

22nd  
Annual Report  
2012-2013



**PARAS  
PETROFILS LTD.**

**22nd  
Annual  
Report  
2012-2013**

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**BOARD OF DIRECTORS**

SHRI JIVABHAI A. PATEL (Chairman)  
SHRI ASHOKKUMAR JAIN (Managing Director)  
SHRI SIDDHARTH C. PATEL  
SHRI KAILASHCHAND JAIN  
SHRI ANANDKUMAR 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**

30<sup>th</sup> September, 2013

**TIME**

3:00 P.M.

**VENUE**

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

**NOTICE**

**NOTICE** is hereby given that the 22<sup>nd</sup> **Annual General Meeting** of the Members of Paras Petrofils Limited will be held at Registered office of the Company at Block No.529, N H 8, Village Palsana District Surat – 394 315 on 30th September,2013 at 3.00 P.M. to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013, 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 Jivabhai Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Anand Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Siddharth Patel who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors till next Annual General Meeting and fix their remuneration.

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

“RESOLVED THAT M/s R.K.G. & CO. Chartered Accountants, 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 23<sup>rd</sup> September, 2013 to 30<sup>th</sup> September, 2013 (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 : 31<sup>st</sup> May, 2013

**By order of the Board of Directors**

**Ashok Kumar Jain**  
Managing Director



Information required under Clause 49 IV (G) of the Listing Agreement, with respect to the re-appointment of Shri Jivabhai Patel, Shri Anand Kumar Jain and Shri Siddharth 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 22<sup>nd</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

**SUMMARISED FINANCIAL RESULTS**

The Summarized Financial Results of the Company for the year ended 31<sup>st</sup> March, 2013 were as follows.

<b>PARTICULARS</b>	<b>2012-2013 (Rs. in lacs)</b>	<b>2011-2012 (Rs. in lacs)</b>
Total Revenue	<b>11851.93</b>	10424.96
Gross Profit before Interest & Depreciation	<b>(1435.88)</b>	(464.86)
Less: Interest	<b>15.34</b>	24.04
Less: Depreciation	<b>456.25</b>	449.49
<b>Net Profit/(Loss) for the Year</b>	<b>(1907.47)</b>	(938.39)
Less: Provision for tax	<b>(588.88)</b>	(338.12)
Less: Previous Year Tax	<b>0.11</b>	0.00
<b>Profit after Tax</b>	<b>(1318.70)</b>	(600.27)
Add Balance Brought Forward from previous year	<b>298.68</b>	898.95
<b>Balance available for appropriation</b>	<b>(1020.02)</b>	298.68
Transfer to Reserves	<b>NIL</b>	NIL
Surplus Carried to Balance Sheet	<b>(1020.02)</b>	298.68

**DIVIDEND**

In view of the continuous loss incurred during the financial year 2012-13 also, the Board regrets and expresses their inability to declare any dividend for the current financial year.

**OPERATIONS**

FY 2012-13 witnessed a severe slowdown in the Indian economy, which affected the polyester as well as the nylon industry. Moreover, high consumer price inflation and weak rural consumption further squeezed demand, which has now faced a slowdown for two consecutive years. The year also saw a significant increase in polyester polymer and filament yarn capacities, leading to weaker industry margins compared to the previous year.

Your Directors hereby report that during the year under review, the gross turnover of the company was Rs. 11851.93 lacs for the year ended 31.03.2013 as compared to Rs. 10424.96 lacs for the corresponding year ended on 31.03.2012.

Accordingly looking at the present scenario, the company has temporarily suspended the manufacturing operations of the company from 9<sup>th</sup> March, 2013 as they felt that it was unviable for the company to do so. However the Board continuously reviews the present market scenario and is looking for an opportunity to start the operations again.

**BOARD OF 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 Jivabhai Patel, Shri Anand Kumar Jain and Shri Siddharth Patel 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.

**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, 2013, 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 2013 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 2012-2013 your Company continued to accept/renew deposits and maintained a high standard of service. As on 31st March, 2013 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. Based on the recommendations of the Audit Committee, the Board of the directors of the company proposes the re-appointment of M/s R. K. G. & Co., Chartered Accountants.

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 2012-13 will be filed on or before the due date. The cost audit report for the Financial Year 2011-12 which was due to be filed with the Ministry of Corporate Affairs on 28<sup>th</sup> February, 2013 was filed on 25<sup>th</sup> February 2013.

#### **CASH FLOW ANALYSIS**

The Cash Flow statement for the year ended on 31<sup>st</sup> March, 2013, 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 : 31<sup>st</sup> May, 2013

**Ashok Kumar Jain**  
Managing Director

**Jivabhai A. Patel**  
Director

**ANNEXURE TO DIRECTORS REPORT**

Form for disclosure of particulars with respect to Conservation of Energy

	2011-12	2012-13
<b>A) ENERGY CONSUMPTION</b>		
1. (a) Electricity:		
Electric Units Purchased	29,45,790	<b>52,19,352</b>
Total Amount (Rs.)	2,06,97,748	<b>3,92,88,865</b>
Average rate/unit (Rs.)	7.03	<b>7.53</b>
(b) Natural Gas Consumed		
Purchase Unit (Scm)	36,21,243	<b>30,85,537</b>
Amount Paid	8,56,46,037	<b>9,20,69,009</b>
Average rate/unit (Rs.)	23.65	<b>29.84</b>

**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 the 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:

The company is engaged in the manufacturing of man-made filament yarn, products namely Partially Oriented Yarn (POY), Fully Draw Yarn (FDY) of Polyester and Nylon and trading of textile products.

This year was characterized by global slowdown, weak retail demand, at home, rising input cost coupled with lower growth in industrial production continuing high rate of inflation and depreciation of rupee.

### SWOT ANALYSIS:

Large fluctuations in crude oil prices and the consequent impact on raw material and polyester prices hurt growth and margins. Large volatility in the international markets especially on the downside will have adverse temporary effects on the man-made fiber industry

Capacity additions by new and existing players may have a temporary effect on your Company's margins. The substantial expansion in production capacity of PFY by the major producers and with the rationalization of import duty structure, the PFY prices are expected to remain under pressure.

The Company perceives threat from imports and consequent pressure on domestic prices, apart from the increase in cost of raw materials and other inputs due to spurt in crude oil prices.

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 performance of the Company will depend on the availability of raw materials and the price of the same. Prices of raw materials are also affected by prices of many other factors like the price of crude, currency value etc. The industry scenario doesn't seem much promising especially with the presence of currency depreciation on a daily basis.

### 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, 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. Further 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. But Nylon Filament Yarn industry is dependent highly on international market and foreign exchange conversion rate.

**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:**

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.

**For and on behalf of the Board**

Place : Palsana  
Date : 31<sup>st</sup> May, 2013

**Ashok Kumar Jain**  
Managing Director

**Jivabhai A. 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:

Your Company's Board comprises of 10 Directors, having considerable professional experience in their respective fields. The management team comprises of one Managing Director and nine 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, 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.

During the Financial year 2012-2013 the Board of Directors met 6 times on 15.05.2012, 13.08.2012, 31.08.2012, 15.11.2012, 11.02.2013 and 09.03.2013.

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.

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.

## PARAS PETROFILS LTD.

Name of the Directors	Category	No. of Board Meeting attended during the year		Whether attended last AGM held on 29.09.2012	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	6	6	Yes	-	-	-
Shri Ashok Kumar Jain	Managing Director	6	6	Yes	-	-	-
Shri Siddharth C Patel	Non Executive/ Independent	6	4	No.	-	-	-
Shri Kailashchand Jain	Non Executive	6	5	Yes	-	-	-
Shri Harshad J Patel	Non Executive/ Independent	6	4	No	-	-	-
Shri Anandkumar Jain	Non Executive	6	3	No	-	-	-
Shri Pravinchand Jariwala	Non Executive/ Independent	6	4	No	-	-	-
Shri Murlı Manohar Modani	Non Executive	6	4	Yes	-	-	-
Shri Anıl Bansal	Non Executive	6	5	No.	-	-	-
Shri Harıkıshan Pampalıya	Non Executive	6	4	No.	-	-	-

### 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:

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process. The audit committee is provided with necessary assistance and information so as to enable it to carry out its functions effectively.

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.

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



Name of the Member	Status	No. of Meetings
Shri Murlī Manohar Modani	Chairman	5
Shri Jivabhai Patel	Member	5
Shri Pravinchandra Jariwala	Member	5

#### 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, 2013 are not applicable as no remuneration is paid to any of the Directors. Sitting fee is not paid to any of the Directors.

#### 5. SHARE TRANSFER-CUM-INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee reviews complaints received and action taken by the Company in this regard; In addition, the Committee oversees investors' grievances and redressal mechanism and recommends measures to improve the level of Investor's Services.

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 7 times in the previous year that is it meets once in a fortnight to ensure proper services to the stakeholders of the Committee in case any share transfer or any grievance is received by the Company. There was no pending complaint as on 01<sup>st</sup> April, 2012, the total number of complaints received and resolved during the year ended 31<sup>st</sup> March, 2013 were 3 respectively. There was no complaint pending as on 31<sup>st</sup> March 2013.

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
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.
2009-2010	Block No.529, N.H.No.8,Village Palsana Surat	AGM	30-09-2010	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 last year and similarly there is no special resolution proposed to be passed through Postal Ballot.

#### 7. DISCLOSURES:

- (a) Your company does not have any material non-listed Indian subsidiary company
- (b) 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.

Your company places all the relevant details before the Audit Committee periodically.

- (c) 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.
- (d) The Company has not adopted any Whistle Blower Policy but no personnel are being denied any access to the Audit Committee.
- (e) All the mandatory requirements of the Clause have been complied with by the Company.
- (f) Your company has a comprehensive risk management policy. Your company has laid down procedures to inform the Board members about the risk assessment and minimisation procedures. These procedures are periodically reviewed to ensure that the executive management controls the risks through properly defined framework. The Audit Committee, which has been designated by the Board for the purpose, reviews the adequacy of the risk management framework of the Company, the key risks associated with the businesses of the Company and the measures and steps in place to minimise the same and thereafter the details are presented to and discussed at the Board Meeting.
- (g) The Company has obtained a certificate from a practicing company secretary regarding compliance of conditions of corporate governance which is attached to this report.
- (h) During the year under review, the Company has not raised any proceeds from public issue, rights issue or preferential issue.
- (i) Management Discussion and Analysis Report/Disclosure of Accounting Treatment
  - i) The Management Discussion and Analysis Report form part of the Annual Report and is in accordance with the requirements laid out in the Listing Agreement.
  - ii) Your Company follows all relevant Accounting Standards while preparing the Financial Statements.

**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** : 30<sup>th</sup> September, 2013 at 3.00 p.m. at Registered Office of the Company Block No. 529, N. H. No. 8, Village Palsana, Dist. Surat.
- (b) **Financial Calendar (Tentative)** : April 2013 to March 2014
  - Annual Results of 2012-2013 : 31<sup>st</sup> May, 2013
  - First Quarter Results : July/August, 2013
  - Annual General Meeting : 30<sup>th</sup> September, 2013
  - Second Quarter Results : October/November 2013
  - Third Quarter Results : January/February 2013
- (c) **Book Closure Date** : 23rd September, 2013 to 30th September 2013 (Both days inclusive)
- (d) **Listing of Equity Share on Stock Exchange:**
  - 1. The Vadodara Stock Exchange Limited - Vadodara
  - 2. The National Stock Exchange of India Limited - Mumbai
  - 3. The Bombay Stock Exchange - Mumbai
  - 4. The Calcutta Stock Exchange Limited - Calcutta
  - 5. The Jaipur Stock Exchange Limited - Jaipur
  - 6. The Delhi Stock Exchange Association Limited - New Delhi

Note: Annual Listing fee for the financial year 2012 – 13 has been paid to Vadodara, Bombay and National Stock Exchanges and the same for the financial year (s) 1999-2000 and onwards have not been paid to the Stock Exchanges of Calcutta, Jaipur and New Delhi.

**(e) Stock Market Data:**

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April- 2012	0.46	0.35	0.45	0.35
May- 2012	0.39	0.31	0.40	0.30
June- 2012	0.41	0.29	0.40	0.30
July- 2012	0.42	0.33	0.45	0.30
August- 2012	0.41	0.30	0.40	0.30
September- 2012	0.38	0.31	0.45	0.30
October- 2012	0.42	0.32	0.45	0.30
November- 2012	0.35	0.29	0.40	0.25
December- 2012	0.49	0.35	0.55	0.30
January- 2013	0.42	0.33	0.45	0.25
February- 2013	0.35	0.28	0.35	0.25
March- 2013	0.32	0.27	0.35	0.25

**(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 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

**(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 31.03.2013:**

Category	No. of shares held	% of share holding
Indian Promoters	13,59,03,864	40.66%
Mutual Fund & UTI	20,00,000	0.60%
Private Corporate Bodies	7,73,59,298	23.15%
Indian Public	11,05,69,160	33.08%
NRI's/OCB	83,20,410	2.49%
Others (Demat/ Transit)	68,268	0.02%
<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, 2013:

No. of Equity Shares	No. of Shareholders	% of total Shareholders	No. of Shares held	% of totalShares
1 – 5000	24906	87.3987	4,27,57,078	12.7931
5001 – 10000	1919	6.7340	1,62,55,126	4.8636
10001 – 20000	830	2.9126	1,26,60,678	3.7881
20001– 30000	260	0.9124	67,06,386	2.0066
30001– 40000	108	0.3790	38,80,254	1.1610
40001 – 50000	105	0.3685	50,46,561	1.5099
50001 – 100000	145	0.5058	1,10,80,713	3.3154
100001 - 99999999	224	0.7860	23,58,34,204	70.5624
<b>Total</b>	<b>28497</b>	<b>100.00</b>	<b>33,42,21,000</b>	<b>100.00</b>

**(i) Dematerialisation of Shares**

16,21,68,800 Equity Share representing 48.52 % 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 31.03.2013

**(j) Plant Location**

Block No. 529, N. H. No. 8, Village – 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 : 31<sup>st</sup> May, 2013

**Ashok Kumar Jain**  
Managing Director



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

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

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

In terms of the requirement of the Clause 49 of the Listing Agreement, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

For and on behalf of the Board of Directors

Place : Palsana  
Date : 31<sup>st</sup> May, 2013

**Ashok Kumar 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 31<sup>st</sup> March 2013 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 : 31<sup>st</sup> May, 2013  
Place : Surat

**Mohan Baid**  
*Partner*  
Membership No. 3598



**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 2013 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 : 31<sup>st</sup> May, 2013

**Ashok Kumar Jain**  
*Managing Director*



## INDEPENDENT AUDITORS REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of PARAS PETROFILS LTD. ("The Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and 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 referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 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. 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 required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the loss 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 (Auditor's Report) Order, 2003 ("the Order") 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 paragraphs 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 our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
  - (e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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*  
Firm Reg. No. : 103366W

**(CA RAMESH GOYAL)**  
*Partner*  
M.No.37747

Place : Surat  
Date : 31/05/2013

**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 one company and four other parties covered under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 1.60 Crores and year end balance of the loan taken from such parties was ₹ 1.60 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 31.03.2013 for a period of more than six months from the date they become payable.



- (c) As on 31.03.2013, 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 accumulated losses of the company are not more than 50% of its net worth. The company has incurred cash loss during the financial year under review and also there is 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*

Place : Surat  
Date : 31/05/2013

M.No.37747

**PARAS PETROFILS LTD.****BALANCE SHEET AS ON 31ST MARCH, 2013**

Particulars	Note No	Figures as at the end of current reporting period ended on 31-03-2013	Figures as at the end of previous reporting period ended on 31-03-2012
<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	(102,002,444.00)	29,867,605.00
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	16,630,633.00	15,250,001.00
(b) Deferred tax liabilities (Net)	12	-	26,417,302.00
(c) Other Long Term Liabilities		-	-
(d) Long term provisions	6	4,827,068.00	4,323,951.00
<b>(4) Current Liabilities</b>			
(a) Short Term Provisiones		-	-
(b) Trade payables	7	201,697,184.00	198,588,347.00
(c) Other current liabilities	8	9,085,303.00	6,651,957.00
(d) Short-term provisions	9	1,479,638.00	1,845,191.00
<b>Total</b>		<u>499,560,382.00</u>	<u>650,787,354.00</u>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	10		
(i) Tangible assets		352,655,781.00	395,930,346.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	12,491,786.00	7,526,133.00
(c) Deferred tax Assets (Net)	12	32,470,796.00	-
(d) Long term loans and advances	13	6,158,622.00	8,160,330.00
(e) Other non-current assets	14	18,154,937.00	18,154,937.00
<b>(2) Current assets</b>			
(a) Current investments	15	-	2,929,248.00
(b) Inventories	16	-	114,549,887.00
(c) Trade receivables	17	68,070,895.00	57,967,593.00
(d) Cash and cash equivalents	18	1,742,360.00	1,207,102.00
(e) Short-term loans and advances	19	7,815,205.00	44,361,778.00
(f) Other Current Assets		-	-
<b>Total</b>		<u>499,560,382.00</u>	<u>650,787,354.00</u>

**The Notes 1 to 36 form an intergal 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 : 31/05/2013

**Rajendra Parakh**

*Company Secretary*

For and on behalf of the Board

**Ashok Kumar Jain**

*Managing Director*

**Jivabhai A. Patel**

*Director*



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

Particulars	Note No	Figures as at the end of current reporting period ended on 31-03-2013	Figures as at the end of previous reporting period ended on 31-03-2012
I. Revenue from operations	20	1,179,576,285.00	1,037,647,731.00
II. Other Income	21	5,616,870.00	4,848,570.00
<b>III. Total Revenue (I +II)</b>		<b>1,185,193,155.00</b>	<b>1,042,496,301.00</b>
IV. Expenses:			
Cost of materials consumed	22	1,021,012,327.00	899,404,011.00
Purchase of Stock-in-Trade			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	55,007,633.00	(29,015,399.00)
Employee benefit expense	24	16,178,042.00	16,572,546.00
Financial costs	25	1,534,035.00	2,403,574.00
Depreciation and amortization expense	10	45,624,573.00	44,948,650.00
Other expenses	26	236,583,399.00	202,021,688.00
<b>Total Expenses</b>		<b>1,375,940,009.00</b>	<b>1,136,335,070.00</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	(190,746,854.00)	(93,838,769.00)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax	(V-VI)	(190,746,854.00)	(93,838,769.00)
VIII. Extraordinary Items		-	-
IX. Profit before tax	(VII - VIII)	(190,746,854.00)	(93,838,769.00)
X. Tax expense:			
(1) Current tax (MAT)		-	-
(2) Deferred tax Assets/(Liability)		58,888,098.00	33,812,232.00
(3) Previous Year Tax		11,294.00	875.00
(4) MAT Credit Entitlement		-	-
XI. Profit(Loss) from the period from continuing operations	(IX-X)	(131,870,050.00)	(60,027,412.00)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations		-	-
XV. Profit/(Loss) for the period	(XI + XIV)	(131,870,050.00)	(60,027,412.00)
XVI. Earning per equity share:			
(1) Basic		(0.39)	(0.18)
(2) Diluted		(0.39)	(0.18)

**The Notes 1 to 36 form an intergal 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 : 31/05/2013

**Rajendra Parakh**

Company Secretary

For and on behalf of the Board

**Ashok Kumar Jain**

Managing Director

**Jivabhai A. Patel**

Director

**PARAS PETROFILS LTD.****CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE PERIOD APRIL 2011 TO MARCH 2013**

	For the year ended 31.03.2013		For the year ended 31.03.2012	
	Rs.	Rs.	Rs.	Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before Taxation and Extra- Ordinary items		(190,746,854)		(93,838,769)
ADJUSTMENT FOR :				
1. Depreciation	45,624,573		44,948,650	
2. Interest Expenses	1,534,035		2,403,574	
3. Interest on Investment	(682,624)		(1,565,562)	
4. Loss / (Profit) on Sale of Investment	-	46,475,984	(18,834)	45,767,828
<b>Operating profit before Working Capital Change</b>		<b>(144,270,870)</b>		<b>(48,070,941)</b>
Adjustment For:				
1. Trade and other Receivables	28,444,979		(35,323,613)	
2. Inventories	114,549,887		(40,350,193)	
3. Trade Payables	5,679,747		150,818,482	
4. Income Tax	(11,294)		(875)	
Cash generated from operations		148,663,319		75,143,801
<b>Cash flow before extra ordinary Items</b>		<b>4,392,449</b>		<b>27,072,860</b>
1. Extra Ordinary items		-		-
<b>Net cash flow from Operating activities</b>		<b>4,392,449</b>		<b>27,072,860</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
1. Purchase of Fixed Assets	(2,350,008)		(23,607,045)	
2. Purchase of Investment	(7,410,000)		(66,112,000)	
3. Sale of Investment	6,056,220		74,992,454	
<b>Net cash used for investing activities</b>		<b>(3,703,788)</b>		<b>(14,726,591)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
1. Increase/Decrease in long term borrowing	-		(19,227,586)	
2. Interest Paid	(153,403)		(2,403,574)	
<b>Net cash used for Financing activities</b>		<b>(153,403)</b>		<b>(21,631,160)</b>
<b>Net increase in Cash &amp; Cash equivalents</b>		<b>535,258</b>		<b>(9,284,891)</b>
<b>Cash &amp; Cash equivalents (Opening)</b>		<b>1,207,102</b>		<b>10,491,993</b>
<b>Cash &amp; Cash equivalents (Closing)</b>		<b>1,742,360</b>		<b>1,207,102</b>

## 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 : 31/05/2013

**Rajendra Parakh**

Company Secretary

For and on behalf of the Board

**Ashok Kumar 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 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 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 31-03-2013	AS ON 31-03-2012
<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) 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	29,867,606	89,895,017
Add: Profit/(Loss) for the year	(131,870,050)	(60,027,412)
Total=	<u>(102,002,444)</u>	<u>29,867,605</u>
<b>NOTE - 5 LONG TERM BORROWINGS</b>		
Unsecured		
Loans & Advances from Related Parties	16,030,632	14,650,000
Dealer Deposits	600,001	600,001
Total=	<u>16,630,633</u>	<u>15,250,001</u>
<b>NOTE - 6 LONG TERM PROVISIONS</b>		
Provisions for Employees Benefits	4,827,068	4,323,951
Total=	<u>4,827,068</u>	<u>4,323,951</u>
<b>NOTE - 7 TRADE PAYABLE</b>		
For Goods	177,835,405	172,256,988
For Expenses	23,861,779	26,331,359
<b>Refer Note No 30</b>		
Total=	<u>201,697,184</u>	<u>198,588,347</u>

## PARAS PETROFILS LTD.

PARTICULARS			AS ON 31-03-2013	AS ON 31-03-2012					
<b>NOTE - 8 OTHER CURRENT LIABILITIES</b>									
Statutory Liabilities			9,085,303	6,651,957					
Total=			9,085,303	6,651,957					
<b>NOTE - 9 SHORT TERM PROVISIONS</b>									
Provisions for Employees Benefits			1,479,638	1,845,191					
Total=			1,479,638	1,845,191					
<b>NOTE - 10 FIXED ASSETS</b>									
	<b>GROSS BLOCK</b>		<b>DEPRECIATION</b>		<b>NET BLOCK</b>				
ASSETS	RATE %	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	60,024,498	-	60,024,498	24,597,784	-	2,004,818	26,602,602	33,421,896
VEHICLE	9.50	4,570,524	-	4,570,524	1,531,639	-	434,200	1,965,839	2,604,685
FURNITURE & FIXTURE	6.33	3,355,369	-	3,355,369	2,708,142	-	212,395	2,920,537	434,832
PLANT & MACHINERY	5.28	807,962,653	1,971,794.00	809,934,447	453,815,209	-	42,704,392	496,519,601	313,414,846
OFFICE EQUIPMENT	4.75	1,353,453	253,464.00	1,606,917	545,457	-	69,175	614,632	992,285
COMPUTER	16.21	2,372,996	124,750.00	2,497,746	1,903,426	-	199,593	2,103,019	394,727
TOTAL :-		881,032,003	2,350,008.00	883,382,011	485,101,657	-	45,624,573	530,726,230	352,655,781
PREVIOUS YEARS		857,424,958	23,607,045	881,032,003	440,153,007	-	44,948,650	485,101,657	395,930,346
<b>NOTE - 11 NON CURRENT INVESTMENTS</b>									
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>									
<b>Quoted (At Cost) Non-Trade</b>									
71504 (71504) shares of Jaipan Industries Ltd							2,944,231	2,944,230	
Aggregate Market Value 7,67,238(9,08,101)							755,839	755,838	
3000 (3000) shares of Housing Dev & Infra. Ltd							92,544	92,544	
Aggregate Market Value 1,38,750 (2,56,350)							300,478	300,478	
4000 (4000) shares of South Indian Bank Ltd							4,093,092	4,093,090	
Aggregate Market Value 98,200(98,400)							8,398,694	3,433,043	
20000 (20000) shares of Zee News Ltd							12,491,786	7,526,133	
Aggregate Market Value 2,67,800 (2,04,400)									
Agregate of Market Quoted Investment							4,093,092	4,093,090	
<b>Others Investment</b>									
Fixed Deposit with Bank against Bank Guarantee							8,398,694	3,433,043	
Total=							12,491,786	7,526,133	
<b>NOTE - 12 DEFERRED TAX LIABILITY</b>									
<b>Deferred Tax Assets</b>									
Provision to Retirement benefit							1,491,564	1,336,101	
Disallowance U/s 43 B							93,152,345	40,763,786	
Unabsorbed Depreciation allowance							62,173,113	68,517,189	
<b>Deferred Tax Liability</b>									
Related to Fixed Assets							32,470,796	(26,417,302)	
Total=									



PARTICULARS	AS ON 31-03-2013	AS ON 31-03-2012
<b>NOTE - 13 LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposits	6,158,622	8,160,330
Total=	<u>6,158,622</u>	<u>8,160,330</u>
<b>NOTE - 14 OTHER NON CURRENT ASSETS</b>		
<b>Long Term trade Receivables</b>		
Unsecured Considered Good	692,310	692,310
<b>Others</b>		
MAT Credit Entitlement	17,462,627	17,462,627
Total=	<u>18,154,937</u>	<u>18,154,937</u>
<b>NOTE - 15 CURRENT INVESTMENTS</b>		
Fixed Deposit with Bank	-	2,929,248
Total=	<u>-</u>	<u>2,929,248</u>
<b>NOTE - 16 INVENTORIES</b> (As taken, valued & certified by the Management)		
Raw Materials	-	45,172,304
Work in Process	-	10,645,947
Finished Goods	-	44,332,845
Store, Packing & Process Materials	-	14,369,950
D.E.P.B. on hand	-	28,841
Total=	<u>-</u>	<u>114,549,887</u>
<b>NOTE - 17 TRADE RECEIVABLES</b> (Debts unsecured, considered good by the management)		
Debts Outstanding over 6 Months	-	-
Other Debts	57,657,518	31,186,365
Debts due from the parties in which Director is a member	10,413,377	26,781,228
Total=	<u>68,070,895</u>	<u>57,967,593</u>
<b>NOTE - 18 CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	141,081	159,988
<b>Balance with Bank</b>		
In Current Account	1,601,279	1,047,114
Total=	<u>1,742,360</u>	<u>1,207,102</u>
<b>NOTE - 19 SHORT TERM LOAN &amp; ADVANCES</b>		
Unsecured, Considered Good		
Balance with Central Excise & Other Govt Dept	6,681,385	28,588,611
Inter Corporate Deposits	515,000	15,267,377
Advance for Capital Goods	-	-
Others Advances	618,820	505,790
Total=	<u>7,815,205</u>	<u>44,361,778</u>

## PARAS PETROFILS LTD.

PARTICULARS	AS ON 31-03-2013	AS ON 31-03-2012
<b>NOTE- 20 INCOME FROM OPERATIONS</b>		
Sale of Products	1,351,183,933	1,209,602,912
Sale of Services - Commission activity	-	-
	<u>1,351,183,933</u>	<u>1,209,602,912</u>
Less: Excise Duty/Sales Tax Recovered	171,607,648	171,955,181
Total=	<u><u>1,179,576,285</u></u>	<u><u>1,037,647,731</u></u>
<b>NOTE- 21 OTHER INCOME</b>		
<b>INTEREST INCOME</b>		
Interest on Income Tax Refund	-	23,006
Interest (Gross) on Fixed Deposit	682,624	1,565,562
Interest (Gross) - Other	3,931,846	2,989,168
<b>DIVIDEND INCOME</b>		
From Long Term Investment	2,400	2,000
<b>NET GAIN/(LOSS) ON SALE OF INVESTMENT</b>		
From Current Investments	-	18,834
<b>OTHER NON OPERATING INCOME</b>		
Rent Income	1,000,000	250,000
Total=	<u><u>5,616,870</u></u>	<u><u>4,848,570</u></u>
<b>NOTE- 22 COST OF MATERIAL CONSUMED</b>		
Opening Stock	45,172,304	37,733,849
Purchases	975,840,023	906,842,466
Less Closing Stock	-	45,172,304
	<u>1,021,012,327</u>	<u>899,404,011</u>
<b>NOTE- 23 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS</b>		
Opening Stock - WIP	10,645,947	2,282,308
Opening Stock - Finish	44,332,845	23,681,085
Opening Stock - DEPB	28,841	28,841
	<u>25,992,234</u>	<u>22,591,880</u>
Closing Stock - WIP	-	10,645,947
Closing Stock - Finish	-	44,332,845
Closing Stock - DEPB	-	28,841
	<u>-</u>	<u>55,007,633</u>
Increase/ (Decrease)	<u><u>55,007,633</u></u>	<u><u>(29,015,399)</u></u>
<b>NOTE- 24 EMPOLYEE BENEFIT EXPENSE</b>		
Salary & Bonus	14,693,033	14,448,669
Contributions to Providend Fund & ESIC	870,582	740,344
Previlage Leave	364,705	1,205,235
Gratuity	249,722	178,298
	<u>16,178,042</u>	<u>16,572,546</u>



<b>PARTICULARS</b>	<b>AS ON 31-03-2013</b>	<b>AS ON 31-03-2012</b>
<b>NOTE- 25 FINANCE COST</b>		
Interest Expenses	1,534,035	2,403,574
Total =	1,534,035	2,403,574
<b>NOTE - 26 OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES</b>		
Carriage Inward	219,338	155,756
Job Charges	682,850	1,425,180
Packing Expenses	33,337,285	32,901,215
Power & Fuel Expenses	131,357,874	106,343,785
Process Expenses	27,054,127	17,042,357
Repair & Maintenance Building	444,307	526,008
Repair & Maintenance Expenses	3,761,291	2,651,280
Stores & Spares	20,207,386	16,667,601
Testing Charges	5,124	19,783
Total= A	217,069,582	177,732,965
<b>ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Advertisement Expenses	60,945	51,134
Auditors Remuneration	127,360	112,360
Bank Charges	174,132	242,842
Carriage Outward	687,821	1,624,692
Charity & Donation	1,100	-
Conveyance Expenses	560,715	80,115
Dealer's Commission	10,490,564	12,651,610
Factory General Expenses	166,724	162,639
Foreign Exchange Fluctuation	269,689	2,279,626
Insurance Expenses	527,361	555,316
Interest on Late payment T.D.S.	14,947	16,031
Legal & Professional Charges	714,788	771,700
Listing Fees & Share Transfer	490,766	477,572
Office Expenses	1,041,164	997,480
Printing & Stationery	423,758	395,580
Rates & Taxes	173,247	179,138
Rent	770,000	840,000
Security Charges	1,094,975	1,117,064
Service Tax Expenses	55,730	42,018
Telephone & Postage Charges	346,215	357,833
Travelling Expenses	360,702	431,955
Vehicle Expenses	961,114	902,018
Total= B	19,513,817	24,288,723
Total= A+B	236,583,399	202,021,688

## 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 31.03.2013	As on 31.03.2012
(c) Export obligation against EPCG	413.32	413.32
(d) Sales Tax Liabilities	110.42	110.42
(e) NCCD Duty claim dispute with Excise Department	1.98	1.98
(f) 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	73034
For Taxation	39326	39326
	112360	112360

### 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 Kumar Jain	Managing Director
3	Shri Siddharth C Patel	Director
4	Shri Kailashchand Jain	Director
5	Shri Harshad J. Patel	Director
6	Shri Anand Kumar 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	Sanidhy Security Pvt Ltd
2	Priyanka Developers Pvt Ltd
3	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	Manish M Jain	4	Viraj S Patel
2	Santosh K Jain	5	Vishwesh S Patel
3	Siddharth C Patel HUF		

**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)
Balance as at 31.03.2013	0.82	41.31	118.18	160.31
	(0.75)	(37.75)	(108.00)	(146.50)
<b>2 Expenditure</b>				
Interest Paid	0.08	3.95	11.31	15.34
	(4.19)	(10.38)	(9.32)	(23.89)
Purchase of goods and Payment for expenses	-	3,977.57	5.13	3,982.70
	-	(2,085.13)	(5.59)	(2,090.72)
Payment to employees	1.94	-	-	1.94
	(1.83)	-	-	(1.83)
<b>3 Income</b>				
Sales and Other Income	-	2,657.04	-	2,657.04
	-	(1,722.13)	-	(1,722.13)

**NOTE - 35 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)	
	Year ended <b>31.03.2013</b>	Year ended 31.03.2012
<b>1 Segment revenue (Net Turnover/Income)</b>		
a. Polyester/Nylon Filament Yarn Activity	9,731.89	10,326.30
b. Fabric Trading Atctivity	2,063.87	50.18
Total	11,795.76	10,376.48
Net sales/Income from operations	11,795.76	10,376.48



## PARAS PETROFILS LTD.

	<b>Year ended 31.03.2013</b>	<b>(Rs. in lacs) Year ended 31.03.2012</b>
2 Segment results Profit (+)/Loss (-)		
a. Polyester/Nylon Filament Yarn Activity	(2,212.05)	(743.83)
b. Fabric Trading Atcivity	480.93	18.59
	<hr/>	<hr/>
Total	(1,731.12)	(725.24)
Less : Un-allocable exp.net off un-allocable income	176.35	212.99
	<hr/>	<hr/>
Total profit before tax	(1,907.47)	(938.23)
	<hr/>	<hr/>
3 Capital employed (Segment assets- Segment liabilities)		
a. Polyester/Nylon Filament Yarn Activity	2,232.82	4,241.28
b. Fabric Trading Atcivity	100.88	-
	<hr/>	<hr/>
Total	2,333.70	4,241.28
	<hr/>	<hr/>

### Geographic Segment:

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

### NOTE - 36 Additional Information

PARTICULARS OF CAPACITY	Year ended 31.03.2013	Year ended 31.03.2012
(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	1345 MT	4635 MT
POY Nylon	4038 MT	2378 MT
FDY Polyester	00 MT	204 MT
FDY Nylon	409 MT	540 MT
Knitting	00 MT	00 MT



	Year ended 31. 03. 2013		Year ended 31. 03. 2012	
	QTY.	Value (₹ in lacs)	QTY.	Value (₹ in lacs)
(B) TURNOVER Yarn (in MT)	5,941	9,731.89	7,704	10,326.30
Finish Fabric (In '000 Mtrs)	2,882	2,063.87	125	50.18
(D) OPENING STOCK				
Finished Yarn (in MT)	232	443.33	221	175.00
Finish Fabric (In '000 Mtrs)	-	-	129	34.85
Raw Material (in MT)	263	449.61	79	52.27
Raw Material Fabric (in MT)	19	2.12	19	2.12
Work in Progress (in MT)	69	106.46	21	15.28
(E) CLOSING STOCK				
Finished Yarn (in MT)	-	-	232	443.33
Raw Material (in MT)	-	-	263	449.61
Raw Material Fabric (in '000 Mtrs)	-	-	19	2.12
Work in Progress (in MT)	-	-	69	106.46
Consumption of Raw Material				
Chips (in Mt)	5,518	10,210.12	7,605	8,994.04
(F) C.I.F.Value of Imports				
Capital Goods		-		66.29
Raw Materials		-		341.52
Stores & Spare Parts		139.43		148.04
(G) Advance payment in foreign currency :				
Stores & Spare Parts		5.94		5.24
(H) Expenditure in Foreign currency				
Travelling		-		0.76
(I) Earnings in foreign exchange				
Export of Goods		-		-
(J) Dividend to N.R.I.s		-		-
(K) Break-up of consumption of Raw material, Stores & Spare parts				
	Year ended 31. 03. 2013		Year ended 31. 03. 2012	
	₹ in lacs	%	₹ in lacs	%
Raw material				
Indigenous	10,210.12	100.00	8,652.52	96.20
Imported	-	-	341.52	3.80
	10,210.12	100.00	8,994.04	100.00
Store & Spares				
Indigenous	640.50	82.12	512.13	77.58
Imported	139.43	17.88	148.04	22.42
	779.93	100.00	660.17	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 : 31/05/2013

**Rajendra Parakh**

Company Secretary

For and on behalf of the Board

**Ashok Kumar 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**

**22nd Annual General Meeting  
30<sup>th</sup> September 2013**

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 SECOND ANNUAL GENERAL MEETING** of the Company held at the Registered Office of the Company on 30th September, 2013

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

**PARAS PETROFILS LTD.**

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

**PROXY FORM**

22nd Annual General Meeting  
on 30<sup>th</sup> September 2013.

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 SECOND ANNUAL GENERAL MEETING** of the Company to be held on 30<sup>th</sup> September, 2013 at the Registered Office of the Company and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

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.