

21st  
Annual Report  
2011-2012



**PARAS  
PETROFILS LTD.**

**21st  
Annual  
Report  
2011-2012**

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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

**CORPORATE OFFICE**

PARAS PETROFILS LIMITED  
301, JEEVANDEEP APPT., OPP. SUB JAIL,  
RING ROAD SURAT

**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**

29th September, 2012

**TIME**

3:00 P.M.

**VENUE**

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

**NOTICE**

**NOTICE** is hereby given that the **21st 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 29th September,2012 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, 2012, Statement of Profit and Loss 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 Ashok Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Kailaschand Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Harshad J. 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\§ R.K.G. & CO. Chartered Accountants, having firm registration number 103366W 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.”

**EXPLANATORY STATEMENT**

**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 22nd September, 2012 to 29th September, 2012 (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 as the same will not be distributed at the meeting.
5. Corporate members intending to send their authorised representatives are requested to send a certified copy of the resolution with them authorising the member to attend the meeting on their behalf.
6. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Company at least seven days before the date of the meeting so that the information required may be made available at the meeting.
7. Members who are holding shares in identical order of names in more than one folio are requested to send the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
8. Non-Resident Indian Members are requested to inform to the Registrars and Transfer Agents of the Company, of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

**Registered Office:**

Block No. 529, N.H.No.8,  
Village: Palsana, Dist. Surat.  
Place : Palsana  
Date : 31st August, 2012

**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 Ashok Jain, Shri Kailaschand Jain and Shri Harshad Patel has been disclosed in the statement forming a part of the report on Corporate Governance.

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company/ the registrar and transfer agent.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the 21st Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2012.

**SUMMARISED FINANCIAL RESULTS**

The Summarized Financial Results of the Company for the year ended 31st March, 2012 were as follows.

	2010-2011 (Rs. in lacs)	2011-2012 (Rs.in lacs)
Total Revenue	11412.95	<b>10424.96</b>
Gross Profit before Interest & Depreciation	934.37	(464.70)
Less: Interest	68.09	24.04
Less: Depreciation	453.90	449.49
<b>Net Profit/(Loss) for the Year</b>	412.38	<b>(938.23)</b>
Less: Provision for tax	223.82	(337.96)
Less: MAT Credit Entitlement	(174.63)	0.00
<b>Profit after Tax</b>	363.19	<b>(600.27)</b>
Add Balance Brought Forward from previous year	535.76	<b>898.95</b>
<b>Balance available for appropriation</b>	898.95	<b>298.68</b>
Transfer to Reserves	NIL	<b>NIL</b>
Surplus Carried to Balance Sheet	898.95	<b>298.68</b>

**DIVIDEND**

In view of the loss incurred during the financial year 2011-12, the Board expresses their inability to declare any dividend for the current financial year.

**OPERATIONS**

During the year under review the company successfully manufactured nylon yarn along with its existing capacities of polyester yarn. This has made the company more diversified.

Your Directors hereby report that during the year under review, the gross turnover of the company was marginally lower at Rs. 12096.03 lacs for the year ended 31.03.2012 as compared to Rs. 13152.68 lacs for the corresponding year ended on 31.03.2011.

Fluctuation in raw material prices coupled with competitive pressures continued to hamper the profitability of the Company. Moreover, the increase in the cost of major inputs could not be entirely passed on to the customers.

Under the present scenario the Company is focusing on increased productivity through optimal utilization of production capacity and reduction in operating costs.

**BOARD OF DIRECTORS**

Under section 256 of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Shri Ashok Jain, Shri Kailaschand Jain and Shri Harshad 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, 2012, 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 2012 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 2011-2012 your Company continued to accept/renew deposits and maintained a high standard of service. As on 31st March, 2012 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.

#### **INSURANCE**

The properties and insurable assets and interests of your Company, like building, plant and machinery and stocks, among others, are adequately insured.

#### **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.

#### **COST AUDITOR**

As per the requirement of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the cost accounts relating to textiles is being carried out every year. The Central Government has approved the appointment of M/s M Goyal & Co, Cost Accountants having firm registration No. 00051/07/2008 as Cost Auditors for conducting cost audit for the financial year 2011-12. The cost audit report in respect of financial year 2011-12 will be filed on or before the due date. The cost audit report for the Financial Year 2010-11 which was due to be filed with the Ministry of Corporate Affairs on 30th September, 2011 was filed on 26th September, 2011.

#### **CASH FLOW ANALYSIS**

The Cash Flow statement for the year ended on 31st March, 2012, in terms of Clause 32 of the Listing Agreement entered by the Company with the Stock Exchanges where the shares of the Company are listed forms part of the Annual Report.

#### **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.

Your Company has ensured eco-friendly disposal of various hazardous waste at the designated disposal site recognized by Pollution Control Board. In addition, the Company has complied with the environmental norms.

**CORPORATE GOVERNANCE**

Your Company complies with all the mandatory requirements pertaining to Corporate Governance, in terms of clause 49 of the Listing Agreement with the Stock Exchanges. A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges, forms part of the annual report.

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 place on record their appreciation for the continued support and co-operation received from customers, suppliers, dealers, banks and government authorities. The Board also, expresses its appreciation for the understanding and support extended by the shareholders and employees of the Company.

**For and on behalf of the Board**

Place : Palsana

Date : 31st August, 2012

**Ashok R. Jain**  
Managing Director**Jivabhai A. Patel**  
Director**ANNEXURE TO DIRECTORS REPORT**

Form for disclosure of particulars with respect to Conservation of Energy

A) ENERGY CONSUMPTION	2011-12	2010-11
1. (a) Electricity:		
Electric Units Purchased	29,45,790	7,26,762
Total Amount (Rs.)	2,06,97,748	44,09,065
Average rate/unit (Rs.)	7.03	6.07
(b) Natural Gas Consumed		
Purchase Unit (Scm)	36,21,243	31,83,170
Amount Paid	8,56,46,037	6,60,87,493
Average rate/unit (Rs.)	23.65	20.76

**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.

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

High productivity and accuracy with good quality

3. Particulars of Imported Technology

Not applicable



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS:

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

The Indian textile industry is currently passing through a turbulent phase. With the global downturn ravaging economies, the textile sector is one of the worst hit. The prospect of synthetic textile industry in short term is linked with the domestic demand growth viz-a-viz the movement of crude oil prices in international markets. The production growth in case of PFY was low due to sluggish demand. In the whole Yarn market, the domestic supply has increased with the start-up of new Plants and outstrips demand. This has put pressure on sales and margins.

In the budget 2012-13, the Central Excise Duty has been raised to 12% from the existing level of 10%. However the increase in duty could not be passed on to the customers. Inflation continued to play a vital role in the economic growth. The increase in raw material prices and input costs during the year has been the major cause of concern.

As per CRISIL research, demand growth for Polyester Staple Fiber (PSF) and Viscose Staple Fiber (VSF) is expected to be moderate, while consumption of Partially Oriented Yarn (POY) and Viscose Filament Yarn (VFY) is expected to decline due to overall slowdown in textile consumption in both the domestic and global markets.

### 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 create 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:

Your Company has adequate internal control procedures commensurate with the size of operations and the nature of the business. These controls ensure efficient use and protection of Company's financial and non-financial resources. They also have ensured compliance of stipulated policies, procedures and statutes, ensuring accuracy of accounting records and corporate governance. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

### RISKS & CONCERNS

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risk, compliance risks and people risks. The Company is exposed to the risk of price fluctuation on raw materials as well as finished goods in all of its products. The Company proactively manages these risks in inputs through inventory management, proactive management of vendor development and relationships. The Company's strong reputation for



quality, product differentiation and services, the existence of a powerful brand image and a robust marketing network mitigates the impact of price risk on finished goods. The Company is exposed to risks attached to various statutes and regulations including the Competition Act, 2002. The Company is mitigating these risks through regular reviews of legal compliances, through internal as well as external compliance audits.

**BUSINESS OUTLOOK**

The performance of the whole industry would largely depend on raw material prices of yarn that is chips. Apart from this raw material prices of cotton will make a huge impact on the industry. The performance of the Company would largely depend on the whole industry scenario.

The production growth in case of Polyester Filament Yarn was low due to sluggish demand. In Polyester Chips, the domestic supply has increased and outstrips demand. This has put pressure on sales and margins. However in case of Nylon Filament Yarn there is huge demand and the competition is less as compare to polyester.

**HUMAN RESOURCE DEVELOPMENT:**

Your Company recognizes human resources as the backbone of its long term success and has tried continuously to provide a challenging work environment thereby adding value to their professional growth. Our relationships with the employees are continuous to remain cordial.

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 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:**

Statements in this report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could, however, differ materially from those expressed or implied. The Company assumes no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.

**For and on behalf of the Board**

Place : Palsana  
Date : 31st August, 2012

**Ashok R. Jain**  
Managing Director

**Jivabhai A. Patel**  
Director



## REPORT ON CORPORATE GOVERNANCE

The Company's corporate governance policy is the ideology of transparency and openness in the effective working of the management and the Board. Your Company strongly believes in fair, efficient and transparent business operations, fairness to all stakeholders in the Company, proper disclosure of relevant financial and non financial information and enhancing shareholder value on a continuing basis.

Your Company confirms the compliance of corporate governance as contained in clause 49 of the Listing Agreement, the details of which are given below.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a set of systems and practices to ensure that the affairs of the company are being managed in a way which ensures accountability, transparency, and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and social expectations.

We, at the Paras Petrofils Limited, are committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are self-driven, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic growth progress.

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 provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As on March 31, 2012 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 2011-2012 the Board of Directors met 5 times on 30.05.2011, 30.07.2011, 30.09.2011, 14.11.2011 and 10.02.2012.

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.

## PARAS PETROFILS LTD.

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		Whether attended last AGM held on 30.09.2011	No. of Outside Directorships of Public Companies	No. of Committee positions held in other Public Companies	
		Held	Attended			Chairman	Member
Shri Jivabhai A Patel	Chairman/ Non Executive/ Independent	5	5	Yes	-	-	-
Shri Ashok R Jain	Managing Director	5	5	Yes	-	-	-
Shri Siddharthbhai C Patel	Non Executive/ Independent	5	3	Yes.	-	-	-
Shri Kailashchand Jain	Non Executive	5	4	Yes	-	-	-
Shri Harshad J Patel	Non Executive/ Independent	5	3	No	-	-	-
Shri Anandkumar Jain	Non Executive	5	5	Yes	-	-	-
Shri Pravinchand Jariwala	Non Executive/ Independent	5	3	No	-	-	-
Shri Murli Manohar Modani	Non Executive	5	5	Yes	-	-	-
Shri AnilKumar Bansal	Non Executive	5	4	Yes	-	-	-
Shri Harikishan Panpaliya	Non Executive	5	4	Yes	-	-	-

### CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provides accountability and control systems commensurate with the risks involved. A declaration by the Wholetime Director affirming compliance of Board Members and senior management personnel to the code is also annexed herewith.

A copy of the Code has also been kept on the website of the Company which is [www.paraspetrofiles.com](http://www.paraspetrofiles.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 and terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts and cost audit report etc. before submitting to the Board of Directors. The Chairman of the Audit Committee attended the Annual General Meeting of the Company and he ensured that necessary clarifications and explanations were provided to the members of the Company on issues regarding accounts and finance.



Name of the Member	Status	No. of Meetings
Shri Murlı Manohar Modani	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, 2012 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 spilt / 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 13 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, 2011, the total number of complaints received and resolved during the year ended 31st March, 2012 were 3 respectively. There was no complaint pending as on 31st March 2012.

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
2010-2011	Block No.529, N.H.No.8 Village Palsana Surat	AGM	30-09-2011	3.00 P.M.
2009-2010	-do-	AGM	30-09-2010	3.00 P.M.
2008-2009	-do-	AGM	30-09-2009	3.00 P.M.

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

No special resolution was passed during the 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.
- (c) The Company has not adopted any Whistle Blower Policy but no personnel are 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](http://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** : 29th September, 2012 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 2012 to March 2013

Annual Results of 2011-2012	31st August, 2012
First Quarter Results	July/August, 2012
Annual General Meeting	29th September, 2012
Second Quarter Results	October/November 2012
Third Quarter Results	January/February 2013

**(c) Book Closure Date** : 22nd September, 2012 to 29th September 2012 (Both days inclusive)

**(d) Listing of Equity Share on Stock Exchange:**

1. The National Stock Exchange of India Limited - Mumbai
2. The Bombay Stock Exchange - Mumbai
3. The Vadodara Stock Exchange Limited - Vadodara
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 2012 – 13 has been paid to 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		National Stock Exchange	
	High	Low	High	Low
April - 2011	0.66	0.55	0.70	0.55
May - 2011	0.64	0.55	0.65	0.55
June - 2011	0.66	0.56	0.65	0.55
July - 2011	0.63	0.53	0.65	0.50
August - 2011	0.56	0.42	0.60	0.40
September - 2011	0.55	0.45	0.55	0.45
October - 2011	0.50	0.44	0.50	0.45
November - 2011	0.49	0.40	0.50	0.40
December - 2011	0.50	0.36	0.55	0.35
January - 2012	0.52	0.37	0.60	0.35
February - 2012	0.53	0.44	0.50	0.40
March - 2012	0.48	0.30	0.50	0.30

**(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.

The communication details of M/s Bigshare Services Pvt. Ltd is  
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 31.03.2012:**

Category	No. of shares held	% of share holding
Indian Promoters	137073054	41.01
Mutual Fund & UTI	2000000	0.60
Private Corporate Bodies	77564222	23.21
Indian Public	108950740	32.60
NRIs/OCB	8398380	2.51
Others (Demat/ transit)	234604	0.07
<b>TOTAL</b>	<b>33,42,21,000</b>	<b>100.00%</b>

## PARAS PETROFILS LTD.

### Category wise Summary of Holders / Holdings as on 31st March, 2012:

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of totalShares
1 – 5000	25767	87.530	44168948	13.216
5001 – 10000	1966	6.678	16671236	4.988
10001 – 20000	850	2.887	13004096	3.891
20001– 30000	280	0.951	7194826	2.153
30001– 40000	94	0.320	3387977	1.014
40001 – 50000	106	0.360	5094462	1.524
50001 – 100000	154	0.523	11731686	3.510
100001 - 99999999	221	0.751	232967769	69.704
<b>Total</b>	<b>29438</b>	<b>100.00</b>	<b>334221000</b>	<b>100.00</b>

**(i) Dematerialisation of Shares :**

13,93,36,800 Equity Share representing 41.69 % 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:**

Paras Petrofils 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 : 31st August, 2012

**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 Ashok R. Jain	Shri Kailaschand Jain	Shri Harshad Patel
Date of Birth	15/04/1969	05/05/1957	18/03/1970
Experience	More than 18 years of experience in yarn segment of textile industry	Vast business experience of textiles and detailed knowledge of working of the Company	Rich business experience of textile industry and yarn segment specially
Date of Appointment	30/06/2007	20/03/1991	06/07/1996
List of Directorship In Other Companies	-	-	-
List of Membership in Other Companies	-	-	-
No. of Shares held	-	-	-

**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, 2012.

Place : Palsana  
Date : 31st August, 2012

**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 2012 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 : 31st August, 2012  
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 2012 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 : 31st August, 2012

**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, 2012 and Statement of Profit & Loss 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, Statement of Profit & Loss and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
  - (d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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 gives 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, 2012, and
    - (ii) in the case of Statement of Profit & Loss, 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 : 31st August, 2012

**ANNEXURE TO AUDITOR'S REPORT  
( Referred to in Para - 1 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 not been physically verified by the management during the year but there is a regular programme 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 any part of fixed assets.
- (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 stocks 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 two companies and ten other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ' 4.65 Crores and year end balance of the loan taken from such parties was ' 1.47 crores.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest 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 to 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, employees 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 amounts payable in respect of income tax, wealth tax, sales tax, custom duty, service tax, excise duty and cess were in arrears, as at 31.03.2012 for a period of more than six months from the date they become payable.



- (c) As on 31.03.2012, 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 incurred cash loss during the financial year under review and there is no cash loss 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 investment are held in the name of the company.
- (xv) In our opinion and according to information and explanations given to us, the company has not given guarantees for loans taken by others from bank and financial institutions.
- (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 informations 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 the informations 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 informations and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (xx) According to the informations 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 : 31st August, 2012

**PARAS PETROFILS LTD.****BALANCE SHEET AS ON 31ST MARCH, 2012**

Particulars	Note No	Figures as at the end of current reporting period ended on 31-03-2012	Figures as at the end of previous reporting period ended on 31-03-2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	367,843,000.00	367,843,000.00
(b) Reserves and Surplus	4	29,867,605.00	89,895,017.00
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	15,250,001.00	34,477,587.00
(b) Deferred tax liabilities (Net)	6	26,417,302.00	60,229,534.00
(c) Other Long Term Liabilities		-	-
(d) Long term provisions	7	4,323,951.00	3,041,708.00
<b>(4) Current Liabilities</b>			
(a) Short Term Provisiones		-	-
(b) Trade payables	8	198,588,347.00	52,229,520.00
(b) Other current liabilities	9	6,651,957.00	3,983,396.00
(c) Short-term provisions	10	1,845,191.00	1,336,340.00
<b>Total</b>		<u>650,787,354.00</u>	<u>613,036,102.00</u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) <i>Fixed assets</i>	11		
(i) Tangible assets		395,930,346.00	417,271,951.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	7,526,133.00	4,093,090.00
(c) Long term loans and advances	13	8,160,330.00	12,669,113.00
(d) Other non-current assets	14	18,154,937.00	18,498,763.00
<b>(2) Current assets</b>			
(a) Current investments	15	2,929,248.00	13,658,349.00
(b) Inventories	16	114,549,887.00	74,199,694.00
(c) Trade receivables	17	57,967,593.00	40,056,187.00
(d) Cash and cash equivalents	18	1,207,102.00	10,491,993.00
(e) Short-term loans and advances	19	44,361,778.00	22,096,962.00
(f) Other Current Assets		-	-
<b>Total</b>		<u>650,787,354.00</u>	<u>613,036,102.00</u>

**The Notes 1 to 36 form an integral part of this financial statement**

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 : 31st August, 2012

**Rajendra Parakh**

*Company Secretary*

For and on behalf of the Board

**Ashok R. Jain**

*Managing Director*

**Jivabhai A. Patel**

*Director*



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2012

Particulars	Note No	Figures as at the end of current reporting period ended on 31-03-2012	Figures as at the end of previous reporting period ended on 31-03-2011
I. Revenue from operations	20	1,037,647,731.00	1,137,737,448.00
II. Other Income	21	4,848,570.00	3,557,642.00
<b>III. Total Revenue (I +II)</b>		<b>1,042,496,301.00</b>	<b>1,141,295,090.00</b>
IV. Expenses:			
Cost of materials consumed	22	899,404,011.00	892,893,815.00
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(29,015,399.00)	(3,400,354.00)
Employee benefit expense	24	16,572,546.00	12,643,549.00
Financial costs	25	2,403,574.00	6,809,006.00
Depreciation and amortization expense	11	44,948,650.00	45,390,099.00
Other expenses	26	202,005,657.00	145,721,135.00
<b>Total Expenses</b>		<b>1,136,319,039.00</b>	<b>1,100,057,250.00</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	(93,822,738.00)	41,237,840.00
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V-VI)	(93,822,738.00)	41,237,840.00
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	(93,822,738.00)	41,237,840.00
X. Tax expense:			
(1) Current tax (MAT)		-	8,218,908.00
(2) Deferred tax Assets/(Liability)		33,812,232.00	(14,160,357.00)
(3) Previous Year Tax		16,906.00	2,107.00
(4) MAT Credit Entitlement		-	(17,462,627.00)
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	(60,027,412.00)	36,319,095.00
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII-XIII)	-	-
XV. Profit/(Loss) for the period	(XI + XIV)	(60,027,412.00)	36,319,095.00
XVI. Earning per equity share:			
(1) Basic		(0.18)	0.11
(2) Diluted		(0.18)	0.11

### The Notes 1 to 36 form an integral part of this financial statement

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 : 31st August, 2012

For and on behalf of the Board

**Ashok R. Jain**

Managing Director

**Rajendra Parakh**

Company Secretary

**Jivabhai A. Patel**

Director

# PARAS PETROFILS LTD.

## CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE PERIOD APRIL 2011 TO MARCH 2012

	For the year ended 31.03.2012		For the year ended 31.03.2011	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net profit before Taxation and Extra- Ordinary items</b>		(93,822,738)		41,237,840
ADJUSTMENT FOR :				
1. Depreciation	44,948,650		45,390,099	
2. Interest Expenses	2,403,574		6,809,006	
3. Loss /(Profit) on Sale of Assets	-		(116,713)	
4. Interest on Investment	(1,565,562)			
5. Loss / (Profit) on Sale of Investment	(18,834)	45,767,828	(565,671)	51,516,721
<b>Operating profit before Working Capital Change</b>		<u>(48,054,910)</u>		<u>92,754,561</u>
Adjustment For:				
1. Trade and other Receivables	(35,323,613)		(18,307,322)	
2. Inventories	(40,350,193)		(43,047,953)	
3. Trade Payables	150,818,482		30,561,637	
4. Income Tax	(16,906)		9,241,612	
Cash generated from operations	<u>75,127,770</u>		<u>(21,552,026)</u>	
<b>Cash flow before extra ordinary Items</b>		(27,072,860)		71,202,535
1. Extra Ordinary items		-		-
<b>Net cash flow from Operating activities</b>		<u>(27,072,860)</u>		<u>71,202,535</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
1. Purchase of Fixed Assets	(23,607,045)		(12,364,031)	
2. Sale of Fixed Assets	-		12,000,000	
3. Purchase of Investment	(66,112,000)		(69,116,966)	
4. Sale of Investment	74,992,454		55,331,546	
<b>Net cash used for investing activities</b>		(14,726,591)		(14,149,451)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
1. Increase/Decrease in long term borrowing	(19,227,586)		(48,173,212)	
2. Interest Paid	(2,403,574)		(6,809,006)	
<b>Net cash used for Financing activities</b>	(21,631,160)		(54,982,218)	
<b>Net increase in Cash &amp; Cash equivalents</b>		<u>(9,284,891)</u>		<u>2,070,866</u>
<b>Cash &amp; Cash equivalents (Opening)</b>		10,491,993		8,421,127
<b>Cash &amp; Cash equivalents (Closing)</b>		1,207,102		10,491,993

Notes

1 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.

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 : 31st August, 2012

**Rajendra Parakh**

Company Secretary

For and on behalf of the Board

**Ashok R. Jain**

Managing Director

**Jivabhai A. Patel**

Director



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE - 1 CORPORATE INFORMATION

Paras Petrofils Ltd. is a company registered under Companies Act, 1956, listed on National Stock Exchange and Bombay Stock Exchange. Paras Petrofils Ltd. is a leading manufacturer of Nylon and Polyester Yarn.

### NOTE - 2 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 the 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 impaired when the carrying cost of the asset exceeds its recoverable amount. 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 INCOME FROM OPERATIONS**

Revenue from Operations includes Sales and Excise Duty and Value Added Tax on Sales, Commission Income including Service Tax 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 nor disclosed.

**12 MAT Credit Entitlement**

The MAT Credit entitlement has been recognised as an assets in the year when there is certainty to utilise the MAT Credit within the specified period



PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
<b>NOTE - 3 SHARE CAPITAL</b>		
<b>AUTHORISED CAPITAL</b>		
33,63,78,000 (33,63,78,000) Equity Shares of Rs.1 each	336,378,000	336,378,000
33,62,200 (33,62,200) 11% Non cumulative Preference Shares of Rs.10 each	33,622,000	33,622,000
	<u>370,000,000</u>	<u>370,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAIDUP CAPITAL</b>		
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	334,221,000
33,62,200 (33,62,200) 11% Non cumulative Preference Shares of Rs.10 each	33,622,000	33,622,000
Total=	<u>367,843,000</u>	<u>367,843,000</u>
<b>NOTE - 4 RESERVE &amp; SURPLUS</b>		
Profit & Loss Account		
As Per Last Balance Sheet	89,895,017	53,575,922
Add: Profit/(Loss) for the year	(60,027,412)	36,319,095
Total=	<u>29,867,605</u>	<u>89,895,017</u>
<b>NOTE - 5 LONG TERM BORROWINGS</b>		
Unsecured		
Loans & Advances from Related Parties	14,650,000	33,950,661
Dealer Deposits	600,001	526,926
Total=	<u>15,250,001</u>	<u>34,477,587</u>
<b>NOTE - 6 DEFFERED TAX LIABILITY</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	68,517,189	79,421,050
<b>Deferred Tax Assets</b>		
Provision to Retirement benefit	1,336,101	1,010,379
Disallowance U/s 43 B	-	175,389
Unabsorbed Depreciation allowance	40,763,786	18,005,748
Total=	<u>26,417,302</u>	<u>60,229,534</u>
<b>NOTE - 7 LONG TERM PROVISIONS</b>		
Provisions for Employees Benefits	4,323,951	3,041,708
Total=	<u>4,323,951</u>	<u>3,041,708</u>
<b>NOTE - 8 TRADE PAYABLE</b>		
For Goods	172,256,988	29,257,926
For Expenses	26,331,359	22,971,594
<b>Refer Note No 30</b>		
Total=	<u>198,588,347</u>	<u>52,229,520</u>

## PARAS PETROFILS LTD.

PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
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### NOTE - 9 OTHER CURRENT LIABILITIES

Statutory Liabilities	6,651,957	3,983,396
Total=	6,651,957	3,983,396

### NOTE - 10 SHORT TERM PROVISIONS

Provisions for Employees Benefits	1,845,191	1,336,340
Total=	1,845,191	1,336,340

### NOTE - 11 FIXED ASSETS

ASSETS	RATE %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.11	ADDITION	DEDUCTION	AS ON 31.03.12	AS ON 01.04.11	DEDUCTION	FOR THE YEAR	AS ON 31.03.12	AS ON 31.03.12	AS ON 31.03.11
<b>A - TANGIBLE ASSETS</b>											
LAND	0.00	1,392,510	-	-	1,392,510	-	-	-	-	1,392,510	1,392,510
FACTORY BUILDING	3.34	58,500,356	1,524,142	-	60,024,498	22,609,923	-	1,987,861	24,597,784	35,426,714	35,890,433
VEHICLE	9.50	4,570,524	-	-	4,570,524	1,096,250	-	435,389	1,531,639	3,038,885	3,474,274
FURNITURE & FIXTURE	6.33	3,355,369	-	-	3,355,369	2,495,165	-	212,977	2,708,142	647,227	860,204
PLANT & MACHINERY	5.28	786,244,055	21,718,598	-	807,962,653	411,759,863	-	42,055,346	453,815,209	354,147,444	374,484,192
OFFICE EQUIPMENT	4.75	1,134,298	219,155	-	1,353,453	483,605	-	61,852	545,457	807,996	650,693
COMPUTER	16.21	2,227,846	145,150	-	2,372,996	1,708,201	-	195,225	1,903,426	469,570	519,645
T O T A L :-		857,424,958	23,607,045	-	881,032,003	440,153,007	-	44,948,650	485,101,657	395,930,346	417,271,951
PREVIOUS YEARS		886,020,048	12,364,031	40,959,121	857,424,958	423,838,742	29,075,834	45,390,099	440,153,007	417,271,951	462,181,306

PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
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### NOTE - 12 NON CURRENT INVESTMENTS

#### INVESTMENT IN EQUITY INSTRUMENTS

##### Quoted (At Cost) Non-Trade

71504 (71504) shares of Jaipn Industries Ltd Aggregate Market Value 9,08,101 (12,51,320)	2,944,230	2,944,230
3000 (3000) shares of Housing Dev & Infra. Ltd Aggregate Market Value 2,56,350 (5,26,950)	755,838	755,838
4000 (4000) shares of South Indian Bank Ltd Aggregate Market Value 98,400 (91,400)	92,544	92,544
20000 (20000) shares of Zee News Ltd Aggregate Market Value 2,04,400 (2,42,000)	300,478	300,478
Agregate of Market Quoted Investment	4,093,090	4,093,090

##### Others Investment

Fixed Deposit with Bank	3,433,043	-
Total=	7,526,133	4,093,090

### NOTE - 13 LONG TERM LOANS & ADVANCES

Security Deposits	8,160,330	12,669,113
Total=	8,160,330	12,669,113



PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
<b>NOTE - 14 OTHER NON CURRENT ASSETS</b>		
<b>Long Term trade Receivables</b>		
Unsecured Considered Good	692,310	1,036,136
<b>Others</b>		
MAT Credit Entitlement	17,462,627	17,462,627
Total=	<u>18,154,937</u>	<u>18,498,763</u>
<b>NOTE - 15 CURRENT INVESTMENTS</b>		
Fixed Deposit with Bank	2,929,248	13,658,349
Total=	<u>2,929,248</u>	<u>13,658,349</u>
<b>NOTE - 16 INVENTORIES</b> (As taken, valued & certified by the Management)		
Raw Materials	45,172,304	37,733,849
Work in Process	10,645,947	2,282,308
Finished Goods	44,332,845	23,681,085
Store, Packing & Process Materials	14,369,950	10,473,611
D.E.P.B. on hand	28,841	28,841
Total=	<u>114,549,887</u>	<u>74,199,694</u>
<b>NOTE - 17 TRADE RECEIVABLES</b>		
(Debts unsecured, considered good by the management)		
Debts Outstanding over 6 Months	-	-
Other Debts	31,186,365	24,279,161
Related Party Debtors	26,781,228	15,777,026
Total=	<u>57,967,593</u>	<u>40,056,187</u>
<b>NOTE - 18 CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	159,988	340,405
<b>Balance with Bank</b>		
In Current Account	1,047,114	10,151,588
Total=	<u>1,207,102</u>	<u>10,491,993</u>
<b>NOTE - 19 SHORT TERM LOAN &amp; ADVANCES</b>		
Unsecured, Considered Good		
Balance with Central Excise & Other Govt Dept	28,588,611	17,683,881
Inter Corporate Deposits	15,267,377	-
Advance for Capital Goods	-	4,091,289
Others Advances	505,790	321,792
Total=	<u>44,361,778</u>	<u>22,096,962</u>
<b>NOTE- 20 INCOME FROM OPERATIONS</b>		
Sale of Products	1,209,602,912	1,260,230,335
Sale of Services - Commission activity	-	55,037,652
Total=	<u>1,209,602,912</u>	<u>1,315,267,987</u>
Less: Excise Duty/Sales Tax Recovered	171,955,181	177,530,539
Total=	<u>1,037,647,731</u>	<u>1,137,737,448</u>

## PARAS PETROFILS LTD.

PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
<b>NOTE- 21 OTHER INCOME</b>		
<b>INTEREST INCOME</b>		
Interest on Income Tax Refund	23,006	476,375
Interest (Gross) on Fixed Deposit	1,565,562	64,833
Interest (Gross) - Other	2,989,168	887,964
<b>DIVIDEND INCOME</b>		
From Long Term Investment	2,000	17,000
<b>NET GAIN/(LOSS) ON SALE OF INVESTMENT</b>		
From Current Investments	18,834	565,671
<b>OTHER NON OPERATING INCOME</b>		
DEPB Licence Sale	-	110,853
Net Surplus on Disposal of Assets	-	116,713
Royalty Income	-	1,318,233
Rent Income	250,000	-
Total=	4,848,570	3,557,642
<b>NOTE- 22 COST OF MATERIAL CONSUMED</b>		
Opening Stock	37,733,849	5,438,800
Purchases	906,842,466	925,188,864
Less Closing Stock	45,172,304	37,733,849
	899,404,011	892,893,815
<b>NOTE- 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS</b>		
Opening Stock - WIP	2,282,308	1,528,388
Opening Stock - Finish	23,681,085	20,985,294
Opening Stock - DEPB	28,841	78,198
	25,992,234	22,591,880
Closing Stock - WIP	10,645,947	2,282,308
Closing Stock - Finish	44,332,845	23,681,085
Closing Stock - DEPB	28,841	28,841
	55,007,633	25,992,234
Increase/ (Decrease)	(29,015,399)	(3,400,354)
<b>NOTE- 24 EMPOLYEE BENEFIT EXPENSE</b>		
Salary & Bonus	14,448,669	10,714,436
Contributions to Providend Fund & ESIC	740,344	558,904
Previlage Leave	1,205,235	1,244,500
Gratuity	178,298	125,709
	16,572,546	12,643,549



PARTICULARS	AS ON 31-03-2012	AS ON 31-03-2011
<b>NOTE- 25 FINANCE COST</b>		
Interest Expenses	2,403,574	6,809,006
Total =	2,403,574	6,809,006
<b>NOTE - 26 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Carriage Inward	155,756	116,221
Job Charges	1,425,180	-
Packing Expenses	32,901,215	23,894,885
Power & Fuel Expenses	106,343,785	70,496,558
Process Expenses	17,042,357	15,037,196
Repair & Maintenance Building	526,008	252,402
Repair & Maintenance Expenses	2,651,280	888,633
Stores & Spares	16,667,601	19,923,799
Testing Charges	19,783	7,065
Total= A	177,732,965	130,616,759
<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Advertisement Expenses	51,134	57,199
Auditors Remuneration	112,360	110,300
Bank Charges	242,842	87,410
Carriage Outward	1,666,710	3,936,150
Charity & Donation	-	1,000
Conveyance Expenses	80,115	89,600
Dealer's Commission	12,651,610	4,278,146
Factory General Expenses	162,639	188,941
Foreign Exchange Fluctuation	2,279,626	179,892
Insurance Expenses	555,316	495,740
Legal & Professional Charges	771,700	200,190
Listing Fees & Share Transfer	477,572	567,895
Office Expenses	997,480	770,882
Printing & Stationery	395,580	331,500
Rates & Taxes	179,138	221,809
Rent	840,000	840,000
Security Charges	1,117,064	902,742
Security Transaction Tax	-	5,801
Telephone & Postage Charges	357,833	462,082
Travelling Expenses	431,955	663,899
Vehicle Expenses	902,018	713,198
Total= B	24,272,692	15,104,376
Total= A+B	202,005,657	145,721,135

## PARAS PETROFILS LTD.

### NOTE - 27

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.

### NOTE - 28

Balances of Sundry Debtors, Sundry Creditor and Loans and Advances are subject to confirmation and reconciliation if any.

### NOTE - 29

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

### NOTE - 30

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 and disclosed

### NOTE - 31 CONTINGENT LIABILITIES (not provided for) in respect of

(Rs. in Lacs)

	As on 31.03.2012	As on 31.03.2011
(a) Export obligation against Advance License	-	66.78
(b) Export obligation against EPCG	413.32	413.32
(c) Sales Tax Liabilities	110.42	104.69
(d) NCCD Duty claim dispute with Excise Department	1.98	1.98
(e) Listing Fee to Regional Stock Exchange	6.53	6.53
<b>NOTE - 32 The break up of Auditor's remuneration is as under:-</b>		
For Audit Fees (including service tax)	73034	71695
For Taxation	39326	38605
	112360	110300

### NOTE - 33 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 Pravindraji 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	Akansha Ship Breaking Pvt Ltd
2	Akhil Ship Breakers Pvt.Ltd.
3	Sanidhy Security Pvt 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	Champaben J Patel	6	Santosh K Jain
2	Manish M Jain	7	Siddharth C Patel HUF
3	Nikul J Patel	8	Viraj S Patel
4	Nilesh D Patel	9	Vishwesh S Patel
5	Ritesh J patel		

**NOTE - 34**

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

Nature of Transaction	(Rs. in Lacs)			
	Key	Other	Relatives of key Parties	Total Personnel
<b>1 Unsecured Loan</b>				
Taken during the year	-	-	125.00	125.00
	-	-	(75.00)	(75.00)
Balance as at 31.03.2012	0.75	37.75	108.00	146.50
	(77.49)	(37.93)	(224.09)	(339.51)
<b>2 Expenditure</b>				
Interest Paid	4.19	10.38	9.32	23.89
	(12.97)	(11.10)	(40.47)	(64.54)
Purchase of goods and Payment for expenses	-	4,977.11	5.59	4,982.71
	-	(31.96)	(5.59)	(37.55)
Payment to employees	1.83	-	-	1.83
	(1.82)	-	-	(1.82)
<b>3 Income</b>				
Sales and Other Income	-	1,720.88	-	1,720.88
	-	(3,469.23)	-	(3,469.23)

**NOTE - 35 SEGMENT REPORTING**

**Business Segment**

The company has Three business segment viz Polyester/Nylon filament yarn, Fabric and Commission Activity.

Performance of Business segment is as follows

	(Rs. in lacs)	
	Year ended <b>31.03.2012</b>	Year ended 31.03.2011
<b>1 Segment revenue (Net Turnover/Income)</b>		
a. Polyester/Nylon Filament Yarn Division	10,326.30	10,874.93
b. Fabric Division	50.18	3.46
c. Commission Activity	-	498.98
<b>Total</b>	<b>10,376.48</b>	<b>11,377.37</b>
<b>Net sales/Income from operations</b>	<b>10,376.48</b>	<b>11,377.37</b>



## PARAS PETROFILS LTD.

	<b>Year ended 31.03.2012</b>	<b>(Rs. in lacs) Year ended 31.03.2011</b>
2 Segment results Profit (+)/Loss (-)		
a. Polyester filament yarn Division	(743.83)	71.37
b. Fabric Division	18.59	0.20
c. Commission Activity	-	498.98
	(725.24)	570.55
Total	(725.24)	570.55
Less : Un-allocable exp.net off un-allocable income	212.99	158.17
	(938.23)	412.38
Total profit before tax	(938.23)	412.38
3 Capital employed (Segment assets- Segment liabilities)		
a. Polyester filament yarn Division	3,977.11	5,017.66
b. Fabric Division	-	-
c. Commission Activity	-	38.08
d. Unallocable Net Assets	-	468.71
	3,977.11	5,524.45
Total	3,977.11	5,524.45

### Geographic Segment:

The company has only one Geographic Segment hence Geographic Segment has not provided

### NOTE - 36 Additional Information

PARTICULARS OF CAPACITY	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
(A) (i) Licensed Capacity	Not Applicable	
(ii) Installed Capacity		
POY	22675 MT	22675 MT
FDY	3325 MT	3325 MT
Texturising	—	3080 MT
Knitting	400 MT	400 MT
(iii) Production		
POY Polyester	4635 MT	12475 MT
POY Nylon	2378 MT	—
FDY Polyester	204 MT	1731 MT
FDY Nylon	540 MT	01 MT
Texturising	—	00 MT
Knitting	00 MT	00 MT



	Year ended 31. 03. 2012		Year ended 31. 03. 2011	
	QTY.	Value (₹ in lacs)	QTY.	Value (₹ in lacs)
(B) TURNOVER Yarn (in MT)	7,704	10,326.30	14,468	10,874.93
Finish Fabric (In '000 Mtrs)	125	50.18	4	3.46
(D) OPENING STOCK				
Finished Yarn (in MT)	178	205.22	221	175.00
Finish Fabric (In '000 Mtrs)	125	31.59	129	34.85
Raw Material (in MT)	266	375.22	79	52.27
Raw Material Fabric (in MT)	19	2.12	19	2.12
Work in Progress (in MT)	22	22.82	21	15.28
(E) CLOSING STOCK				
Finished Yarn (in MT)	232	443.33	178	205.22
Finish Fabric (In '000 Mtrs)	-	-	125	31.59
Raw Material (in MT)	263	449.61	266	375.22
Raw Material Fabric (in '000 Mtrs)	19	2.12	19	2.12
Work in Progress (in MT)	69	106.46	22	22.82
Consumption of Raw Material Chips (in Mt)	7,605	8,994.04	14,174	8,928.94
(F) C.I.F.Value of Imports				
Capital Goods		66.29		-
Raw Materials		341.52		124.98
Stores & Spare Parts		148.04		181.07
(G) Advance payment in foreign currency :				
Capital Goods		-		40.91
Stores & Spare Parts		5.24		2.41
(H) Expenditure in Foreign currency				
Travelling		0.76		4.51
(I) Earnings in foreign exchange				
Export of Goods		-		3.46
(J) Dividend to N.R.I.s		-		-
(K) Break-up of consumption of Raw material, Stores & Spare parts				
	Year ended 31. 03. 2012		Year ended 31. 03. 2011	
	₹ in lacs	%	₹ in lacs	%
Raw material				
Indigenous	8,652.52	96.20	8,928.94	100.00
Imported	341.52	3.80	-	-
	8,994.04	100.00	8,928.94	100.00
Store & Spares				
Indigenous	512.13	77.58	464.85	71.97
Imported	148.04	22.42	181.07	28.03
	660.17	100.00	645.92	100.00

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 : 31st August, 2012

**Rajendra Parakh**

Company Secretary

For and on behalf of the Board

**Ashok R. Jain**

Managing Director

**Jivabhai A. Patel**

Director

**PARAS PETROFILS LTD.**

**PARAS PETROFILS LTD.**

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

**ATTENDANCE SLIP**

21st Annual General Meeting  
29th September, 2012

Folio No. \_\_\_\_\_

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

I hereby record my presence at the **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company on 29th September, 2012

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.

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**Tear Here**  
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**PARAS PETROFILS LTD.**

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

**PROXY FORM**

21st Annual General Meeting  
on dated 29th September, 2012.

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 **TWENTY FIRST ANNUAL GENERAL MEETING** of the Company to be held on 29th September, 2012 at the Registered Office of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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.