-Trade		
71504 (57408) shares of Jaipan Industries Ltd Aggregate Market Value 17,84,025 (20,40,854)	2,944,230.00	2,131,198.00
15000 (Nil) shares of Gammon Infracture Projects Ltd Aggregate Market Value 3,72,750 (Nil)	366,940.00	—
Nil (500) shares of Venus Ventures Ltd Aggregate Market Value Nil (13,650)	—	17,030.00
1502 (4110) shares of Visagar Polytex Ltd Aggregate Market Value 1,82,343 (2,57,304)	89,178.00	244,980.00
Total Rs.	<u>3,400,348.00</u>	<u>2,393,208.00</u>
SCHEDULE -5 : CURRENT ASSETS		
INVENTORY (As taken, valued & certified by the Management)		
Raw Materials	5,438,800.00	2,529,475.00
Work in Process	1,528,388.00	2,766,591.00
Finished Goods	20,985,294.00	12,416,102.00
Store, Packing & Process Materials	3,121,061.00	9,676,856.00
D.E.P.B. on hand	78,198.00	479,043.00
Total Rs.	<u>31,151,741.00</u>	<u>27,868,067.00</u>
SUNDRY DEBTORS (Debts unsecured, considered good by the management)		
Debts Outstanding over 6 Months	1,582,682.00	13,178,734.00
Other Debts	45,985,987.00	29,636,498.00
Total Rs.	<u>47,568,669.00</u>	<u>42,815,232.00</u>
CASH & BANK BALANCES		
Cash in Hand	940,535.00	412,307.00
Balance with Schedule Bank		
In Current Account	7,480,592.00	10,537,123.00
Total Rs.	<u>8,421,127.00</u>	<u>10,949,430.00</u>
LOANS & ADVANCES		
Advances recoverable in cash or kind or for value to be received	16,274,009.00	15,893,007.00
Deposits	11,171,025.00	10,977,271.00
Total Rs.	<u>27,445,034.00</u>	<u>26,870,278.00</u>

PARAS PETROFILS LTD.

PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE -6 : CURRENT LIABILITIES & PROVISION		
(A) CURRENT LIABILITIES		
Sundry Creditors For Capital Goods	—	355,783.00
Sundry Creditors for Goods	7,202,990.00	2,699,175.00
Sundry Creditors for Expenses	8,895,853.00	10,890,482.00
Other Liabilities	8,235,057.00	8,274,131.00
Total Rs.	<u>24,333,900.00</u>	<u>22,219,571.00</u>
(B) PROVISION		
Income Tax Payable	5,695,427.00	1,865,434.00
Fringe Benefits Tax	—	109,750.00
Total Rs.	<u>5,695,427.00</u>	<u>1,975,184.00</u>
SCHEDULE-7 : OTHER INCOME		
DEPB Licence Sale	479,043.00	1,724,596.00
Dividend Income	400.00	—
Interest on Income Tax Refund	364,028.00	380,214.00
Profit on Sale Of Assets	—	29,499.00
Profit on Sale Of Shares/Mutul Fund	693,524.00	323,759.00
Royalty Income	3,572,930.00	3,914,646.00
Miscellaneous Income (Amount Written off)	4,500,000.00	—
Interest (Gross) on Fixed Deposit (T.D.S. Rs.5,256 previous year Rs.24,032)	51,014.00	121,593.00
Interest (Gross) - Other (T.D.S. Rs.13,493 previous year Rs. 1,41,375)	303,540.00	1,700,075.00
Total Rs.	<u>9,964,479.00</u>	<u>8,194,382.00</u>
SCHEDULE-8 : INCREASE/ DECREASE IN INVENTORY		
Opening Stock - WIP	2,766,591.00	8,450,821.00
Opening Stock - Finish	12,416,102.00	29,022,611.00
DEPB on Hand	479,043.00	391,188.00
	<u>15,661,736.00</u>	<u>37,864,620.00</u>
Less :- Closing Stock - WIP	1,528,388.00	2,766,591.00
Less :- Closing Stock - Finish	20,985,294.00	12,416,102.00
Less :- DEPB on Hand	78,198.00	479,043.00
	<u>22,591,880.00</u>	<u>15,661,736.00</u>
Increase/ (Decrease)	<u>6,930,144.00</u>	<u>(22,202,884.00)</u>



PARTICULARS	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE-9 : RAW MATERIAL CONSUMED		
Opening Stock	2,529,475.00	8,146,945.00
Purchases	744,699,292.00	606,065,028.00
Less Closing Stock	5,438,800.00	2,529,475.00
Total Rs.	741,789,967.00	611,682,498.00
SCHEDULE - 10 : MANUFACTURING EXPENSES		
Carriage Inward	82,955.00	102,035.00
Job charges	—	16,421,420.00
Packing Materials	22,596,624.00	19,810,664.00
Power & Fuel Expenses	56,659,602.00	33,588,302.00
Process Materials	16,266,922.00	11,762,917.00
Repair & Maintenance Building	271,532.00	48,799.00
Repair & Maintenance Expenses	17,529,839.00	12,464,941.00
Testing Charges	662.00	4,502.00
Total Rs.	113,408,136.00	94,203,580.00
SCHEDULE-11 : PAYMENT TO EMPLOYEE		
Salary & Bonus	9,846,420.00	9,478,340.00
Provident Fund & ESIC	350,036.00	321,675.00
Previlage Leave	626,990.00	295,340.00
Gratuity	23,208.00	45,624.00
Total Rs.	10,846,654.00	10,140,979.00

PARAS PETROFILS LTD.

	AS ON 31.03.2010	AS ON 31.03.2009
SCHEDULE-12 : ADMINISTRATIVE & SELLING EXPENSES		
Advertisement Expenses	41,150.00	60,591.00
Auditors Remuneration	110,300.00	98,920.00
Bank Charges	63,745.00	159,989.00
Bad Debts	4,988,521.00	—
Carriage Outward	3,251,988.00	2,385,918.00
Charity & Donation	—	10,000.00
Conveyance Expenses	143,040.00	220,862.00
Dealer's Commission	3,292,569.00	2,764,378.00
Doc. Handling & Service Charges	—	870,699.00
Excise Duty Refund	—	39,721.00
Factory General Expenses	136,616.00	127,371.00
Foreign Exchange Fluctuation	7,296.00	464,553.00
Insurance Expenses	731,745.00	1,163,647.00
Legal & Professional Charges	125,600.00	151,407.00
Listing Fees & Share Transfer	578,428.00	354,988.00
Loss On Sale Of Assets	16,187.00	—
Office Expenses	644,805.00	507,241.00
Printing & Stationery	339,924.00	334,779.00
Rates & Taxes	1,573,416.00	1,497,112.00
Rent	840,000.00	842,900.00
Security Charges	639,660.00	512,994.00
Security Transaction Tax	7,377.00	3,920.00
Telephone & Postage Charges	498,348.00	858,845.00
Travelling Expenses	508,704.00	220,083.00
Vehicle Expenses	592,345.00	590,264.00
Total Rs.	19,131,764.00	14,241,182.00
SCHEDULE-13 : FINANCIAL EXPENSES		
Interest on Unsecured Loan	12,700,300.00	20,052,711.00
Total Rs.	12,700,300.00	20,052,711.00

SCHEDULE - 14 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF ACCOUNTS

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1 SYSTEM OF ACCOUNTING

- (i) The financial statements are prepared on a historical cost convention and as a going concern concept.
- (ii) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.
- (iii) The Company follows the mercantile System of accounting and recognizes Income and expenditure on accrual basis except otherwise referred.

2 FIXED ASSETS AND DEPRECIATION

- (i) Expenditure which are of Capital nature are capitalized at a cost net of CENVAT and VAT which comprises purchase price (net of rebates and discount), levies and any directly attributable cost of bringing the assets to working condition for its intended use.
- (ii) Depreciation is charged on straight line method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956 on pro rata basis.

3 INVENTORY

- (i) Raw materials are stated at cost or net realizable value whichever is lower.
- (ii) Stock of finished goods have been valued at cost or net realizable value whichever is lower.
- (iii) Stock of work in progress have been valued at cost or net realizable value whichever is lower.
- (iv) The cost includes manufacturing expenses and appropriate overheads. Excise duty on finished goods lying at the plant is provided and considered for valuation of stock.
- (v) Stock of waste have been valued at net realisable value
- (vi) Stores and Spares are stated at cost or net realizable value whichever is lower.

4 INVESTMENT

Investments have been valued at cost. Provision for diminution in the value of long term investment is made only when such a decline is other then temporary in the opinion of management.

5 BORROWING COST

- (i) Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset have been capitalized as part of the cost of that asset.
- (ii) All other borrowing costs are charged to revenue.

6 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are normally recorded at the rates of exchange prevailing at the time of transactions. Monetary items at the end of the year are translated at the year end rate. The difference between the exchange rate prevailing on the date of transactions and on the date of settlement, as also on translation at the end of the year is recognised as income or expenses, as the case may be for the year.

7 IMPAIRMENT OF ASSETS

An assets is treated as impairment when the carrying cost of the assets exceeds its recoverable amounts. An impairment loss is charged to the Profit and Loss Account in the year in which an assets is identified as impaired.

8 RETIREMENT BENEFITS

Company's contributions to provident fund and ESIC are charged to profit and loss account. Incremental liability of gratuity for the year is provided in the books of accounts and charged to the profit & loss account on the basic of actuarial valuation. The eligible benefit of privileged leave have been charged to Profit & loss Account as per policy of the company.

9 TAXATION

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax assets and liabilities are recognized for further tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements, subject to consideration of prudence. Deferred tax assets and liabilities are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

10 TURNOVER

Gross Turnover includes Excise Duty and Value Added Tax on Sales, Commission Income but is net of discounts, claims and returns.

11 PROVISION, CONTINGENCIES

A provision is recognised where there is present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent liability are not recognised but are disclosed in the notes. Contingent Assets are neither recognised hence not disclosed.

B. NOTES OF ACCOUNTS

Notes forming part of the Account for the year ended 31st March 2010.

- 1 Figures of the previous year have been regrouped/ recast wherever necessary to make them comparable with the figure of the current year and are rounded off to the nearest rupees.
- 2 Balances of Sundry Debtors, Sundry Creditor and Loans and Advances are subject to confirmation and reconciliation if any.
- 3 The amount of loans and advances includes Rs. NIL (Previous Year NIL) due from firm/company/individual in which directors of the company are partner/director/relative. However the maximum amount outstanding during the year at any time is Rs. NIL (Previous Year 0.65 crores).
- 4 The amount of Sundry Debtors includes Rs. 2.10 crores (Previous Year - Rs. 0.35 crores) receivable from firm/company/individual in which directors of the company are partner/director/relative. However the maximum amount outstanding during the year at any time is Rs. 3.30 Crores (Previous Year - Rs. 4.61 Crores)
- 5 In the opinion of Board of Directors, Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business, unless stated otherwise. Adequate provision have been made for all known liabilities except stated otherwise
- 6 In The absence of necessary information with the Company relating to the status of the suppliers under Micro, Small and Medium Enterprises Act.2006,the Information Could not be Complied with the disclosed
- 7 **CONTINGENT LIABILITIES (not provided for) in respect of**

	As on	(Rs. in Lacs)
	31.03.2010	As on 31.03.2009
(a) Corporate Guarantee	525.00	525.00
(b) Export obligation against Advance License	66.78	66.78
(c) Export obligation against EPCG	413.32	413.32
(d) Sales Tax Liabilities	104.69	104.69
(e) NCCD Duty claim dispute with Excise Department	1.98	1.98
(f) Listing Fee to Regional Stock Exchange	6.53	5.65
8 The break up of Auditor's remuneration is as under:-		
For Audit Fees (including service tax)	71695	71695
For Taxation & Other services	38605	38605
	110300	110300

9 Related Party Disclosures

A) Key Management Personnel:

<u>Sr. No.</u>	<u>Name</u>	<u>Designation</u>
1	Shri Jivabhai Patel	Chairman
2	Shri Ashok R Jain	Managing Director
3	Shri Siddharth C Patel	Director
4	Shri Kailashchand Jain	Director
5	Shri Harshad J. Patel	Director
6	Shri Anandkumar Jain	Director
7	Shri Pravindrai D Jariwala	Director
8	Shri Anil Bansal	Director
9	Shri Murli Manohar Modani	Director
10	Shri Harikishan Pinpaliya	Director
11	Shri Rajendra Parakh	Company Secretary

B) List of other Related Parties with whom transactions have taken place during the Year

<u>Sr. No.</u>	<u>Name</u>
1	Akhil Ship Breakers Pvt Ltd
2	Construction India Pvt Ltd
3	Khazana Overseas
4	M.M.Modani & Co.
5	Sanidhy Security Pvt Ltd
6	Shree Finlease Ltd

C) Relatives of key management personnel with whom transactions have taken place during the year:

<u>Sr. No.</u>	<u>Name</u>	<u>Sr. No.</u>	<u>Name</u>
1	Amit Kumar D. Jain	9	Preeti S. Patel
2	Anish D. Jain	10	Ritesh Jivabhai Patel
3	Champaben J. Patel	11	Santosh K. Jain
4	Dhaybhai A. Patel	12	Siddharth C. Patel HUF
5	Manish M. Jain	13	Suhrud C. Patel
6	Nikul J. Patel	14	Viraj S. Patel
7	Nilesh D. Patel	15	Vishwesh S. Patel
8	Pranjal S. Patel		

PARAS PETROFILS LTD.

D) Details of transactions with key management personal and related parties of the key management personal are as follows.

(Rs. in Lacs)				
Nature of Transaction	Key	Other	Relatives of key Parties	Total Personnel
1 Unsecured Loan				
Taken during the year	—	145.00	100.00	245.00
	(22.30)	(280.00)	(13.20)	(315.50)
Balance as at 31.03.2010	173.20	146.43	462.36	781.99
	(202.50)	(133.79)	(703.97)	(1,040.26)
2 Expenditure				
Interest Paid	20.86	20.76	69.09	110.71
	(48.62)	(14.60)	(92.56)	(155.78)
Job charges	—	—	—	—
	—	(103.22)	—	(103.22)
Purchase of goods and	—	1.80	5.59	7.39
Payment for expenses	—	(0.22)	(5.59)	(5.81)
Payment to employees	1.26	—	—	1.26
	(1.20)	—	—	(1.20)

10 SEGMENT REPORTING

Business Segment

The company has three business segment viz Polyester filament yarn, trading activity of fabrics and commission activity.

Performance of Business segment is as follows

		Year ended 31.03.2010	(Rs. in lacs) Year ended 31.03.2009
1 Segment revenue (Net Turnover/Income)			
a. Polyester Filament Yarn Division		9,099.45	7,550.26
b. Fabric Division		—	415.91
c. Commission Income		520.66	284.39
Total		9,620.11	8,250.56
Net sales/Income from operations		9,620.11	8,250.56
2 Segment results Profit (+)/Loss (-)			
a. Polyester filament yarn Division		103.49	214.32
b. Fabric Division		—	40.69
c. Commission Income		520.66	271.16
Total		624.15	526.17
Less :(i) Interest		127.00	200.53
Less :(ii) other un-allocable exp.net off un-allocable income		137.86	160.99
Total profit before tax		359.29	164.65
3 Capital employed (Segment assets- Segment liabilities)			
a. Polyester filament yarn Division		5,201.44	4,982.71
b. Fabric Division		47.06	16.99
c. Commission Income		38.58	242.49
d. Unallocable Net Assets		214.31	508.59
Total		5,501.39	5,750.78

Geographic Segment:

The company has two Geographic Segment viz Indian Business and Export Business

Performance of Business segment is as follows

	Year ended 31.03.2010	(Rs. in lacs) Year ended 31.03.2009
Segment revenue (Net Sales/Income)		
a. Indian Business	9,620.11	7,872.65
b. Export Business	—	377.91
Total	9,620.11	8,250.56
Net sales/Income from operations	9,620.11	8,250.56
Segment results Profit (+)/Loss (-)		
a. Indian Business	624.15	489.20
b. Export Business	—	36.97
Total	624.15	526.17
Less :(i) Interest	127.00	200.53
Less :(ii) other un-allocable exp.net off un-allocable income	137.86	160.99
Total profit before tax	359.29	164.65
Capital employed (Segment assets- Segment liabilities)		
a. Indian Business	5,240.02	5,225.20
b. Export Business	47.06	16.99
c. Unallocable Net Assets	214.31	508.59
Total	5,501.39	5,750.78
11 EARNING PER SHARE	Year ended 31.03.2010	Year ended 31.03.2009
Basic		
1. Weighted average no. of shares of Rs.1 each	334,221,000	334,221,000
2. Net Profit attributable to shareholders	21,085,064	11,951,291
3. Earning per share	0.063	0.036

Diluted:

The company has no potential equity shares, hence not applicable.

12 Accounting for taxes on income.

The major components of deferred tax assets/(liabilities) on Account of timing difference are as below:

	Year ended 31.03.2010	Year ended 31.03.2009
Deferred Tax Assets		
Provision to Retirement benefit	6.49	4.44
Unabsorbed Depreciation allowance	401.21	566.46
	407.70	570.90
Deferred Tax Liability		
Related to Fixed Assets	868.39	909.43
	868.39	909.43
Net Deffered Tax Assets/(Liability)	(460.69)	(338.53)

C Additional Information pursuant to the provisions of part II of the Schedule VI of the Companies Act 1956 to the extent relevant.

PARTICULARS OF CAPACITY			Year ended 31.03.2010	Year ended 31.03.2009
(A) (i) Licensed Capacity			N.A.	N.A.
(ii) Installed Capacity				
	POY		22675 MT	22675 MT
	FDY		3325 MT	3325 MT
	Texturising		3080 MT	3080 MT
	Knitting		400 MT	400 MT
(iii) Production				
	POY		11448 MT	9248 MT
	FDY		2249 MT	1756 MT
	Texturising		00 MT	335 MT
	Knitting		00 MT	00 MT
	Year ended 31. 03. 2010		Year ended 31. 03. 2009	
	QTY.	Value	QTY.	Value
		(Rs. in lacs)		(Rs. in lacs)
<hr/>				
(B) TURNOVER				
- Yarn (in MT)	13,612	9,099.45	11,216	7,550.26
- Finish Fabric (In '000 Mtrs)	—	—	1,249	415.91
(C) PURCHASE YARN (in MT)	—	—	—	—

	Year ended 31. 03. 2010		Year ended 31. 03. 2009	
	QTY.	Value (Rs. in lacs)	QTY.	Value (Rs. in lacs)
(D) OPENING STOCK				
Finished Yarn (in MT)	143	89.31	351	258.83
Finish Fabric (In '000 Mtrs)	129	34.85	143	31.39
Raw Material (in MT)	44	23.18	57	33.06
Raw Material Fabric (In '000 Mtrs)	19	2.12	493	48.41
Work in Progress (in MT)	48	27.67	124	84.51
(E) CLOSING STOCK				
Finished Yarn (in MT)	221	175.00	143	89.31
Finish Fabric (In '000 Mtrs)	129	34.85	129	34.85
Raw Material (in MT)	79	52.27	44	23.18
Raw Material Fabric (in '000 Mtrs)	19	2.12	19	2.12
Work in Progress (in MT)	21	15.28	48	27.67
(F) C.I.F.Value of Imports				
Capital Goods		150.72		—
Raw Materials/Store		—		—
(G) Advance payment in foreign currency :				
Capital Goods		—		—
Raw material/Store		20.20		—
(H) Expenditure in Foreign currency		3.39		—
(I) Earnings in foreign exchange		—		377.91
(J) Dividend to N.R.I.s		—		—
(K) Details of Raw material consumed				
Chips (in MT)	13,300	7,417.90	11,004	5,929.04
Fabric(in '000 Mtr)	—	—	1,529	187.78
(L) Break-up of consumption of Raw material, Stores & Spare parts				
	Year ended 31. 03. 2010		Year ended 31. 03. 2009	
	Rs. in lacs	%	Rs. in lacs	%
Raw material				
Indigenous	7,417.90	100.00	6,116.82	100.00
Imported	—	—	—	—
	<u>7,417.90</u>	<u>100.00</u>	<u>6,116.82</u>	<u>100.00</u>
Store & Spares				
Indigenous	456.48	80.56	330.74	75.02
Imported	110.17	19.44	110.13	24.98
	<u>566.65</u>	<u>100.00</u>	<u>440.87</u>	<u>100.00</u>

PARAS PETROFILS LTD.

D Balance Sheet Abstract and Company's General Business Profile as required by part IV of schedule VI of the Companies Act, 1956

I. Registration Details

Registration No.	15254	State Code :	4
Balance Sheet Date :	31.03.2010		

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Private Placement	NIL	Bonus Issue	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousand)

Total Liabilities	550139	Total Assets	550139
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SOURCES OF FUNDS :

Paid-up Capital	367843	Reserves & Surplus	53576
Deferred tax liability	46069	Secured Loans	0
Unsecured Loans	82651		

APPLICATION OF FUNDS :

Net Fixed Assets	462182	Investments	3400
Net Current Assets	84557	Misc.Expenditure	0

IV. Performance of Company (Amount in Rs.Thousand)

Gross Turnover	1080435	Total Expenditure	897877
Profit Before Tax	35929	E P S (Rs.)	0.063
Dividend rate (%)	Nil		

IV. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

a. Item Code No. (ITC Code no.)	:	5 4 0 2
Product Description	:	POLYESTER FILAMENT YARN/ PARTIALLY ORIENTED YARN
a. Item Code No. (ITC Code no.)	:	5 5 1 3
Product Description	:	FABRICS

Signature to Schedule - 1 to 14

As per our report of even date

For R K G & Co.

Chartered Accountants

Firm Reg. No. : 103366W

CA Ramesh Goyal

Partner

Mem. No. : 37747

Place : Surat

Date : 15.05.2010

For and on behalf of the Board

Ashok R. Jain

Director

Rajendra Parakh

Company Secretary

Harshad J. Patel

Director

CASH FLOW STATEMENT

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before Tax AND Extra-Ordinary items		35,928,750		16,464,550
Adjustment For:				
1. Depreciation	45,099,646		44,770,850	
2. Prior Period Depreciation Adjustment	—		(509,336)	
3. Interest Expenses	12,700,300		20,052,711	
4. Loss /(Profit) on Sale of Assets	16,187		(29,499)	
5. Loss / (Profit) on Sale of Investment	(693,524)	57,122,609	(323,759)	63,960,967
Operating profit before Working Capital Change		93,051,359		80,425,517
Adjustment For:				
1. Trade and other Receivables	(5,328,193)		46,541,001	
2. Inventories	(3,283,674)		23,098,226	
3. Trade Payables	5,834,572		(20,931,316)	
4. Income Tax	(2,627,329)		(2,082,826)	
Cash generated from operations		(5,404,624)		46,625,085
Cash flow before extra ordinary Items		87,646,735		127,050,602
1. Extra Ordinary items		—		—
Net cash flow from Operating activities		87,646,735		127,050,602
B. CASH FLOW FROM INVESTING ACTIVITIES				
1. Purchase of Fixed Assets	(18,923,995)		(1,088,962)	
2. Sale of Fixed Assets	3,000		72,000	
3. Purchase of Shares/Mutul Funds	(16,129,204)		(31,886,670)	
4. Sale of Shares/Mutul Funds	15,815,588		29,817,221	
Net cash used for investing activities		(19,234,611)		(3,086,411)
C. CASH FLOW FROM FINANCING ACTIVITIES				
1. Increase/Decrease in long term borrowing	(58,240,127)		(99,532,444)	
2. Interest Paid	(12,700,300)		(20,052,711)	
Net cash used for Financing activities		(70,940,427)		(119,585,155)
Net increase in Cash & Cash equivalents		(2,528,303)		4,379,036
Cash & Cash equivalents (Opening)		10,949,430		6,570,394
Cash & Cash equivalents (Closing)		8,421,127		10,949,430

Notes :

- The Cash Flow Statements has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Previous years figures have been regrouped wherever necessary.

As per our report of even date

For R K G & Co.

Chartered Accountants
Firm Reg. No. : 103366W

CA Ramesh Goyal

Partner

Mem. No. : 37747

Place : Surat

Date : 15.05.2010

Rajendra Parakh

Company Secretary

For and on behalf of the Board

Ashok R. Jain

Director

Harshad J. Patel

Director

PARAS PETROFILS LTD.

Regd. Office : Block No. 529, N. H. No. - 8, Village Palsana, Dist. : Surat - 394315

ATTENDANCE SLIP

19th Annual General Meeting
30th September, 2010

Folio No. _____

I certify that I am registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company held at the Registered Office of the Company on 30th September, 2010

Member's/ Proxy's name in Block Letter _____

Member's/Proxy's Signature _____

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

** No gifts shall be distributed at the meeting.

Tear Here

PARAS PETROFILS LTD.

Regd. Office : Block No. 529, N. H. No. - 8, Village Palsana, Dist. : Surat - 394315

PROXY FORM

19th Annual General Meeting
on dated 30th September, 2010.

Folio No. _____

I/We _____ of _____ in the district of _____

being a member/members of the above named Company hereby appoint Shri/ Smt. _____ of _____ in the district of _____ as my/ our proxy

to attend and vote for me/us on my/our behalf at the NINETEENTH ANNUAL GENERAL MEETING of the Company to be held on 30th September, 2010 at the Registered Office of the Company and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Affix
Re. 1
Revenue
Stamp

Note : This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

BOOK-POST

To

If Undelivered, Please return to :

PARAS PETROFILS LTD.

Block No. 529, N. H. No. 8,

Village : Palsana

Dist. Surat - 394 315.