

**23rd  
Annual Report  
2013-2014**



**PARAS  
PETROFILS LTD.**

**23rd  
Annual  
Report  
2013-2014**

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**BOARD OF DIRECTORS**

SHRI HARSHAD J. PATEL (Chairman)  
SHRI ASHOKKUMAR R. JAIN (Managing Director)  
SHRI ANIL BANSAL  
SHRI HARIKISHAN PANPALIYA

**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

**CIN**

L171100GJ1991PLC015254

**WEBSITE**

[www.paraspetrofilms.com](http://www.paraspetrofilms.com)

**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**

30<sup>th</sup> September, 2014

**TIME**

3:00 P.M.

**VENUE**

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



## PARAS PETROFILS LIMITED

CIN: L17110GJ1991PLC015254

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

Email Id: paras@paraspetrofilms.com

### NOTICE

Notice is hereby given that the **Twenty Third** Annual General Meeting of the shareholders of **Paras Petrofils Limited** will be held on Tuesday, 30<sup>th</sup> September, 2014 at 3.00 p.m at the registered office of the company at Block No 529, N H No 8, Village-Palsana, Surat-394315, Gujarat to transact the following business.

#### ORDINARY BUSINESS:

- 1) To receive and adopt the Audited Balance sheet as at 31<sup>st</sup> March 2014 and Statement of Profit & Loss for the year ended on that date along with Directors Report and Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Harshad J Patel who retires by rotation and being eligible offers himself for re-appointment
- 3) To appoint a Director in place of Shri Ashok R Jain who retires by rotation and being eligible offers himself for re-appointment
- 4) To appoint Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the Twenty Eighth Annual General Meeting and fix their remuneration

#### Registered Office:

Block No. 529, N.H.No.8,  
Village: Palsana, Dist. Surat.  
Place : Palsana  
Date : 14<sup>th</sup> August, 2014

**By order of the Board of Directors**

**Ashok R. Jain**  
Managing Director

#### 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 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September, 2014 (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.

**DIRECTORS' REPORT**

To,  
The Members of  
**Paras Petrofils Limited**

Dear Shareholders,

Your directors have pleasure in presenting the **Twenty Third** Annual report together with the audited statements of accounts for the year ending on 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS:**

The summarized financial results are as under: -

<b>Particulars</b>	<b>(Rs. In Lacs)</b>	
	<b>2013-14</b>	<b>2012-13</b>
Revenue from Operations	952.86	11795.76
Other Income	3.18	56.17
Profit/(Loss) before depreciation	774.19	(1451.23)
Less: Depreciation	7.11	456.24
Net Profit/(Loss) Before Tax	767.08	(1907.47)
Less: Provision for Tax including tax of earlier years	0.00	0.11
Less: MAT Credit Entitlement	174.63	0.00
Less/(Add): Deferred Tax Liability/(Assets)	236.99	(588.88)
Net Profit/(Loss) after Tax	<b>355.46</b>	<b>(1318.70)</b>
Balance of Profit & Loss account brought forward	(1020.02)	298.68
Balance of Profit & Loss account to be carried forward	(664.56)	(1020.02)

**DIVIDEND:**

For the year under review, company has earned net profit. However to set off the previous year losses, your directors regret their inability to recommend any dividend for the year.

**PERFORMANCE DURING THE YEAR & OUTLOOK:**

During the year under review, the turnover of the company has decreased to Rs. 952.86 Lacs as against turnover of Rs. 11795.76 Lacs during the previous year. The Company has earned net profit after tax of Rs. 355.46 Lacs during the year. During the year under consideration the manufacturing operation of the company were suspended due to sluggish market condition and heavy losses incurred by the company during previous years from manufacturing activity. However company has continued its trading activity during the year. Looking to the current market situation of the manufacturing activity in India and specially of the standalone yarn manufacturing units, directors of the company are of the view to permanently discontinue its manufacturing activity and dispose-off all related assets of the company subject to approval of the share holders and use all available recourses to expand its textile trading activity. The directors of the company are quite confident to improve its profitability and performance in coming years from textile trading activity.

**AUDITORS:**

M/s. RKG & Company, Chartered Accountants, the auditors of the company, retires at the conclusion of ensuing Annual general meeting and had confirmed their eligibility for the reappointment and willingness to accept office, if reappointed.

**AUDITOR'S REPORT:**

The observations made in the Auditor's Report are self-explanatory and do not require further explanation.

**DIRECTORS:**

Pursuant to the provisions of Sections 255 and 256 of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Shri Harshad J Patel, Shri Ashok R Jain retire by rotation and being eligible offer themselves for re-appointment. The board recommends reappointment of retiring directors.

Details of the Directors seeking reappointment as required under Clause 49 (VI) of the Listing Agreements are provided in Notice forming part of this Annual Report. None of the Directors are disqualified under Section 274(1) (g) of the Companies Act, 1956.

**PERSONNEL:**

The Company does not have any employee drawing salary as stipulated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**CASH FLOW ANALYSIS**

The Cash Flow statement for the year ended on 31<sup>st</sup> March, 2014, 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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217(2AA) of the Companies Act, 1956, it is hereby stated that-

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) We have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- (iii) We have taken proper and sufficient care for the maintenance of the 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) We have prepared annual accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:**

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.

**PUBLIC DEPOSITS:**

The Company has not accepted any deposit during the period under review.

**MATERIAL CHANGES:**

During the period under review, Company has discontinued its yarn manufacturing operations.

**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.

**Registered office:**

Block No 529, N. H. No. 8,  
Village-Palsana,  
Surat-394315

**For and on behalf of Board of Directors,**

**Place : Palsana**

**Date : 14<sup>th</sup> August, 2014**

**(Ashok R Jain)  
Managing Director**

**(Harshad J Patel)  
Director**

**ANNEXURE TO DIRECTORS REPORT**

Form for disclosure of particulars with respect to Conservation of Energy

A) ENERGY CONSUMPTION	2013-14	2012-13
1. (a) Electricity:		
Electric Units Purchased	-	52,19,352
Total Amount (Rs.)	-	3,92,88,865
Average rate/unit (Rs.)	-	7.53
(b) Natural Gas Consumed		
Purchase Unit (Scm)	-	30,85,537
Amount Paid	-	9,20,69,009
Average rate/unit (Rs.)	-	29.84

Since company has kept suspended its manufacturing activity, there was no electricity consumption for manufacturing activity during the period under review.

**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.  
No Expenditure during current year
2. Benefits derived as a result of the above efforts, e.g, product improvement; cost reduction, product development, import substitution etc.  
Not Applicable
3. Particulars of Imported Technology  
Not applicable

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE & DEVELOPMENTS:

India is the one of the world's largest producers of textiles and garments. Cotton and polyester are the major raw materials for India's textile industry. Cotton and polyester together account for around 90% of India's textile mill consumption of all fibres. India's per capita fibre consumption is almost half the global level. Polyester is likely to play a dominant role in capturing the major incremental demand share to bridge this gap. The long term growth and development of this industry is fairly secured because of low base per capita consumption of textile fabric in India as compared to developed countries. In a growing economy with high population, it gets additional support.

However volatility in crude oil prices has impact the growth of the industry. The profit margins of the industry eroded in last two years mainly due to addition of large capacity of Polyester POY and import of Nylon Filament Yarn (NFY). Substantial import duty concessions, under FTAs signed by the Government of India with ASEAN member countries has become the bane of the industry and emerged as a major threat for the Synthetic Fibre Manufacturing Industry. Due to unstable international and domestic economic scenario, company has suspended its yarn manufacturing activity and proposes to expand its Textile trading activity with the approval of the Shares Holders.

### SWOT ANALYSIS:

During the year under review, company has suspended its yarn manufacturing activity due to heavy losses incurred during the previous years. Company have regularly reviewed the market condition of the yarn manufacturing industry in India and directors of the company are of the view to permanently discontinue its manufacturing activity and concentrate on its textile trading activity, with the approval of the share holders.

### OPPORTUNITIES & CHALLENGES

#### Opportunities

- (i) Rapid urbanization, rising working population, an increase in disposable incomes and increasing affordability vehicles are driving demand in downstream industry
- (ii) Per capita consumption of Polyester in India is exceedingly low by world standards so there is a great scope for local demand.
- (iii) Rural market will play important role in the economy which offers a major opportunity growth in the Polyester industry.
- (iv) Fast changes in fashion design, growing exports of textiles

#### Challenges

- (i) Unfavorable Exchange rate fluctuation
- (ii) International competition especially from China
- (iii) Inconsistent raw material supply
- (iv) Volatile and high raw materials prices due to middle-east crisis

### ADEQUACY OF INTERNAL CONTROL:

Your Company's internal control system is commensurate with its scale of operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place and have been designed to provide a reasonable assurance. Internal audits and checks from time to time ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time. Apart from having all policies, procedures and internal audit mechanism in place, your Company also periodically engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and good practices suggested are reviewed by the Management and the Audit Committee and appropriately implemented for strengthening the controls of various business processes.

**RISKS & CONCERNS**

Risk Management is an important aspect in today's business environment. The aim of Risk Management is to identify, monitor and take mitigation measures in respect of the events that may pose risks for the businesses. The Company's Risk Management is embedded in the business processes.

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 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.

**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.

**CAUTIONARY STATEMENT:**

Statement in this "Management 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 and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts businesses and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**Registered office:**

Block No 529, N. H. No. 8,  
Village-Palsana,  
Surat-394315

**Place : Palsana**

**Date : 14<sup>th</sup> August, 2014**

**For and on behalf of Board of Directors,**

**(Ashok R Jain)  
Managing Director**

**(Harshad J Patel)  
Director**



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to a combination of regulations, procedures and voluntary practices that enable Companies to maximize shareholder's value by attracting financial and human capital and efficient performance. The Company believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency.

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:

Your Company is continuously working towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz. integrity, equity, transparency, fairness, disclosures, accountability and commitment to values.

The Company is in full compliance with the requirements of Clause 49 of the Listing Agreement.

### 2. BOARD OF DIRECTORS:

#### (I) Composition of the Board:

Your Company's Board comprises of 4 Directors, having considerable professional experience in their respective fields. The management team comprises of one Managing Director and three are non-executive directors. The Chairman of the company is a Non-Executive director. 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.

The information on composition of the Board as on date, category of Directors, Directorships in other Public Limited Companies and Committees of other Public Limited Companies of which the Director is a member/ chairman is as under:

Name of the Director	Category of Director	No. of Directorship held on other Public Limited Companies	No. of other Board Committee (s) of which he is a member	No. of other Board Committee (s) of which he is a chairman
Shri Ashok R Jain	Managing Director	-	-	-
Shri Harshad J Patel	Chairman	-	-	-
Shri Harikishan Panpaliya	Non Executive	-	-	-
Shri Anil Bansal	Non Executive/ Independent	-	-	-
Shri Jivabhai A Patel (Resigned w.e.f. 30.05.2014)	Non Executive/ Independent	-	-	-
Shri Siddharth C Patel (Resigned w.e.f. 30.05.2014)	Non Executive/ Independent	-	-	-
Shri Kailashchand Jain (Resigned w.e.f. 30.05.2014)	Non Executive	-	-	-
Shri Anandkumar Jain (Resigned w.e.f. 30.05.2014)	Non Executive	-	-	-
Shri Pravinchand Jariwala (Resigned w.e.f. 30.05.2014)	Non Executive/ Independent	-	-	-
Shri Murli Manohar Modani (Resigned w.e.f. 30.05.2014)	Non Executive	-	-	-

**(II) Number of Board Meeting:**

During the Financial year 2013-2014 the Board of Directors met 4 times on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014

The information on attendance at Board Meetings held during the year and at the last Annual General Meeting is as under:

Name of the Director	Board Meetings			Attendance at last Annual General Meeting
	Held during the year	Held during the tenure	Attended	
Shri Ashok R Jain	4	4	4	Yes
Shri Harshad J Patel	4	4	2	No
Shri Harikishan Panpaliya	4	4	4	Yes
Shri Anil Bansal	4	4	4	Yes
Shri Jivabhai A Patel (Resigned w.e.f. 30.05.2014)	4	4	4	Yes
Shri Siddharth C Patel (Resigned w.e.f. 30.05.2014)	4	4	2	No
Shri Kailashchand Jain (Resigned w.e.f. 30.05.2014)	4	4	4	Yes
Shri Anandkumar Jain (Resigned w.e.f. 30.05.2014)	4	4	4	Yes
Shri Pravinchand Jariwala (Resigned w.e.f. 30.05.2014)	4	4	4	Yes
Shri Murli Manohar Modani (Resigned w.e.f. 30.05.2014)	4	4	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 Whole-time 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).

**(III) AUDIT COMMITTEE:**

- The Committee's composition and terms of reference are in accordance with the provision of Section 292A of the Companies Act, 1956, Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.
- During the financial year 2013-14, Audit Committee Meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 14.02.2014.

- (c) The Composition of Audit Committee as on date and the information on attendance at Audit Committee Meetings held during the year are as hereunder:

Name of the Director	Position Held	No. of Meeting held	Held during the tenure	No. of Meetings Attended
Shri Murli Manohar Modani (Resigned w.e.f. 30.05.2014)	Chairman (Upto 30.05.2014)	4	4	4
Shri Jivabhai A Patel (Resigned w.e.f. 30.05.2014)	Member (Upto 30.05.2014)	4	4	4
Shri Pravinchand Jariwala (Resigned w.e.f. 30.05.2014)	Member (Upto 30.05.2014)	4	4	4
Shri Harshad J Patel	Chairman (w.e.f. 30.05.2014)	0	0	0
Shri Harikishan Panpaliya	Member (w.e.f. 30.05.2014)	0	0	0
Shri Anil Bansal	Member (w.e.f. 30.05.2014)	0	0	0

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.

The Company Secretary of the Company acts as secretary to the committee.

#### 4. REMUNERATION COMMITTEE/ NOMINATION AND REMUNERATION COMMITTEE:

- a. No meeting of Remuneration Committee was held during the year 2013-14. In order to comply with the provisions of Section 178 of the Companies Act, 2013 effective from 01<sup>st</sup> April, 2014 and amended clause 49 of the Listing Agreement, the Board of Directors of the company renamed the Remuneration Committee as "Nomination and Remuneration Committee" and also expanded the terms of reference of the committee as provided in the Companies Act, 2013 and Clause 49 the Listing Agreement.
- b. The Composition of the Nomination and Remuneration Committee as on the date of this report is as follows:

Name of Director	Position Held
Shri Harshad J Patel	Chairman
Shri Harikishan Panpaliya	Member
Shri Anil Bansal	Member

Majority of members of Nomination and Remuneration Committee are independent director. The Company Secretary acts as the Secretary of the Committee.

Details of remuneration paid or payable to Directors for the financial year ended 31st March, 2014 are not applicable as no remuneration is paid to any of the Directors. Sitting fee is not paid to any of the Directors.

#### 5. SHAREHOLDERS' GRIEVANCES COMMITTEE/STAKEHOLDERS RELATIONSHIP COMMITTEE:

- a. During the financial year 2013-14, Shareholders' Grievances Committee Meetings were held 3 times on 28/06/2013, 27/08/2013 and 14/03/2014.
- b. In order to comply with the provision of Section 178 of the Companies Act, 2013 effective from 01<sup>st</sup> April, 2014 and amended Clause 49 of the Listing Agreement, the Board of Directors of the company renamed the Shareholders' Grievances Committee as "Stakeholders Relationship Committee".
- c. The Composition of Stakeholders Relationship Committee as on date and the information on attendance at Shareholders' Grievances Committee Meeting held during the year is as under:

Name of the Directors	Position Held	No. of Meetings Held	Held During the tenure	No. of Meeting attended
Shri Jivabhai Patel	Chairman (Upto 30.05.2014)	3	3	3
Shri Pravinchandra Jariwala	Member (Upto 30.05.2014)	3	3	3
Shri Anil Bansal	Chairman (w.e.f. 30.05.2014)	0	0	0
Shri Ashok Kumar Jain	Member (w.e.f. 30.05.2014)	0	0	0

- d. Name of Non Executive Director heading the Committee : Shri Jivabhai Patel and Shri Anil Bansal
- e. Name & Designation of Compliance Officer: Shri Rajendra Parekh, Company Secretary
- f. Number of Shareholder's queries received during the year: 2
- g. Number of Pending Complaints: NIL

**6. CEO/CFO 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.

**7. GENERAL BODY MEETING:**

The last three Annual General Meetings were held as under:

YEAR	PLACE		DATE	TIME
2012-2013	Block No.529, N.H.No.8,Village Palsana Surat	AGM	30-09-2013	3.00 P.M.
2011-2012	Block No.529, N.H.No.8,Village Palsana Surat	AGM	29-09-2012	3.00 P.M.
2010-2011	Block No.529, N.H.No.8,Village Palsana Surat	AGM	30-09-2011	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. Directors of the company propose to pass a special resolution through Postal Ballot to permanently discontinue its yarn manufacturing activity and dispose-off all related assets of the company.

**8. CODE OF CONDUCT:**

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 Whole time 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).

To

The Board of Directors,

**Paras Petrofils Limited**

Block No 529, N H No. 8,

Village-Palsana, Surat-394315

Dear Sir,

**Sub: Compliance with the Company's Code of Ethics and Business Conduct**

As provided under Clause 49 of the Listing Agreement with the stock exchanges, all Board Members and Senior Management Personnel have affirmed compliance with Code of Ethics and Business Conduct of the company for the Financial Year ended March 31, 2014.

**For Paras Petrofils Limited**

**Place : Palsana**

**Date : 14<sup>th</sup> August, 2014**

**Ashok R Jain**

**Managing Director**

**9. DISCLOSURES:**

(a) Disclosures on materially significant related party transactions:

The company has not entered into any transactions of material nature, with its related parties that may have potential conflict with the interest of the company at large, other than in the normal course of business. The transaction with related parties as per requirements of Accounting Standards AS-18 are disclosed in Note No. 32 forming part of the Accounts.

(b) The company is regular in complying with the requirement of the regulatory authorities on the matters relating to the capital market and no penalties/strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, for non-compliance of any matter 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) The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.

## 10. MEANS OF COMMUNICATION:

In compliance with Clause 41 of the Listing Agreement, the company sends by Fax/E-mail the quarterly/yearly unaudited/audited financial results to the stock Exchanges within 15 minutes from the conclusion of the Board Meetings. Information is also sent to BSE Limited/ Vadodara Stock Exchange Limited/ National Stock Exchange of India Limited/ Calcutta Stock Exchange Limited / Jaipur Stock Exchange Limited/ Delhi Stock Exchange Association Limited by post/hand delivery. The Company's financial results and official news releases are displayed on the Company's website www.paraspetrofiles.com. Management Discussion and Analysis Report forms part of the Annual Report, which is provided to the shareholders of the Company.

## 11. EQUITY SHARES IN UNCLAIMED SUSPENSE ACCOUNT:

No shares of the company were required to be transferred to Unclaimed Suspense Account in terms of clause 5A of the Listing Agreement.

## 12. GENERAL SHAREHOLDER INFORMATION :

(i) **Annual General Meeting Date** : Tuesday, 30<sup>th</sup> September, 2014 at 3.00 p.m. to be held at Registered Office the Company at Block No. 529, N. H. No. 8, Village Palsana, Dist. Surat.

(ii) **Financial Calendar (Tentative)** :

April 2014 to March 2015	
Annual Results of 2013-2014	30 <sup>th</sup> May, 2014
First Quarter Results	14 <sup>th</sup> August, 2014
Annual General Meeting	30 <sup>th</sup> September, 2014
Second Quarter Results	15 <sup>th</sup> November 2014
Third Quarter Results	15 <sup>th</sup> February 2015

(iii) **Book Closure Date** : 23<sup>rd</sup> September, 2014 to 30<sup>th</sup> September 2014 (Both days inclusive)

(iv) **Dividend Payment date** : NA

### (v) 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 2013 – 14 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 Vadodara, Calcutta, Jaipur and New Delhi.

(vi) **Market Price Data: The Market Price of the Equity Share of the company during 2013-2014 is given in the table below:**

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
Apr-13	0.30	0.24	0.35	0.20
May-13	0.27	0.23	0.35	0.20
Jun-13	0.27	0.22	0.30	0.20
Jul-13	0.24	0.19	0.25	0.20
Aug-13	0.21	0.16	0.25	0.15
Sep-13	0.21	0.16	0.25	0.15
Oct-13	0.24	0.17	0.25	0.15
Nov-13	0.27	0.19	0.30	0.20
Dec-13	0.25	0.19	0.30	0.15
Jan-14	0.25	0.20	0.30	0.15
Feb-14	0.32	0.23	0.35	0.20
Mar-14	0.26	0.19	0.25	0.15

**(viii) 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 Share Registry is

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

**(ix) 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.

**(x) Summary of shareholding**

**a) Distribution of Shareholding as on 31st March, 2014:**

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of total Shares
1 – 5000	24259	87.2124	4,18,09,558	12.5096
5001 – 10000	1886	6.7803	1,59,34,427	4.7676
10001 – 20000	832	2.9911	1,26,81,025	3.7942
20001– 30000	259	0.9311	66,83,394	1.9997
30001– 40000	104	0.3739	37,37,032	1.1181
40001 – 50000	100	0.3595	48,13,024	1.4401
50001 – 100000	142	0.5105	1,08,97,233	3.2605
100001 - 99999999	234	0.8412	23,76,65,307	71.1102
<b>Total</b>	<b>27816</b>	<b>100.00</b>	<b>33,42,21,000</b>	<b>100.00</b>

**b) Shareholding Pattern of the company as on 31<sup>st</sup> March, 2014:**

Category	No. of share holder	Total No. of shares	% of share holding
Promoters	81	13,58,98,864	40.6614%
Mutual Fund & UTI	1	20,00,000	0.5984%
Residents (Individual)	27221	11,06,25,215	33.0994%
NRI/OCB	176	83,45,110	2.4969%
Bodies Corporate	306	7,72,52,300	23.1141%
Clearing Corporation/Clearing Member	23	99,511	0.0298%
<b>TOTAL</b>	<b>27816</b>	<b>33,42,21,000</b>	<b>100</b>

**(xi) Dematerialisation of Shares**

16,22,19,800 Equity Share representing 48.54 % 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 31.03.2014

(xii) Outstanding GDRs/Warrants or any convertible instruments, conversion data and likely impact on equity as on 31.03.2014 – Nil.

**(xiii) Plant Location**

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

**(xiv) Address for correspondence**

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

OR

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

**E-mail ID:** paras@paraspetrofils.com **Website:** www.paraspetrofils.com

**For and on behalf of the Board of Directors**

**Place :** Palsana  
**Date :** 14<sup>th</sup> August, 2014

**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)**

<b>Name</b>	<b>Shri Harshad Patel</b>	<b>Shri Ashok Jain</b>
<b>Date of Birth</b>	18.03.1970	15.04.1969
<b>Experience</b>	Vast business experience and associated with the Company since almost 18 years now.	Vast business experience of textiles and detailed knowledge of working of the Company
<b>Date of Appointment</b>	06/07/1996	30/06/2007
<b>List of Directorship In Other Companies</b>	<ol style="list-style-type: none"> <li>Glamour Dyeing And Printing Mills (Surat) Pvt Ltd</li> <li>Kohinoor Dyeing And Printing Mills Private Limited</li> <li>Pleasure Infrastructure &amp; Entertainment Private Limited.</li> <li>Water Side Hotels &amp; Resorts Private Limited</li> <li>Boat Club Hotels &amp; Resorts Private Limited</li> <li>Kohinoor Infra development Private Limited</li> <li>Matrix Technocrats LLP</li> </ol>	<ol style="list-style-type: none"> <li>Pleasure Infrastructure &amp; Entertainment Private Limited</li> </ol>
<b>List of Membership in Other Companies</b>	-	-
<b>No. of Shares held</b>	<b>NIL</b>	<b>22,29,000</b>



**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To  
The Members of  
**Paras Petrofils Limited**

We have reviewed the compliance of conditions of Corporate Governance by **M/s. Paras Petrofils Limited** for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchange.

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.

On the basis of our review and according to the information and explanations given to us and the representations made to us by the management, we state that to the best of our knowledge and belief, the company has complied in all material respects with the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement of the Stock Exchange.

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**

**Mohan Baid**  
**Partner**  
**CP No. 3873**

**Date : 14<sup>th</sup> August, 2014**  
**Place : Surat**

**CEO/CFO CERTIFICATION**

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

Sir,

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

- a) I have reviewed the Financial Statement and cash flow statement for the year ended on 31<sup>st</sup> March 2014 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 : 14<sup>th</sup> August, 2014**

**Ashok R Jain**  
**Managing Director**





## AUDITORS' REPORT

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

### Report On the Financial Statements

We have audited the accompanying financial statement of **PARAS PETROFILS LTD** ("The Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information requires by the Act in the manner so requires and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the balance Sheet, of the state of affairs of the company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- (c) In the case of the Cash flow Statement, of the cash flows for the year ended on that date

### Report on other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a statement on the matters specified in Paragraph - 4 and 5 of the Order.
- (2) As required by Section 227 (3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.

## PARAS PETROFILS LTD.

- (d) In our opinion, Balance Sheet, the Statement Profit & Loss and Cash Flow Statement comply with the accounting standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.

**FOR R K G & CO.**  
**Chartered Accountants,**

**(CA. RAMESH GOYAL)**

Partner

M. No. 037747

FRN -103366W

PLACE : SURAT

DATE : 30-05-2014

### **ANNEXURE TO AUDITOR'S REPORT** **(Referred to in Para - 1 of our report of even date)**

- (1) (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 any substantial part of fixed assets.
- (2) (a) The inventory has been physically verified during the year by the management. In our opinion, The frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (3) (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 one company and four other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1.60 Crores and yearend balance of the loan taken from such parties was Rs. 71.31 lacs.
- (c) In our opinion and according to the information and explanations given to us, the company has not paid any 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 as stipulated.
- (4) 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.
- (5) 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. There are no transactions made exceeding the value of Rs. 5.00 lacs or more in respect of each parties.
- (6) 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.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) We have broadly reviewed the Books of Accounts 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.

- (9) (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 31.03.2014 for a period of more than six months from the date they become payable.
- (c) As on 31.03.2014, 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

- (10) In our opinion, the accumulated losses of the company are not more than 50% of its net worth. The company has not incurred cash loss during the financial year under review and however there is cash loss in the immediate preceding financial year.
- (11) 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.
- (12) 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.
- (13) In our opinion, the company is not a chit fund or a midhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- (14) 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.
- (15) 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.
- (16) 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.
- (17) According to the in formations 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.
- (18) In our opinion and according to the in formations 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.
- (19) According to the in formations and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- (20) According to the in formations 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.
- (21) 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,**

**(CA. RAMESH GOYAL)**

Partner

M. No. 037747

FRN -103366W

PLACE : SURAT

DATE : 30-05-2014

**PARAS PETROFILS LTD.****BALANCE SHEET AS ON 31ST MARCH, 2014**

Particulars	Note No	Figures as at the end of current reporting period ended on 31/03/2014	Figures as at the end of previous reporting period ended on 31/03/2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	367,843,000	367,843,000
(b) Reserves and Surplus	4	(66,456,265)	(102,002,444)
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	7,330,760	16,630,633
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	6	50,765,120	163,504
(d) Long Term Provisions	7	3,399,848	4,827,068
<b>(4) Current Liabilities</b>			
(a) Short Term Provisions	-	-	-
(b) Trade payables	8	14,258,761	201,533,680
(b) Other current liabilities	9	84,312	9,085,303
(c) Short-term provisions	10	30,580	1,479,638
<b>Total</b>		<b>377,256,116</b>	<b>499,560,382</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		347,413,455	352,655,781
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	4,093,092	12,491,786
(c) Deferred tax Assets (Net)	13	8,771,676	32,470,796
(d) Long term loans and advances	14	74,646	6,158,622
(e) Other non-current assets	15	432,804	18,154,937
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables	16	13,331,218	68,070,895
(d) Cash and cash equivalents	17	893,524	1,742,360
(e) Short-term loans and advances	18	2,245,701	7,815,205
(f) Other Current Assets		-	-
<b>Total</b>		<b>377,256,116</b>	<b>499,560,382</b>

**The Notes 1 to 39 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

For and on behalf of the Board

**CA Ramesh Goyal**

Partner

Mem. No. : 37747

Place : Surat

Date : 30-05-2014

Company Secretary

Director

Director



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH, 2014

Particulars	Note No	Figures as at the end of current reporting period ended on 31/03/2014	Figures as at the end of previous reporting period ended on 31/03/2013
I. Revenue from operations	19	95,286,026	1,179,576,285
II. Other Income	20	318,614	5,616,870
<b>III. Total Revenue (I +II)</b>		<u>95,604,640</u>	<u>1,185,193,155</u>
<i>IV. Expenses:</i>			
Cost of materials consumed	21	-	862,930,302
Purchase of Stock-in-Trade	22	79,361,962	158,082,025
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	-	55,007,633
Employee benefit expense	24	540,411	16,178,042
Financial costs	25	-	1,534,035
Depreciation and amortization expense	11	711,296	45,624,573
Other expenses	26	8,929,239	236,583,399
<b>Total Expenses</b>		<u>89,542,908</u>	<u>1,375,940,009</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	6,061,732	(190,746,854)
VI. Exceptional Items	27	5,646,195	-
VII. Profit before extraordinary items and tax	(V-VI)	11,707,927	(190,746,854)
VIII. Extraordinary Items	28	65,000,000	-
IX. Profit before tax	(VII - VIII)	76,707,927	(190,746,854)
X. Tax expense:			
(1) Current tax (MAT)		-	-
(2) Deferred tax Assets/(Liability)		(23,699,120)	58,888,098
(3) Previous Year Tax		-	11,294
(4) MAT Credit Entitlement		17,462,627	-
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	<u>35,546,180</u>	<u>(131,870,050)</u>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations	(XII - XIII)	-	-
XV. Profit/(Loss) for the period	(XI + XIV)	<u>35,546,180</u>	<u>(131,870,050)</u>
XVI. Earning per equity share:			
(1) Basic		0.11	(0.39)
(2) Diluted		0.11	(0.39)

**The Notes 1 to 39 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 : 30-05-2014

For and on behalf of the Board

*Director*

*Company Secretary*

*Director*

**PARAS PETROFILS LTD.****CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE PERIOD APRIL 2013 TO MARCH 2014**

	For the year ended 31.03.2014		For the year ended 31.03.2013	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before Taxation and Extra- Ordinary items		76,707,927		(190,746,854)
ADJUSTMENT FOR :				
1. Depreciation	711,296		45,624,573	
2. Interest Expenses	-		1,534,035	
3. Interest on Investment	(206,351)		(682,624)	
4. Loss / (Profit) on Sale of Assets/Right	(67,350,570)	(66,845,625)	-	46,475,984
<b>Operating profit before Working Capital Change</b>		9,862,302		(144,270,870)
Adjustment For:				
1. Trade and other Receivables	66,652,663		28,444,979	
2. Inventories	-		114,549,887	
3. Trade Payables	(148,550,573)		5,679,747	
4. Income Tax	-		(11,294)	
Cash generated from operations		(81,897,910)		148,663,319
<b>Cash flow before extra ordinary Items</b>		(72,035,608)		4,392,449
1. Extra Ordinary items		-		-
<b>Net cash flow from Operating activities</b>		(72,035,608)		4,392,449
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
1. Sale of Fixed Assets	6,881,600		(2,350,008)	
2. Profit on extinguishment of Right	66,000,000		-	
2. Purchase of Investment	(1,000,000)		(7,410,000)	
3. Sale of Investment	8,605,045		6,056,220	
<b>Net cash used for investing activities</b>		80,486,645		(3,703,788)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
1. Increase/Decrease in long term borrowing	(9,299,873)		-	
2. Interest Paid	-		(153,403)	
<b>Net cash used for Financing activities</b>		(9,299,873)		(153,403)
<b>Net increase in Cash &amp; Cash equivalents</b>		(848,836)		535,258
<b>Cash &amp; Cash equivalents (Opening)</b>		1,742,360		1,207,102
<b>Cash &amp; Cash equivalents (Closing)</b>		893,524		1,742,360

## 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 : 30-05-2014

For and on behalf of the Board

Director

Company Secretary

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 carrying on the business of manufacturing of Nylon and Polyester Yarn, Trading of Fabric and Commission Activity. During the year company have suspended its manufacturing activity due to adverse market condition and huge loss incurred during the year 2012-13 from the manufacturing activity. However the Company is carrying its other activity.

### 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 except on Building and Plant & Machinery due to non utilisation of the same during the year.

#### 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 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 previous year as there was certainty to utilise the MAT Credit within the specified period. However due to huge loss incurred by the company during the previous year and further to suspension of Manufacturing activity during the year, MAT credit entitlement have been reversed back as uncertainty of the utilisation of the same within the specified period.





PARTICULARS	AS ON 31-03-2014	AS ON 31-03-2013
<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>
(1) The company has only one class of equity shares having a per value of Rs. 1/- per share & one class of Preference shares having a per value of Rs.10/- per share. Each equity shareholder is eligible for one vote per share.		
(2) There are no shareholders holding 5% or more shares in the company		
(3) Reconciliation of number of shares outstanding at the beginning and end of the year		
<b>Equity Shares</b>		
Outstanding at the beginning of the year	334,221,000	334,221,000
Issued during the year	0	0
Outstanding at the year end	<u>334,221,000</u>	<u>334,221,000</u>
<b>Preference Shares</b>		
Outstanding at the beginning of the year	33,622,000	33,622,000
Issued during the year	0	0
Outstanding at the year end	<u>33,622,000</u>	<u>33,622,000</u>
<b>NOTE - 4 RESERVE &amp; SURPLUS</b>		
Profit & Loss Account		
As Per Last Balance Sheet	(102,002,445)	29,867,606
Add: Profit/(Loss) for the year	35,546,180	(131,870,050)
Total=	<u>(66,456,265)</u>	<u>(102,002,444)</u>
<b>NOTE - 5 LONG TERM BORROWINGS</b>		
Unsecured		
Loans & Advances from Related Parties	7,130,760	16,030,632
Dealer Deposits	200,000	600,001
Total=	<u>7,330,760</u>	<u>16,630,633</u>
<b>NOTE - 6 OTHER LONG TERM LIABILITS</b>		
For Goods	41,280,183	-
For Expenses	9,484,937	163,504
<b>Refer Note No 32</b>		
Total=	<u>50,765,120</u>	<u>163,504</u>
<b>NOTE - 7 LONG TERM PROVISIONS</b>		
Provisions for Employees Benefits	3,399,848	4,827,068
Total=	<u>3,399,848</u>	<u>4,827,068</u>
<b>NOTE - 8 TRADE PAYABLE</b>		
For Goods	14,047,228	177,835,405
For Expenses	211,533	23,698,275
<b>Refer Note No 32</b>		
Total=	<u>14,258,761</u>	<u>201,533,680</u>

## PARAS PETROFILS LTD.

PARTICULARS	AS ON 31-03-2014	AS ON 31-03-2013
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### NOTE - 9 OTHER CURRENT LIABILITIES

Statutory Liabilities	84,312	9,085,303
Total=	84,312	9,085,303

### NOTE - 10 SHORT TERM PROVISIONS

Provisions for Employees Benefits	30,580	1,479,638
Total=	30,580	1,479,638

### NOTE - 11 FIXED ASSETS

ASSETS	RATE %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		AS ON 01.04.13	ADDITION	DEDUCTION	AS ON 31.03.14	AS ON 01.04.13	DEDUCTION FOR THE YEAR	AS ON 31.03.14	AS ON 31.03.14	AS ON 31.03.13	
<b>A - TANGIBLE ASSETS</b>											
LAND	0.00	1,392,510	-	-	1,392,510	-	-	-	-	1,392,510	1,392,510
FACTORY BUILDING	0.00	60,024,498	-	-	60,024,498	26,602,602	-	-	26,602,602	33,421,896	33,421,896
VEHICLE	9.50	4,570,524	-	2,686,809	1,883,715	1,965,839	964,963	292,846	1,293,722	589,993	2,604,685
FURNITURE & FIXTURE	6.33	3,355,369	-	-	3,355,369	2,920,537	-	212,395	3,132,932	222,437	434,832
PLANT & MACHINERY	0.00	809,934,447	-	4,826,923	805,107,524	496,519,601	2,017,739	-	494,501,862	310,605,662	313,414,846
OFFICE EQUIPMENT	4.75	1,606,917	-	-	1,606,917	614,632	-	76,329	690,961	915,956	992,285
COMPUTER	16.21	2,497,746	-	-	2,497,746	2,103,019	-	129,726	2,232,745	265,001	394,727
TOTAL:-		883,382,011	-	7,513,732	875,868,279	530,726,230	2,982,702	711,296	528,454,824	347,413,455	352,655,781
PREVIOUS YEARS		881,032,003	2,350,008	-	883,382,011	485,101,657	-	45,624,573	530,726,230	352,655,781	395,930,346

PARTICULARS	AS ON 31-03-2013	AS ON 31-03-2012
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### NOTE - 12 NON CURRENT INVESTMENTS

#### INVESTMENT IN EQUITY INSTRUMENTS

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

71504 (71504) shares of Jaipan Industries Ltd	2,944,231	2,944,231
Aggregate Market Value 7,67,238(9,08,101)		
3000 (3000) shares of Housing Dev & Infra. Ltd	755,839	755,839
Aggregate Market Value 1,38,750 (2,56,350)		
4000 (4000) shares of South Indian Bank Ltd	92,544	92,544
Aggregate Market Value 98,200(98,400)		
20000 (20000) shares of Zee News Ltd	300,478	300,478
Aggregate Market Value 2,67,800 (2,04,400)		
Agregate of Market Quoted Investment	4,093,092	4,093,092
<b>Others Investment</b>		
Fixed Deposit with Bank against Bank Guarantee	-	8,398,694
Total=	4,093,092	12,491,786

### NOTE - 13 DEFERRED TAX LIABILITY

#### Deferred Tax Assets

Provision to Retirement benefit	1,050,553	1,491,564
Unabsorbed Depreciation allowance	70,514,166	93,152,345
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	62,793,043	62,173,113
Total=	8,771,676	32,470,796



PARTICULARS	AS ON 31-03-2014	AS ON 31-03-2013
<b>NOTE - 14 LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposits	74,646	6,158,622
Total=	74,646	6,158,622
<b>NOTE - 15 OTHER NON CURRENT ASSETS</b>		
<b>Long Term trade Receivables</b>		
Unsecured Considered Good	432,804	692,310
<b>Others</b>		
MAT Credit Entitlement	-	17,462,627
Total=	432,804	18,154,937
<b>NOTE - 16 TRADE RECEIVABLES</b>		
(Debts unsecured, considered good by the management)		
Debts Outstanding over 6 Months	-	-
Other Debts	13,331,218	57,657,518
Related Party Debtors	-	10,413,377
Total=	13,331,218	68,070,895
<b>NOTE - 17 CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	753,537	141,081
<b>Balance with Bank</b>		
In Current Account	139,987	1,601,279
Total=	893,524	1,742,360
<b>NOTE - 18 SHORT TERM LOAN &amp; ADVANCES</b>		
Unsecured, Considered Good		
Balance with Central Excise & Other Govt Dept	2,229,361	6,681,385
Inter Corporate Deposits	-	515,000
Others Advances	16,340	618,820
Total=	2,245,701	7,815,205
<b>NOTE- 19 INCOME FROM OPERATIONS</b>		
Sale of Products	95,286,026	1,351,183,933
	95,286,026	1,351,183,933
Less: Excise Duty/Sales Tax Recovered	-	171,607,648
Total=	95,286,026	1,179,576,285

## PARAS PETROFILS LTD.

PARTICULARS	AS ON 31-03-2014	AS ON 31-03-2013
<b>NOTE- 20 OTHER INCOME</b>		
<b>INTEREST INCOME</b>		
Interest on Income Tax Refund	106,705	-
Interest (Gross) on Fixed Deposit	206,351	682,624
Interest (Gross) - Other	2,758	3,931,846
<b>DIVIDEND INCOME</b>		
From Long Term Investment	2,800	2,400
<b>OTHER NON OPERATING INCOME</b>		
Rent Income	-	1,000,000
Total=	318,614	5,616,870
<b>NOTE- 21 COST OF MATERIAL CONSUMED</b>		
Opening Stock	-	45,172,304
Purchases	-	817,757,998
Less Closing Stock	-	-
	-	862,930,302
<b>NOTE- 22 PURCHASE OF STOCK-IN-TRADE</b>		
Purchases	79,361,962	158,082,025
	79,361,962	158,082,025
<b>NOTE- 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS</b>		
Opening Stock - WIP	-	10,645,947
Opening Stock - Finish	-	44,361,686
Increase/ (Decrease)	-	55,007,633
<b>NOTE- 24 EMPOLYEE BENEFIT EXPENSE</b>		
Salary & Bonus	540,390	14,693,033
Contributions to Providend Fund & ESIC	21	870,582
Previlage Leave	-	364,705
Gratuity	-	249,722
	540,411	16,178,042
<b>NOTE- 25 FINANCE COST</b>		
Interest Expenses	-	1,534,035
Total =	-	1,534,035



PARTICULARS	AS ON 31-03-2014	AS ON 31-03-2013
<b>NOTE - 26 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Carriage Inward	-	219,338
Excise Duty Expenses	2,754,122	-
Job Charges	-	682,850
Packing Expenses	-	33,337,285
Power & Fuel Expenses	3,115,695	131,357,874
Process Expenses	-	27,054,127
Repair & Maintenance Building	-	444,307
Repair & Maintenance Expenses	-	3,761,291
Stores & Spares	-	20,207,386
Testing Charges	-	5,124
VAT Expenses	5,780	-
Total= A	5,875,597	217,069,582
<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Advertisement Expenses	20,736	60,945
Auditors Remuneration	33,708	127,360
Bank Charges	10,981	174,132
Bad Debts	692,310	-
Carriage Outward	-	687,821
Charity & Donation	-	1,100
Conveyance Expenses	-	560,715
Dealer's Commission	-	10,490,564
Factory General Expenses	49,112	166,724
Foreign Exchange Fluctuation	-	269,689
Insurance Expenses	280,735	527,361
Interest on Late payment T.D.S.	1,031	14,947
Legal & Professional Charges	150,849	714,788
Listing Fees & Share Transfer	478,776	490,766
Office Expenses	232,842	1,041,164
Printing & Stationery	-	423,758
Rates & Taxes	118,700	173,247
Rent	-	770,000
Security Charges	760,620	1,094,975
Service Tax Expenses	22,091	55,730
Telephone & Postage Charges	123,502	346,215
Travelling Expenses	-	360,702
Vehicle Expenses	77,649	961,114
Total= B	3,053,642	19,513,817
Total= A+B	8,929,239	236,583,399
<b>NOTE - 27 EXCEPTIONAL ITEMS</b>		
Profit on sale of Assets	2,350,570	-
Discount received from Creditors	3,295,625	-
Total=	5,646,195	-
<b>NOTE - 28 EXTRA ORDINARY ITEMS</b>		
Income from extinguishment of Rights	65,000,000	-
Total=	65,000,000	-

**NOTE - 29**

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 - 30**

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

**NOTE - 31**

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 - 32**

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 - 33**

During the year company have suspended its manufacturing activity due to adverse market conditions in the yarn manufacturing segment. Directors of the company are of the view to permanently discontinue its manufacturing activity, subject to approval of the share holders, and to dispose off all assets including Land, Building and Plant & Machinery related to Yarn manufacturing segment.

**NOTE - 34 CONTINGENT LIABILITIES (not provided for) in respect of**

	As on 31.03.2014	(Rs. in Lacs) As on 31.03.2013
(a) Export obligation against EPCG	413.32	413.32
(b) Sales Tax Liabilities	110.42	110.42
(c) NCCD Duty claim dispute with Excise Department	1.98	1.98
(d) Listing Fee to Regional Stock Exchange	6.53	6.53
<b>NOTE - 35 The break up of Auditor's remuneration is as under:-</b>		
For Audit Fees (including service tax)	28090	73034
For Taxation	5618	39326
	<u>33708</u>	<u>112360</u>

**NOTE - 36 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	Priyanka Developers Pvt Ltd
2	Akansha Ship Breaking 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	Siddharth C Patel HUF	2	Viraj S Patel
3	Vishwesh S Patel		

**NOTE - 37**

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>				
Balance as at 31.03.2014	-	41.31	30.00	71.31
	(0.82)	(41.31)	(118.18)	(160.31)
<b>2 Expenditure</b>				
Interest Paid	-	-	-	-
	(0.08)	(3.95)	(11.31)	(15.34)
Purchase of goods and Payment for expenses	-	-	-	-
	-	(3,977.57)	(5.13)	(3,982.70)
Payment to employees	1.86	-	-	1.86
	(1.94)	-	-	(1.94)
<b>2 Income</b>				
Sales and Other Income	-	-	-	-
	-	(2,657.04)	-	(2,657.04)

**NOTE - 38 SEGMENT REPORTING**

**Business Segment**

The company has Two business segment viz Polyester/Nylon filament Yarn Activity and Fabric Trading Activity.

Performance of Business segment is as follows

	(Rs. in lacs)	
	<u>Year ended 31.03.2014</u>	<u>Year ended 31.03.2013</u>
<b>1 Segment revenue (Net Turnover/Income)</b>		
a. Polyester/Nylon Filament Yarn Activity	-	9,731.89
b. Fabric Trading Atcivity	952.86	2,063.87
Total	<u>952.86</u>	<u>11,795.76</u>
Net sales/Income from operations	<u>952.86</u>	<u>11,795.76</u>

## PARAS PETROFILS LTD.

	<b>Year ended 31.03.2014</b>	<b>(Rs. in lacs) Year ended 31.03.2013</b>
2 Segment results Profit (+)/Loss (-)		
a. Polyester/Nylon Filament Yarn Activity	-	(2,212.05)
b. Fabric Trading Atcivity	159.24	480.93
Total	159.24	(1,731.12)
Less : Un-allocable exp.net off un-allocable income	(607.84)	176.35
Total profit before tax	767.08	(1,907.47)
3 Capital employed (Segment assets- Segment liabilities)		
a. Polyester/Nylon Filament Yarn Activity	2,938.06	1,941.23
b. Fabric Trading Activity	21.90	100.88
c. Un-allocable	127.21	782.60
Total	3,087.17	2,824.71

### Geographic Segment:

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

### NOTE - 39 Additional Information

PARTICULARS OF CAPACITY	Year ended 31.03.2014	Year ended 31.03.2013
(A) (i) Licensed Capacity	Not Applicable	
(ii) Installed Capacity		
POY	22675 MT	22675 MT
FDY	3325 MT	3325 MT
Knitting	400 MT	400 MT
(iii) Production		
POY Polyester	NIL	1345 MT
POY Nylon	NIL	4038 MT
FDY Polyester	NIL	00 MT
FDY Nylon	NIL	409 MT
Knitting	NIL	00 MT



	Year ended 31.03.2014		Year ended 31.03.2013	
	QTY.	Value (₹ in lacs)	QTY.	Value (₹ in lacs)
(B) TURNOVER				
Yarn (in MT)	-	-	5,941	9,731.89
Finish Fabric (In '000 Mtrs)	1,410	952.86	2,882	2,063.87
(D) OPENING STOCK				
Finished Yarn (in MT)	-	-	232	443.33
Raw Material (in MT)	-	-	263	449.61
Raw Material Fabric (in MT)	-	-	19	2.12
Work in Progress (in MT)	-	-	69	106.46
(E) CLOSING STOCK				
Finished Yarn (in MT)	-	-	-	-
Raw Material (in MT)	-	-	-	-
Raw Material Fabric (in '000 Mtrs)	-	-	-	-
Work in Progress (in MT)	-	-	-	-
Consumption of Raw Material Chips (in Mt)	-	-	5,518	10,210.12
(F) C.I.F.Value of Imports				
Stores & Spare Parts		-		139.43
(G) Advance payment in foreign currency :				
Stores & Spare Parts		-		5.94
(H) Expenditure in Foreign currency		-		-
(I) Earnings in foreign exchange		-		-
(J) Dividend to N.R.I.s		-		-
(K) Break-up of consumption of Raw material, Stores & Spare parts				

	Year ended 31. 03. 2014		Year ended 31. 03. 2013	
	₹ in lacs	%	₹ in lacs	%
Raw material				
Indigenous	-	-	10,210.12	100.00
Imported	-	-	-	-
	-	-	10,210.12	100.00
Store & Spares				
Indigenous	-	-	640.50	82.12
Imported	-	-	139.43	17.88
	-	-	779.93	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 : 30-05-2014

For and on behalf of the Board

Director

Company Secretary

Director

**SHAREHOLDER INSTRUCTIONS FOR E-VOTING**

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23-09-2014 and ends on 25-09-2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 05-09-2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the <b>folio/client id</b> number in the PAN field.</li> <li>• In case the <b>folio</b> number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with <b>folio</b> number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote,



provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant PARAS PETROFILS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**PARAS PETROFILS LTD.**

**PARAS PETROFILS LTD.**

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

**ATTENDANCE SLIP**

**23rd Annual General Meeting  
30<sup>th</sup> September 2014**

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 THIRD ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company on 30th September, 2014

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**

**23rd Annual General Meeting  
30<sup>th</sup> September 2014**

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 THIRD ANNUAL GENERAL MEETING** of the Company to be held on 30<sup>th</sup> September, 2014 at the Registered Office of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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.

To

*If Undelivered, Please return to :*

**PARAS PETROFILS LTD.**

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

Village : Palsana

Dist. Surat - 394 315.