

APCOTEX INDUSTRIES LIMITED

BOARD OF DIRECTORS

Atul C. Choksey	Chairman
Girish C. Choksey	Director
Amit C. Choksey	Director
Manubhai G. Patel	Director
Bipin V. Jhaveri	Director
Dr. S. Sivaram	Director
T. N. V. Ayyar	Director
Shailesh Vaidya (w.e.f. 21/01/ 2012)	Director
Dr. S. Rengachary (till 30/07/2011)	Director
Abhiraj A. Choksey	Managing Director

AUDIT COMMITTEE

Manubhai G Patel	Chairman
Girish G Choksey	Member
Bipin V Jhaveri	Member
Dr. S. Rengachary (till 30/07/2011)	Member

GM – ACCTS., FIN. AND COMPANY SECRETARY

Anand V. Kumashi

AUDITORS

Shah & CO.
Chartered Accountants

BANKERS

State Bank of India
Standard Chartered Bank

REGISTERED OFFICE & FACTORY

Plot No.3/1, M I D C Industrial Area,
P.O. Taloja, Dist. Raigad 410 208, Maharashtra
Telephone: (022) 2740 3500
Fax: (022) 2741 2052
E-mail – redressal@apcotex.com
Website: www.apcotex.com

CORPORATE OFFICE

N. K. Mehta International House,
178, Backbay Reclamation,
Babubhai M. Chinai Marg,
Mumbai - 400 020
Telephone: (022) 2283 8302 / 04
Fax: (022) 2283 8291

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078
Tel. No.- 2596 3838,2594 69 70 Fax – 2594 6969
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.com



apcotex industries limited

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of **apcotex industries limited** will be held at **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra** on Thursday, the 5th day of **July 2012** at **11.30 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Accounts for the year ended 31st March 2012 together with the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Amit C. Choksey, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Manubhai G. Patel, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Bipin V. Jhaveri, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint M/s. Shah & Co., Chartered Accountants as Auditors of the Company, and fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. Shailesh Vaidya, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:
"RESOLVED THAT subject to the approval of Central Government, if required and of Financial Institutions, wherever necessary, consent of the Company be and is hereby accorded for payment of commission to Director of the Company other than the Managing / Whole Time Directors pursuant to and within limits as are or may be prescribed under the provisions of Section 198, 309, 349 and 350 and other applicable provisions of the Companies Act, 1956, in such amounts or proportion and in such manner as may be decided by the Board of Directors of the Company for each financial year and such payments shall be made out of the profits of the company for a period of five years commencing from 1st April 2012."

**BY ORDER OF THE BOARD
for apcotex industries limited**

ANAND V. KUMASHI

GM – Accounts, Finance &
Company Secretary

Date: 10th May 2012

Registered Office:

Plot no. 3/1, MIDC Industrial Area,
Taloja - 410 208, Dist. Raigad, Maharashtra

NOTES:

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act 1956 is annexed hereto.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and, on a poll, vote instead of himself/herself. A proxy need not be a member. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, the 29th day of June 2012** to **Wednesday, the 4th day of July 2012** (inclusive of both days).
4. Members are requested to notify the changes, if any, in their addresses to the Company's Registrars immediately.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.
6. Dividend recommended by Directors, if approved by the members at the Annual General Meeting, will be paid / dispatched on or after 6th July 2012 to those members whose names appear on the Register of Members as on 29th June 2012. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of 28th June 2012, as per the details furnished by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
7. The company is using National Electronic Clearing Services (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agent at: **LINK INTIME INDIA PVT LTD., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup - (w), Mumbai-400 078**, immediately, any change in their address / mandate / bank details; and Particulars of their bank account, in case the same have not been sent earlier.
8. Members holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz. NSDL and CDSL will be printed on the dividend warrants.
9. In terms of Section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education and Protection Fund (IEPF). Accordingly, during the financial year 2011-12, the Company would be transferring the unclaimed or unpaid dividend for the financial year ended 31st March 2004 to the Investors Education and Protection Fund or before 23rd September 2011. Shareholders are requested to ensure that they claim the dividend from the Company before transfer of the said amount to the IEPF.

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10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
11. Recently, the Ministry of corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively, has allowed companies to send official

documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

(Pursuant to section 173(2) of the Companies Act, 1956)

Item No.7

The Board of Directors appointed Mr. Shailesh Shankarlal Vaidya as an Additional Director of the Company on 21st January 2012, with immediate effect, in accordance with Article 118 of the Articles of Association of the Company. By virtue of the said Article, he holds the office till the conclusion of the ensuing Annual General Meeting. Notice has been received by the Company from a shareholder proposing his appointment as Director of the Company under Section 257 of the Companies Act, 1956.

Mr. Shailesh Vaidya is a law graduate from Government Law College and became Solicitor in the year 1983. Since then has been practicing as Advocate and Solicitor. He became partner of M/s. Kanga & Company, a firm of Solicitors, during 1983.

He is presently serving as Member of the Managing Committee of Indian Merchant Chamber and as Chairman of Law, Review, Reforms and Rationalization Committee.

He has expertise in various Laws, regulations related to real estate and corporate matters. He is also associated with the Government Law College of Mumbai University and serves on the Board of Directors of various reputed companies as an independent director.

Your Directors are of the opinion that the Company will immensely benefit from Shri Shailesh Vaidya's expertise in various laws and commend his appointment.

Your Directors commend his appointment.

Except Mr. Shailesh Vaidya, no other Director of the Company is interested in this resolution.

Item No.8

The resolution set out at item No. 8 requires your approval by way of special resolution under Section 309 and other provisions of the Companies Act, 1956.

Your Directors recommend payment of commission within limits as are prescribed in the provisions of the Companies Act, 1956 to the non-executive Director(s) of the Company, for a period of five years w.e.f. **1st April 2012 to 31st March 2017**. The amount of commission payable for a year to such directors, would be fixed by the Board within the overall limits, prescribed under the Companies Act, 1956.

Only those Directors of the Company, who are not Managing/ Whole Time Director, may be deemed to be interested in the Special Resolution to the extent of commission as may be received by them in future.

BY ORDER OF THE BOARD
for apcotex industries limited



ANAND V. KUMASHI
GM – Accounts, Finance &
Company Secretary

Date: 10th May 2012

Registered Office:

Plot no. 3/1,
MIDC Industrial Area,
Taloja - 410 208,
Dist. Raigad, Maharashtra



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Sixth Annual Report of the Company and the audited Statements of Accounts for the year ended 31st March 2012.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

Particulars	2011-12 (₹ In lacs)	2010-11 (₹ In lacs)
GROSS SALES	27789.77	22165.76
Gross Profit Before Depreciation, Finance Cost and Tax Expenses after prior year adjustments	2307.92	2026.00
Less: Depreciation	278.64	264.76
Finance Cost	398.08	254.42
Provision for Tax	464.00	320.00
Adjustment for Deferred Tax Liability	20.82	114.46
Profit/ (Loss) for the Year	1146.38	1072.36
Add: Balance brought forward from Previous year	1402.43	863.24
Add: Excise provision of dividend Distribution tax for F.Y. 2010-11	1.40	--
Disposable Profit (Loss)	2550.21	1935.60
The Directors recommend Appropriation of the Disposable profit as under:		
Dividend on Equity Shares	414.76	362.91
Tax on Dividend	67.28	60.28
Transfer to General Reserve	114.64	110.00
Balance carried to Balance Sheet	1953.53	1402.43
	2550.21	1935.60

1. DIVIDEND

Your Directors have recommended a dividend @ ₹ 8.00 (Rupees Eight) per Equity Share of ₹ 10/- each. For the Financial Year 2011-12, the Equity Dividend, if approved, will absorb a sum of ₹ 482.04 lacs (including the Dividend Tax of ₹ 67.28 lacs) out of net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on **29th June 2012**.

2. MANAGEMENT DISCUSSION AND ANALYSIS

The company manufactures and markets Synthetic Latexes and Styrene Butadiene Rubber.

I. CURRENT SCENARIO.

Your Company is one of the leading producers of polymer products namely Synthetic Latexes (VP Latex, XSB latex, Nitrile Latex, Acrylic Latex) and Synthetic Rubber (HSR, SBR) in India. The Company has one of the broadest ranges of products in the industrial segments it caters to. Company's Synthetic Latexes products are used among other applications, for tyre cord dipping, paper and paperboard coating, carpet

backing, concrete modification/water proofing, textile finishing, paints etc. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, moulded items, v-belts, conveyor belts, hoses etc.

The Company's major raw materials are petrochemical products and business is vulnerable to high volatility in the prices of crude oil and its downstream products. Profit Margins were under pressure due to steep increase in the prices of raw materials during some periods in the year.

The Company has introduced a range of Acrylics products for Paper, Construction, Carpet industries which were well received in the market. Number of steps have been taken by the management to improve the operational efficiency of the Company.

For the last five years, the Company has been practicing Total Productive Maintenances (TPM), a method devised by Japanese Institute of Plant Maintenance (JIPM), to improve overall plant effectiveness and efficiencies. This has helped significantly, in improving plant operations and rationalize costs. **During the year, your company has been awarded TPM Excellency Award, category A by JIPM.**

In addition, during the year your Company has also been certified for ISO 14001 and OHSAS 18001 in addition to the ISO 9001:2008 certification.

The Company has been continuously upgrading its own technology through in-house Research and Development efforts to meet the changing needs of customers.

II. OPERATIONS DURING THE YEAR.

During the year the Company achieved Gross Value Sales of ₹ 27789.77 lacs, registering a growth of **25.37%** compared to that of the preceding financial year.

The prices of major raw materials Styrene and Butadiene firmed-up during the financial year but again started softening around the close of the the financial year.

During the financial year the company exported its products worth ₹ 2234.41 lacs compared to exports of ₹ 1028.87 lacs, a growth of 117.17%, during the previous financial year.

There was a continuous thrust from the management to develop a strong R&D and technical service team to better understand the changing customer needs, improve product quality, productivity and process controls through technology up-gradation.

During the year, operating profits, before tax and depreciation but including the other income from the operations and income from the Wind Turbine Generator installed at Sadawaghapur, Near Satara, Maharashtra, increased by **10.18%** to ₹ 1686.33 lacs as compared to ₹1530.48 lacs during the previous financial year.

Other income, which includes dividend received on investments, profit on sale of investments, Rental Income etc., was at ₹ 223.51 lacs as compared to ₹ 241.10 lacs during previous financial year.

The profit after tax stood at ₹1146.38 lacs as compared to ₹ 1072.36 lacs in the previous financial year.

Your Directors consider Company's performance as satisfactory.

III. OUTLOOK.

From overall perspective, the Company expect the current year to be challenging in terms of volatilities in prices of major inputs materials. Overall growth of the economy, introduction of new products and improving current market share, are expected to augur well for the Company.

The company will endeavour its best to bring in efficiencies at all levels to mitigate any adverse situation. Accordingly your Director view the prospects for the financial year 2012-13 with cautious optimism.

IV. RISKS AND CONCERNS.

The Company's business is dependent on two petrochemical products viz. Styrene and Butadiene. Both of the above input materials, though derived from crude oil, were not traded in any exchange within the country and abroad. No co-relation in their prices to crude oil price is observed. Hedging of the risk therefore is not possible.

Some of the raw materials are directly imported or have USD based pricing. To part finance the expansion plan at Taloja, the Company has borrowed during the financial year, External Commercial Borrowings (ECB) of US \$ 5 million. The Company has hedged Interest Rate Swap but has not hedged the currency. The exchange rate difference between the rate as at the close of the financial year and the actual disbursement has been recognized in the Foreign Exchange Translation Reserve account.

Rising inflation within the country may affect disposable income levels of all consumers – both rural and urban. Uncertain consumer demand can also have an effect on the growth prospects of your company.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Internal checks and controls based on the ERP system is in place and is constantly being improved upon. Adequate system exists to safeguard company's assets through insurance and maintenance of proper records. The company has well defined procedures to execute financial transactions. The company is constantly improving its internal audit areas in the light of all encompassing ERP system introduced as mentioned above.

VI. DEVELOPMENT OF HUMAN RESOURCE / INDUSTRIAL RELATIONS.

The company continuously monitors its Human Resource requirement to ensure that it has adequate human skills commensurate with its needs.

Cordial relations exist between the employees at various levels and the management.

To upgrade Human skills and improve their competency the company continuously organizes and deputed employees to Seminars, Workshops.

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 raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

3. WIND POWER

The Wind Turbine Generator installed at Sadawaghapur, Taluka – Patan, District Satara, Maharashtra, has generated gross revenue of about ₹ 112 lacs during the financial year (previous year ₹ 78 lacs), and is shown under Other Operating Revenue.

4. STATUTORY DISCLOSURES

A. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Information sought under the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure, forming part of this report.



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B. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- That they 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 profits of the Company for that period;
- That they 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.
- That they have prepared the annual accounts on a going concern basis.

C. CORPORATE GOVERNANCE

Your Company has always strived to adopt appropriate standards for good Corporate Governance.

Detailed reports on the Corporate Governance and Management Discussion Analysis, forms part of this report. A certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the said Report.

5. FIXED DEPOSITS MATURED BUT NOT CLAIMED

Company had no Fixed Deposits at the end of the financial year. The Central Bureau of Investigation (CBI) has instructed the Company, not to repay the proceeds of four fixed deposits amounting to ₹ 48,000/- and accrued interest of ₹ 22,491/- thereon. These deposits matured during the first week of December 2002 and continue to remain with the Company.

6. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as also liability under legislative enactments, are insured on reinstatement basis.

7. ECOLOGY AND SAFETY

Your company has been awarded ISO 14001 for Environmental and OHSAS 18001 for Safety and Health standards during the financial year 2011-12.

Company always ensures safe, healthy, and eco-friendly environment. Company continually works towards

identification and reduction of risk and prevention of pollution at its plants and surroundings.

Members of the Safety Committee of the Company's Taloja Plant, have been regularly reviewing the safety measures and their implementation, to ensure adequate safety in material handling, control of pollution caused by liquid effluents, dust and emissions from chimney etc. Samples are periodically drawn and the reports submitted to the Pollution Control Board as required, ensuring compliance with the standards.

Consent has been obtained from Maharashtra Pollution Control Board to operate the plant at Taloja till **31st December 2014**.

8. PERSONNEL

Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, as amended, is not applicable to the Company as there are no employees drawing remuneration exceeding the prescribed limits.

The Board would like to place on record their appreciation of the contribution made by all employees during the year.

The industrial relations with the employees were cordial.

9. BANKS

Your Directors wish to place on record their appreciation of the support received from the Company's Bankers, State Bank of India and Standard Chartered Bank.

10. DIRECTORS

Mr. Amit Choksey, Mr. M G Patel and Mr. Bipin Jhaveri, retire by rotation and being eligible, offer themselves for reappointment.

Shri Shailesh S Vaidya was appointed as additional director of the Company during the financial year, to hold the office of Directorship till the conclusion of the ensuing Annual General Meeting.

The background of the Director(s) proposed for appointment / reappointment is given under the Corporate Governance section of the Annual Report.

11. AUDITORS

The Company's Auditors, M/s. Shah & Co., Chartered Accountants, retires at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

FOR AND ON BEHALF OF THE BOARD

Atul Choksey

**ATUL C CHOKSEY
CHAIRMAN**

Mumbai: 10th May 2012

ANNEXURE TO DIRECTORS' REPORT

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

A. POWER AND FUEL CONSUMPTION

Electricity:

	2011-12	2010-11
a) Purchased Units ('000 KWH)	5515.94	6250.25
Total amount (₹ In lacs)	381.88	374.26
Rate/Unit (₹)	6.92	5.99
b) Own Generation:		
• Through Wind Turbine Generator at Sadawaghapur, Near Satara, Maharashtra.	1595.70	1393.02
• Through Diesel generator		
Units ('000 KWH)	7.28	32.36
Units per ltr. of diesel oil	2.50	2.70
Cost/Unit (₹)	15.41	13.30

B. CONSUMPTION PER UNIT OF PRODUCTION

Synthetic Rubber including Latices

Electricity (KWH/MT) 241 281

FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R & D is carried out by the Company:
The R & D activities of the Company pertain to:
 - i. Development of new products to meet changing customer needs.
 - ii. Modification of existing products for up-gradation of performance.
 - iii. Evaluation of alternative raw materials and identifying sources for cost reduction and flexibility in the input materials management.
 - iv. Absorption of imported technology, if any.
 - v. Improvement in process technology.
2. Benefits derived as a result of the above R & D.
 - i. Company has commercialized a range of latices for paper/board coating industry, construction and carpet industry.
 - ii. Improvement in quality consistency of products.
 - iii. Customers are less dependent on imported products.
3. Further plan of action:
 - i. Continued efforts towards identifying additional end uses for existing products.
 - ii. Develop new products and upgrade existing products as per market requirement.
4. Expenditure on R & D during the Financial Year is as follows:
(₹ in lacs)

Particulars	2011-12	2010-11
Capital	44.16	4.05
Recurring	142.04	132.69
Total	186.20	136.74
Total R & D expenditure as a percentage of Total Revenue	0.73%	0.67%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

No new technology has been acquired requiring the above.

IMPORTED TECHNOLOGY

No technology import has been made in the recent past.

OTHERS

The recognition of the in-house R & D facilities of the company has been renewed by the Department of Scientific & Industrial Research upto **31st March 2013**.

FOREIGN EXCHANGE EARNINGS & OUTGO

The Company is currently assessing export potential for its products in various markets. Details of foreign exchange earnings and outgo are given in Note 32 & 33 to the accounts.

FOR AND ON BEHALF OF THE BOARD

Atul Chopsey

**ATUL C CHOKSEY
CHAIRMAN**

Mumbai: 10th May 2012



apcotex industries limited

CORPORATE GOVERNANCE

Company's Philosophy On Code of Corporate Governance:

The Company is committed to good Corporate Governance practices with the object of increasing benefits for all stakeholders viz. Shareholders, Customers, Suppliers, Employees, and Society in general.

Board of Directors:

The composition of the Board of Directors of the Company is governed by the provisions of Companies Act, 1956, the Articles of Association of the Company and the Listing Agreement with the Stock Exchanges. The Board is comprised of nine Directors, both executive and non-executive. Mr. Atul Choksey is the non-executive Chairman. The day-to-day operations of the Company are managed by Mr. Abhiraj Choksey its Managing Director.

Mr. Manubhai G Patel, Mr. Bipin Jhaveri, Mr. TNV Ayyar, Dr. S. Sivaram and Mr. Shailesh Vaidya, are non-executive, independent directors, who constitute fifty percent (50%) of the total strength of the Board.

The Directors of the Company are persons of eminence having vast and varied experience in manufacturing, polymers science, banking, financial and business administration. The Board of Directors meets as often as required but not less than four times a year and once in a calendar quarter. The Board of Directors of the Company receives minutes of all the Committee meetings namely Audit Committee, Shareholders / Investors Grievance Committee, Remuneration Committee. During the financial year four meetings of Board of Directors were held on **a) 30th April 2011, b) 26th July 2011, c) 25th October 2011, and d) 21st January 2012.**

Particulars of the Directorship of Board, and its committee as on 31st March 2012 and attendance at the Board Meetings of the Company are given below:

Name of Director(s)	Designation/Category of Directorship	Board Meetings attended	Attendance at last AGM	No. of other Directorships held	No. of Committees of which Member / Chairman*
Atul C. Choksey	Non-Executive – Chairman Promoter	4	Yes	8	-
Abhiraj Choksey	Managing Director	4	Yes	3	-
Girish C. Choksey	Non-Executive	2	Yes	5	2/2
Amit C. Choksey	Non-Executive	4	No	6	0/2
Manubhai G. Patel	Non-Executive, Independent	4	Yes	5	2/3
Bipin V. Jhaveri	Non-Executive, Independent	4	No	6	4/2
*Dr. S. Rengachary (Till 30/07/2011)	Non-executive, Independent	1	Yes	2	1/0
Dr. S. Sivaram	Non-Executive, Independent	2	No	3	2/0
T.N.V. Ayyar	Non-Executive, Independent	1	No	3	4/3
Shailesh Vaidya	Non-Executive, Independent	N.A.	N.A.	12	8/1

*Committee Membership of Audit Committee and Investors' Grievance Committee are considered.

* Dr. S. Rengachary didn't seek reappointment in the previous annual general meeting.

Mr. Abhiraj Choksey – Managing Directors holds 1,29,604 shares in the Company.

Audit Committee

The Audit Committee was constituted in April 2000. During the year four meetings of the Committee were held on

a) 29th April 2011, b) 25th July 2011, c) 25th October 2011, and d) 21st January 2012

The Audit Committee comprises of four directors viz. Mr. M.G.Patel as the Chairman, and Mr. Bipin Jhaveri, Mr. Girish Choksey as members. Mr. M.G.Patel, Mr. Bipin Jhaveri are Non- Executive Independent Directors.

Attendance at the Audit Committee meetings are given below:

Name	Non-Executive / Independent	Numbers of Meetings held - Four Attended
M. G. Patel	Non-Executive, Independent	4
Bipin Jhaveri	Non-Executive, Independent	4
Girish C. Choksey	Non-Executive	-
Dr. S. Rengachary (Till 30/07/2011)	Non-Executive, Independent	1

The terms of reference of the Audit Committee as set out in the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956 includes the following:

- Overseeing the company's financial reporting process and disclosure of its financial information to ensure that financial statements are proper, sufficient and credible.
- Recommend to the Board the appointment, re-appointment and replacement / removal of the Statutory Auditor and the fixation of audit fees.
- Approval of the payment to the Statutory Auditors for any other services rendered by them.
- Review with the management the annual financial statements before submission to the Board for approval with particular reference to:
- Matters required to be included in the Directors Responsibility Statement to be included in the Board's Report in terms of Clause 2AA of Section 217 of the Companies Act, 1956.
- Any changes in accounting policies and practices and reason for the same.

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- Major accounting entries involving estimates based on exercise of judgment by the management.
- Qualifications in the draft audit report.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliances with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Review with the management, performance of the Statutory and Internal Auditors, adequacy of internal control systems.
- Review with the management the quarterly financial statements before submission to the Board for approval.
- Review the scope of internal audit, reporting of the audit findings with management responses.
- Discuss with the internal auditors any significant findings and follow up thereon.
- Discuss with the statutory auditors before the audit commences about the nature and scope of audit as well as hold post-audit discussions to ascertain any area of concern.
- Review the Management Discussion and Analysis of the financial conditions and results of operations.
- Review of statement of significant related party transactions.
- Review of Risk Management Framework of the Organisation from time to time;
- Applicability, compliance and impact of various Accounting Standards and guidelines issued by the Concerned Institute / Authorities to the financial Statements of Accounts of the Company;

Shareholders/Investors Grievances:

Mr. M. G. Patel, a non-executive independent Director, is the Chairman of the Shareholders Grievances Committee. Others members are Mr. Girish Choksey and Mr. Bipin Jhaveri.

The meeting of shareholders Grievances Committee was held on 29th April 2011, to review the grievances received during the financial year from the shareholders / investors and the action taken thereon.

Terms of Reference

- To review the existing Investors Redressal System and suggest measures for improvement.
- To review the report of Registrars and Share Transfer Agents about investor's grievances and action taken for redressal thereof.
- To suggest improvement in investor's relations.
- To consider and take on record the Certificate from practicing Company Secretary under Clause 47(c) of the Listing Agreement.
- To consider appointment / reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, remuneration, service charges, fees etc.
- To consider and take on record Secretarial Audit certificates issued by practicing Company Secretary certifying aggregate number of equity shares held in depositories and in physical form tally with the total number of shares in Company's issued, listed and admitted share capital.

The details of correspondences / grievances received and redressed during the financial year 2011-12 by the Company through the Registrars, LINK INTIME INDIA PVT LTD, are as under;

Source	Correspondences	
	Received	Redressed / Attended
A. Complaints		
Directly from Shareholders	60	60
Consumer Forum	-	-
Department of Company Affairs	-	-
Through Advocates	-	-
SEBI	3	3
Stock Exchanges	-	-
NSDL	-	-
Any Other Government Body	-	-
Total (A)	63	63
B. Type of Requests from Shareholders		
Request for change of Address	156	156
Request for transfer / Transmission of shares / deletion of Name	31	31
Request for change / correction of bank details	104	104
Request for revalidation / issue of new dividend warrants	136	136
Issue of Duplicate Share Certificates	13	13
Nomination	-	-
Miscellaneous	87	87
Total (B)	527	527
Grand Total (A+B)	590	590

Mr. Anand V. Kumashi, GM – Accounts, Finance and Company Secretary, has been appointed as the Compliance Officer, as required by Clause 47 of the Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. He has been entrusted the task of meeting fully the requirements of the said clause and overseeing the share transfer work done by the Registrars and Share Transfer Agents; attending to grievances of the shareholders and investors; compliance with the statutory and regulatory requirements etc. of SEBI, and stock exchanges.

There are no pending legal matters, in which the Company has been made a party, before any Court(s) / Consumer Forum(s), SEBI, Department of Company Affairs relating to Investors' grievances / complaints.



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With reference to clause 47(f) of the Listing Agreement the Company has designated exclusive e-mail ID as redressal@apcotex.com for investors to register their grievances, if any. This has been initiated by the company to resolve investors' grievances, immediately. The Company has displayed the said e-mail ID on its Website for the knowledge of Investors.

Directors' Service Contracts' Details:

Managing Director	Service Contract and Period	Severance Fees
Mr. Abhiraj Choksey	Agreement dt. 18-05-2010: Period:01-05-2010 to 30-04-2013	Nil

The Remuneration paid to the Directors of the Company during the financial year, 2011-12 are as under:

Name of Director	Sitting Fees	Commis- sion	Salary	Allowances	Contribution to Statutory Funds	Perquisites	Total
Managing Director Mr. Abhiraj Choksey	-	-	12,98,016	27,60,509	3,50,462	3,06,124	47,15,111
Non-Executive Director(s) Mr. Atul Choksey	24,000	14,36,000	-	-	-	-	14,60,000
Mr. Girish Choksey	12,000	-	-	-	-	-	12,000
Mr. Amit Choksey	24,000	-	-	-	-	-	24,000
Mr. M.G. Patel	60,000	85,000	-	-	-	-	1,45,000
Mr. Bipin Jhaveri	60,000	85,000	-	-	-	-	1,45,000
Dr. S. Rengachary	12,000	-	-	-	-	-	12,000
Dr. S. Sivaram	18,000	85,000	-	-	-	-	1,03,000
Mr. T N V. Ayyar	6,000	25,000	-	-	-	-	31,000

Statement showing number of Equity Shares of ₹ 10/- each of the company held by the present Non Executive Directors as on 31st March 2012:

Non-Executive Directors	No. of Shares	% to paid up capital
Atul C. Choksey	2,48,894	4.800
Girish C. Choksey	7,850	0.151
Amit C. Choksey	3,850	0.070
Manubhai G. Patel	137	0.002
Bipin V. Jhaveri	--	--
Dr. S. Sivaram	--	--
T.N.V. Ayyar	--	--

Code of Conduct

The Company has a Code of Conduct for Directors and members of Senior Management. The Code is available on the Company's Website. All Board members and senior management personnel have affirmed compliance with the code. A declaration to that effect signed by Mr. Abhiraj A. Choksey Managing Director is appearing in the Annual Report.

Particulars of Directors retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment

A) Name: **MR. AMIT C. CHOKSEY.**

Age: 58 years

Educational Qualification: Bachelor of Commerce

Experience: He has over 30 years of experience in managing industries manufacturing various types of Construction Chemicals, Speciality Water Proofing Compounds and Inorganic pigments. He is the Chairman and Managing Director of Mazda Colours Ltd, one of leading manufacturers and exporters of various types of pigments and intermediates.

The Board of Directors had appointed Mr. Amit Choksey as an Additional Director of the Company, liable to retire by rotation with effect from 21st November 1997. He was appointed as Director of the Company in the Annual General Meeting held on 3rd September 1998. Mr. Amit Choksey is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Amit Choksey holds 3850 shares in the share capital of the Company

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2012.

Company	Position	Committee Membership
Cons Holdings Ltd	Director	Nil
Aeonian Investments Company Limited	Director	Investor Grievance Committee - Chairman
Mazda Colours Limited	Director	Remuneration Committee - Member
Sammelan Investments And Trading Ltd	Director	Nil
Sunshield Chemicals Limited	Director	Nil

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B) Name: MR. MANUBHAI G. PATEL

Age: 78 years

Educational Qualification: Chartered Accountant

Experience: More than four decades of experience in the field of accounts, finance and taxation. He was the member of Central Council of the Institute of Chartered Accountants of India (ICAI), New Delhi from 1980 to 1988 and active member of various standing and non-standing committees of the ICAI. He was the President of Income Tax Appellate Tribunal Bar Association, Ahmedabad from 1997-98 to 2000-01 and was a Member of Central Direct Tax Advisory Committee, New Delhi from 1986-90.

The Board of Directors had appointed Mr. Manubhai G Patel as an Additional Director of the Company, liable to retire by rotation with effect from 31st July 1992. He was appointed as Director of the Company in the Annual General Meeting held on 23rd September 1992. Mr. Manubhai G Patel, is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. M G Patel holds 137 shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2012

Company	Position	Committee Membership
Gujarat State Financial Services Ltd	Director	Audit Committee - Chairman , Investment committee - Member
Sunshield Chemicals Ltd	Director	Audit Committee - Chairman , Remuneration Committee - Member
Aeonian Investments Co. Ltd	Director	Audit Committee - Chairman
Banco Products (India) Ltd.	Director	
M&CO Advisors & Consultants Pvt Ltd.	Director	

C) Name: MR. BIPIN V. JHAVERI

Age: 73 years

Educational Qualification: B.A, B.Com, FCA and FCS.

Experience: Mr. Bipin Jhaveri has over four decades of experience in the field of accounts, corporate finance and taxation. He has been a member of Bhagwati Committee setup by SEBI to suggest changes in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1997, representing Assochem. He has been serving on various Committees of Assochem, Bombay Chamber of Commerce and Industries and Indian Merchant Chambers.

The Board of Directors had appointed Mr. Bipin V. Jhaveri as an Additional Director of the Company, liable to retire by rotation with effect from 25th November 1992. He was appointed as Director of the Company in the Annual General Meeting held on 13th August 1993. Mr. Bipin V Jhaveri, is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. Bipin Jhaveri doesnot hold any shares in the share capital of the Company.

He is a director on the Board of Directors of the following Public Limited Companies, as at 31st March 2012.

Company	Position	Committee Membership
Balasesh Leafin Limited	Director	Nil
Mazda Colours Limited	Director	Nil
Nurture Finance Limited	Director	Nil
Shyamal Finvest (India) Limited	Director	Nil
Aeonian Investments Co. Ltd	Director	Audit Committee – Member
Sunshield Chemicals Ltd	Director	Audit Committee – Member Remuneration Committee - Chairman Investor Grievance Committee - Chairman

Particulars of Directors being appointed at the ensuing Annual General Meeting.

Name: MR.SHAILESH S. VAIDYA

Age: 54 years

Educational Qualification: LLB, Solicitor.

Mr. Shailesh Vaidya is a law graduate from Government Law College and became Solicitor in the year 1983. Since then has been practicing as Advocate and Solicitor. He became partner of M/s. Kanga & Company, a firm of Solicitors, during 1983.

He is presently serving as Member of the Managing Committee of Indian Merchant Chamber and as Chairman of Law, Review, Reforms and Rationalization Committee.

He has expertise in various Laws, regulations related to real estate and corporate matters. He is also associated with the Government Law College of Mumbai University and serves on the Board of Directors of various reputed companies as an independent director.

Your Directors are of the opinion that the Company will immensely benefit from Shri Shailesh Vaidya's expertise in various laws and commend his appointment.



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Company	Position	Committee Membership
Dwarikesh Sugar Industries Limited	Director	--
C. Mahendra Exports Limited	Director	Member - Audit Committee, Remuneration Committee Chairman - Remuneration Committee
Suashish Diamonds Limited	Director	--
Welspun Steel Limited	Director	--
Welspun Investment And Commercials Limited	Director	--
Orbit Corporation Limited	Director	Member - Audit Committee, Remuneration Committee and Shareholders Grievance Committee
Siyaram Silk Mills Limited	Director	Member - Audit Committee, Remuneration Committee and Shareholders Grievance Committee
Avighna India Limited	Director	--
Allied Digital Services Limited	Director	Member - Audit Committee, Remuneration Committee
Gold Crest Finance (India) Limited	Director	Chairman - Audit Committee, Remuneration Committee
Welspun Projects Limited	Director	Member - Audit Committee, Remuneration Committee and Shareholders Grievance Committee
Prabhukripa Overseas Limited	Director	--

General Body Meetings

Details of last three Annual General Meetings Held:

1. 25 th Annual General Meeting	30 th July 2011 at 11.30a.m Plot no. 3/1, MIDC Industrial Area, Talaja - 410 208, Dist. Raigad, Maharashtra
2. 24 th Annual General Meeting	<p>24th July 2010 at 03.00 p.m Plot no. 3/1, MIDC Industrial Area, Talaja - 410 208, Dist. Raigad, Maharashtra</p> <p>Special resolution passed:</p> <ul style="list-style-type: none"> For appointment of Mr. Abhiraj Choksey as Managing Director of the company. <p>Postal Ballot</p> <p>During the financial year 2009-10, the Company sought approval from its shareholders for passing Special Resolutions through the process of Postal Ballot pursuant to the provisions of Section 17 and Section 149 (2A) and all other applicable provisions, if any, of the Companies Act, 1956 for alteration in the Object Clause of the Memorandum of Association of the Company and to commence the activities and / or the businesses.</p>
3. 23 rd Annual General Meeting	<p>27th July 2009 at 03.30p.m Plot no. 3/1, MIDC Industrial Area, Talaja - 410 208, Dist. Raigad, Maharashtra</p> <p>Special resolution passed:</p> <ul style="list-style-type: none"> For appointment of Dr. S. Rengachary as Advisor to the company.

Disclosures:

Related Party Transactions:

The company has received consent from Ministry of Corporate Affairs under Section 297 of the Companies Act, 1956 to transact the business with the related party viz. Choksey Chemicals Pvt Ltd, for supply of construction chemicals for estimated quantity of 1000 MT and / or value of ₹ 750 lacs p.a. for a period of three years. Accordingly, during the financial year 2011-12, the Company had supplied 616 MT of construction chemicals worth ₹ 46.86 lacs at the prevailing market price.

Except the above transaction, there has not been any materially significant related party transaction(s) between the Company and its Directors, promoters etc., that may have potential conflict with the interest of the Company at large.

Risk Management:

The Company has initiated the exercise of identifying risks being faced by the company. Risk minimisation is being built up in the operating systems. Risks are being periodically reviewed.

MD and CFO Certification:

Certificate from Mr. Abhiraj Choksey, Managing Director and Mr. Anand V Kumashi, GM – Accts., Fin and Company Secretary, in terms of clause 49(V) of the Listing Agreement entered into with Stock Exchanges, was placed before the Board of Directors of the Company in its meeting held on 10th May 2012.

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Compliances

The Company believes that it has complied with all the regulations of Stock Exchanges, Securities and Exchange Board of India (SEBI) or other statutory authority/ties on matters related to capital markets. No penalties have been imposed or strictures passed during the year against the Company by SEBI, Stock Exchange(s), or any other statutory authority.

Means of Communication:

Half yearly / Quarterly Results have not been sent to shareholders; instead shareholders were intimated these through press and the Company's website, www.apcotex.com. These results were intimated to the Stock Exchange(s) at the end of the respective board meetings.

The quarterly, half yearly and annual results of the Company's financial performances were published in two newspapers viz. Free Press Journal and Navshakti. These, before release to the press and were informed to the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

Management Discussion and Analysis forms part of the Directors.

Green Initiative by MCA

The Ministry of Corporate Affairs has taken a green initiative in the Corporate Governance by allowing paperless compliances by companies vide circular no. 17/95/2011 CL-V dated 21st April 2011, clarifying that the company would have complied with Section 53 of the Companies Act, 1956, if the serving of documents have been made through electronic mode, provided the company has obtained the email addresses of its members for serving notices/documents through email by giving an advance notice to every shareholders to register their email address and changes therein from time to time with the company.

All shareholders are requested to register their e-mail address with the Company's Registrar and Share Transfer Agents or the Compliance officer, in case they wish to get the soft copy of the Annual Report through e-mail. As and when requested by the shareholder, the hard copy of the Annual Report will be provided to them.

Compliance:

Certificate from Company's Auditors on Corporate Governance, as required by Clause 49 of the Listing Agreement, is incorporated in this Annual Report.

General Shareholders Information:

- a) 26th Annual General Meeting will be held on **Thursday, 5th July 2012** at 11.30 a.m at Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra
- b) The Company's financial Year is 1st April to 31st March
- c) Dates of book closure: **Friday, 29th June 2012 to Wednesday, 4th July 2012** (both days inclusive) for the Purpose of Annual General meeting and payment of dividend.
- d) Dividend payment date: on or after **6th July 2012**
- e) Listing on Stock Exchanges: The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date
- f) Stock Code: Bombay Stock Exchange Limited - 523694
Symbol : National Stock Exchange of India Ltd. – APCOTEXIND
- g) ISIN allotted to Equity Shares is INE116A01016

Market Price Data:

Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange and National Stock Exchange during the year **2011-12**

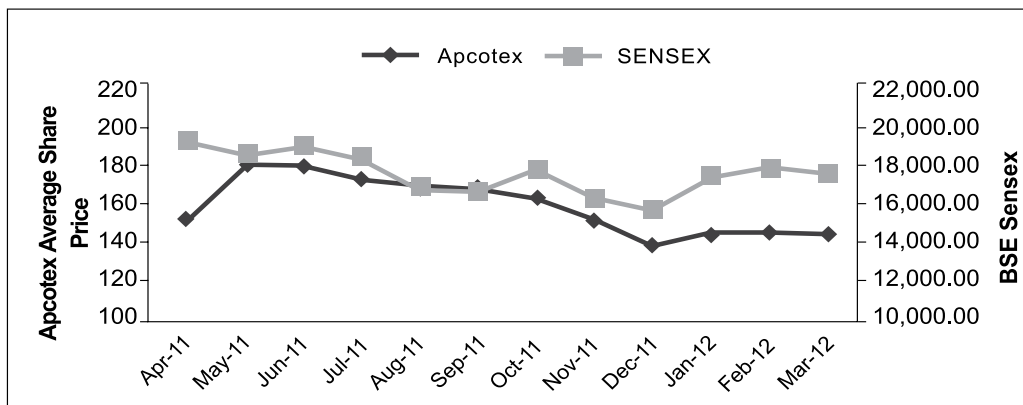
(Amount in ₹)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April	155.00	135.70	158.00	134.00
May	185.95	152.40	188.95	154.00
June	192.00	164.10	193.40	159.00
July	191.00	166.00	191.00	170.05
August	178.80	154.05	180.00	150.10
September	184.90	158.10	175.50	156.65
October	194.45	152.00	184.20	152.10
November	165.45	140.20	165.40	140.00
December	155.10	125.00	154.25	124.00
January	153.00	128.50	165.95	128.05
February	159.00	140.10	161.80	138.85
March	150.00	134.70	149.80	138.15



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Stock Performance Index :



Registrars and Share Transfer Agents:

The Company has appointed Link Intime India Pvt Limited as its Registrars and Share Transfer Agents w.e.f 1st August 2006. Share Transfers, dematerialisation of shares, and all other investors related activities are attended and processed at the office of the Registrars and Share Transfer Agents at the following address :

LINK INTIME INDIA PVT LTD

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai-400 078

Tel. No.- (022) 25963838

Fax : (022) 25946969

Email : rnt.helpdesk@linkintime.co.in

Share Transfer System:

Company's shares are compulsorily traded in the demat segment on the stock exchange(s), and most transfers of shares take place in electronic form.

For expediting Physical transfer of shares, the Board has delegated the share transfer formalities to the officials of Registrar and Share Transfer Agent, to approve the transfer of shares on every Monday. Physical transfers are effected well within the stipulated period of 30 days.

Distribution of Share: Distribution of shareholding as on 31st March 2012.

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 500	18,387	97.09	10,44,916	20.15
501 - 1000	272	1.44	21,3089	4.11
1001 - 2000	134	0.71	1,95,654	3.77
2001 - 3000	57	0.30	1,44,631	2.79
3001 - 4000	21	0.11	73,950	1.43
4001 - 5000	13	0.07	59,030	1.14
5001 - 10000	22	0.12	1,49,205	2.88
Above 10001	31	0.16	3,30,4021	63.73
Total	18,937	100.00	51,84,496	100.00

Categories of Shareholding as on 31st March 2012:

Sr. No.	Category	No. of Shares	% of shareholding
1.	Promoters' Holding Indian Promoters	29,92,029	57.71
2.	Non promoters' Holding Mutual Funds/Trusts/clearing members	12,573	0.24
	Insurance companies/Banks/Financial Institution	619	0.01
	Indian Public	19,50,606	37.62
	Directors/Relatives	137	0.00
	Hindu Undivided Family	2,863	0.06
	Non Resident Indians	60,735	1.18
	Other Corporate Bodies	1,64,934	3.18
	Total	51,84,496	100.00

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Dematerialisation of Shares:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Equity Shares of the company are to be compulsorily traded in the dematerialised form. As on 31st March 2012, 47,55,337 Equity Shares comprising of 91.72% of paid up capital of the company, have been dematerialised by the investors and bulk of transfers take place in the demat segment.

Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity: NIL

Other Information:

Corporate Identification Number (CIN No.):

L99999MH1986PLC039199

Plant Location:

Plot No.3/1, MIDC Industrial Area
Taloja – 410 208, Dist. Raigad, Maharashtra
Telephone: (022) 2740 3500
Fax: (022) 2741 2052

Investors Correspondence:

Investor correspondence may be addressed to any of the following;

Registered Office and Plant	Registrar & Share Transfer Agents
Plot No.3/1, MIDC Industrial Area, Taloja – 410 208, Dist. Raigad, Maharashtra Telephone: (022) 27403500 Fax: (022) 2741 2052	LINK INTIME INDIA PVT LTD(formerly Intime Spectrum Registry Ltd) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup(w), Mumbai-400 078 Tel. No.- (022) 25963838 Fax : (022) 2594 6969
Website: www.apcotex.com E-mail: redressal@apcotex.com	Website: www.linkintime.com.in E-mail. : rnt.helpdesk@linkintime.co.in

Unclaimed Dividend

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are to be transferred to the Investors Education and Protection Fund, administered by the Central Government. The table given below gives the dates of dividend declaration or payment and the corresponding date when unclaimed dividends will be due to be transferred to the Central Government.

Year	Dividend Account No.	Bank name	Date of declaration	Date due for transfer to Central Government
2004-05	00602230005921	HDFC Bank (Vijaya Bank correspondence Banker)	28/07/2005	27/07/2012
2005-06	00602230007123	HDFC Bank (Vijaya Bank correspondence Banker)	23/06/2006	22/06/2013
2007-08	036010200012546	AXIS Bank	12/07/2008	11/07/2015
2008-09	00602230012006	HDFC Bank Ltd	27/07/2009	26/07/2016
2009-10	31260068904	State Bank of India	27/07/2010	26/07/2017
2010-11	31847607342	State Bank of India	30/07/2011	29/07/2018

The concerned shareholders are requested to get their uncashed dividend warrants revalidated and encashed thereafter.

Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2012, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Place : Taloja
Dated : 10th May 2012

Abhiraj Choksey
Managing Director



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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE;

To the **Members of Apcotex Industries Limited**

Taloja, Dist. Raigad, Maharashtra.

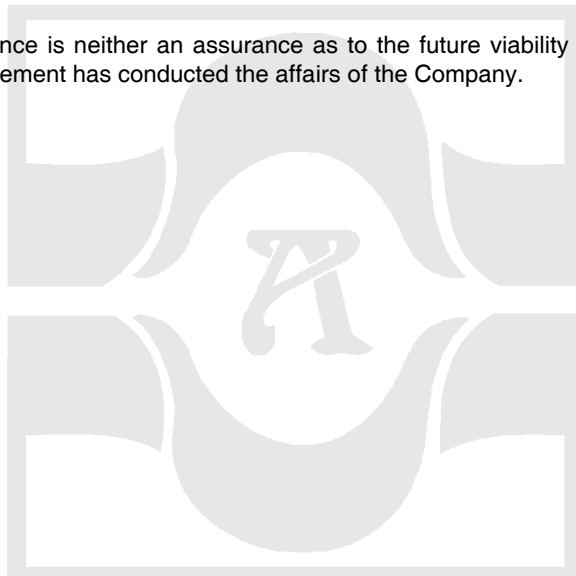
We have examined the compliance of conditions of **Corporate Governance** by **Apcotex Industries Limited** for the financial year **2011-12**, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the stock exchange(s).

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

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

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company has maintained records to show Investors' Grievances against the Company and have certified that as on 31st March 2012, there were no investor grievances remaining unattended / pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the management has conducted the affairs of the Company.



For **Shah & Co.**
Chartered Accountants
Firm Registration No.:- 109430W

P. N. Shah
Partner
Membership No. 001738

Mumbai: 10th May 2012

AUDITORS' REPORT

REPORT OF THE AUDITOR TO THE MEMBERS

1. We have audited the attached Balance Sheet of APCOTEX INDUSTRIES LIMITED as at 31st March 2012, and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of 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 Profit and Loss Account and the Cash flow Statement referred to in this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and as per the information and according to the explanations given to us, the said Accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2012.
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Shah & Co.**
Chartered Accountants
Firm Registration No. 109430W

P N Shah
Partner
Membership No. 001738

Mumbai: 10th May 2012



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ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF APCOTEX INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2012

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.

contracts or agreement that need to be entered in to the registered maintained under section 301 of Companies Act 1956 have been so entered.
- (b) There is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies were noticed by the management on such physical verification.
- (c) The Company has not disposed of substantial part of fixed assets during the year.
- 2) (a) Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks 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 book records were not material and have been properly dealt with in the books of account.
- 3) (a) The Company has not granted any loans during the year to any parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of clause 4(iii)(a) of the Companies (Auditor's Report) order, 2003, clause 4(iii)(b, c and d) are not applicable to the Company.
- (b) The Company has not accepted any loans during the year from the parties covered in the register maintained under section 301 of the Companies Act, 1956.

In view of clause 4 (iii)(e) of the Companies (Auditor's Report) Order, 2003, clauses 4 (iii) (f & g) are not applicable to the Company.
- 4) In our opinion, and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to sale of goods and services. We have not observed any major weakness in the internal control system during the course of our audit.
- 5) (a) According to the information and explanation given to us, the transactions made in pursuance of
- (b) In our opinion, and according to the information and explanations given to us, the transactions of purchase of goods, materials or services and sale of goods, materials or services, made in pursuance of contracts or arrangements referred to in (a) above and exceeding the value of ₹ 5 lakhs with any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6) According to the information and explanations given to us, the company has not accepted any deposit from the public, therefore the provisions of clause 4(vi) of the Companies (Auditors Report) order, 2003 are not applicable to the company.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) As informed to us, the Company maintains the cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956. We have, however, not checked those records or the Statements prepared as per requirements.
- 9) (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues as applicable with appropriate authorities.
- (b) According to the information and explanations given to us, there are no undisputed dues payable in respect of income tax, wealth tax, sales tax, VAT, service tax, customs duty excise duty and cess were outstanding as at 31st March 2012 for the period of more than 6 months from the date they became payable.

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- (c) Following disputed demand aggregating to ₹ 315.69 lacs have not been deposited since the matter are pending with the relevant concerned authority.

Name of the Statute	Nature of Dues	Amount (₹ n Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Income Tax Penalty	3.75	2002-03	CIT(A)
Income Tax Act	Tax, Interest	36.53	2005-06	ITAT
Income Tax Act	Tax, Interest	3.77	2006-07	ITAT
Income Tax Act	Tax, Interest	108.33	2007-08	CIT(A)
Customs Act	Custom Duty & Penalty	140.98	August 2000 to July 2004	SUPREME COURT
Excise Act	Excise Duty & Penalty	22.33	2002-03	JOINT COMMISSIONER
			2003-04	CESTAT
			2005-06	ASSISTANT COMMISSIONER
			2006-07	ASSISTANT COMMISSIONER
			2007-08	ASSISTANT COMMISSIONER

- 10) The Company has no accumulated losses as at 31st March 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 11) The Company has not defaulted during the year in repayment of dues to any financial institutions, banks or debenture holders.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) As the Company is not a chit fund, nidhi, mutual benefit fund or society, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14) The company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities and other investments and timely entries have been made therein. All the shares, securities and other investments have been held by the company in its own name.
- 15) The Company has not given any guarantees for loans taken by others from Banks or Financial institutions during the year.
- 16) The Company has taken term loans in foreign currency during the year. These have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us, the Company has not applied short-term borrowings for long-term investment.
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) As per the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For Shah & Co.
Chartered Accountants.
Firm registration no. 109430W

P N SHAH
Partner
Membership No. 001738

Mumbai : 10th May, 2012



apcotex industries limited

BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in lacs)

	Notes	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	522.35	522.35
Reserves and Surplus	3	6455.32	5897.08
		<u>6977.67</u>	<u>6419.43</u>
NON CURRENT LIABILITIES			
Long Term Borrowings	4	2568.99	444.66
Deferred Tax Liability (Net)	5	548.33	527.51
Other Long Term Liabilities	6	43.30	54.83
Long Term Provisions	7	169.64	59.09
		<u>3330.26</u>	<u>1086.09</u>
CURRENT LIABILITIES			
Short Term Borrowings	8	3240.78	2242.85
Trade Payables	9	1393.76	1397.83
Other Current Liabilities	10	514.57	672.21
Short Term Provisions	7	1213.10	895.00
		<u>6362.21</u>	<u>5207.89</u>
TOTAL		<u><u>16670.14</u></u>	<u><u>12713.41</u></u>
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	11 A	3174.04	2880.77
Intangible Assets	11 B	4.32	6.60
Capital Work-in-Progress		721.67	309.40
		<u>3900.03</u>	<u>3196.77</u>
Non-current Investments	12	2140.52	1944.28
Long Term Loans and Advances	13	498.84	640.38
CURRENT ASSETS			
Inventories	14	1352.40	1647.87
Trade Receivables	15	4477.04	3705.17
Cash and Bank Balances	16	3433.10	812.79
Short Term Loans and Advances	13	804.14	704.34
Other Current Assets	17	64.07	61.80
		<u>10130.75</u>	<u>6931.97</u>
TOTAL		<u><u>16670.14</u></u>	<u><u>12713.41</u></u>
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.			

As per our Report of even date

ATUL C. CHOKSEY

Chairman

ABHIRAJ A. CHOKSEY

Managing Director

GIRISH C. CHOKSEY

AMIT C. CHOKSEY

MANUBHAI G. PATEL

BIPIN V. JHAVERI

SHAILESH VAIDYA

Directors

For SHAH & CO.

Chartered Accountants

Firm Registration No. 109430W

P.N. SHAH

Partner

Mumbai : 10th May 2012

ANAND V. KUMASHI

GM – Accounts, Finance &
Company Secretary

Mumbai : 10th May 2012

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STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in lacs)

	Notes	As at 31st March, 2012	As at 31st March, 2011
INCOME			
Revenue from Operations	18A	27789.77	22165.76
Less: Excise duty		2405.05	1973.80
Revenue from Operations (Net of excise duty)		25384.72	20191.96
Other Operating Revenue	18B	116.07	118.31
Other Income	19	223.51	241.10
TOTAL REVENUE		25724.30	20551.37
EXPENSES			
Cost of Materials Consumed	20A	19355.32	15209.07
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade	20B	(27.67)	(139.29)
Employee Benefits Expense	21	1008.50	777.48
Other Expenses	22	3080.23	2678.11
TOTAL EXPENSES		23416.38	18525.37
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA)		2307.92	2026.00
Less: Depreciation and Amortisation Expense	11	278.64	264.76
Finance Cost	23	398.08	254.42
PROFIT BEFORE TAX		1631.20	1506.82
Less : Tax Expenses			
Current Tax		464.00	320.00
Deferred Tax	5	20.82	114.46
Total Tax Expenses		484.82	434.46
PROFIT AFTER TAX		1146.38	1072.36
Earnings Per Share (₹) Basic and Diluted (Face value of ₹ 10 each)	40		
Significant Accounting Policies	1		
Notes are an integral part of the financial statements			

As per our Report of even date

ATUL C. CHOKSEY

Chairman

ABHIRAJ A. CHOKSEY

Managing Director

GIRISH C. CHOKSEY

AMIT C. CHOKSEY

MANUBHAI G. PATEL

BIPIN V. JHAVERI

SHAILESH VAIDYA

} Directors

For SHAH & CO.

Chartered Accountants

Firm Registration No. 109430W

P.N. SHAH

Partner

Mumbai : 10th May 2012

ANAND V. KUMASHI

GM – Accounts, Finance &
Company Secretary

Mumbai : 10th May 2012



apcotex industries limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in lacs)

			As at 31st March, 2012	As at 31st March, 2011
A.	CASH FLOW FROM OPERATING ACTIVITIES :			
	Net profit / (loss) before tax and extraordinary items		1631.20	1506.82
	Adjustments for :			
	- Depreciation		278.64	264.76
	- Finance Cost		398.08	254.42
	- Prior year adjustments		103.72	68.06
	- Income on sale of assets		-	(41.20)
	- Income on sale of investment		(97.27)	(115.49)
	- Interest/Dividend/Other Income		(165.19)	(133.09)
	Operating profit before working capital changes		2149.18	1804.28
	Adjustments for :			
	- Trade and other receivables		(805.97)	(851.89)
	- Inventories		295.46	(599.80)
	- Trade and other payables		39.79	424.84
	Cash (used) / generated from operations		1678.46	777.43
	Interest and Borrowing cost paid		(374.99)	(254.42)
	Direct taxes paid		(563.93)	(377.25)
	Net Cash Flow from operating activities	(a)	739.54	145.76
B.	CASH FLOW FROM INVESTING ACTIVITIES:			
	Purchase of fixed assets		(722.68)	(747.45)
	Sale of fixed assets		9.08	57.35
	Purchase of investments		(3045.30)	(1803.03)
	Sale of investments		2850.13	1912.64
	Interest received		1.79	10.02
	Dividend received		54.74	14.96
	Other Income		82.38	94.97
	Net cash generated / (used) in investing activities	(b)	(769.85)	(460.55)
C.	CASH FLOW FROM FINANCING ACTIVITIES:			
	- Proceeds from long term borrowings		4,602.27	2687.51
	- Repayment of long term borrowings		(1587.51)	(1478.12)
	- Dividends paid		(364.14)	(256.24)
	Net cash used in financing activities	(c)	2650.62	953.15
	Net increase/ (decrease) in cash and cash equivalents	(a+b+c)	2620.31	638.37
	Cash and cash equivalents as at 1st April 2011		812.79	174.42
	Cash and cash equivalents as at 31st March 2012		3433.10	812.79

As per our Report of even date

ATUL C. CHOKSEY

Chairman

ABHIRAJ A. CHOKSEY

Managing Director

GIRISH C. CHOKSEY

AMIT C. CHOKSEY

MANUBHAI G. PATEL

BIPIN V. JHAVERI

SHAILESH VAIDYA

} Directors

For SHAH & CO.

Chartered Accountants

Firm Registration No. 109430W

P.N. SHAH

Partner

Mumbai : 10th May 2012

ANAND V. KUMASHI

GM – Accounts, Finance &
Company Secretary

Mumbai : 10th May 2012

NOTE 1: NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Corporate Information note on business activity

Apcotex Industries Ltd. is one of the leading producers of Synthetic Latexes (VP Latex, XSB Latex, Acrylic Latex, Nitrile Latex) and Synthetic Rubber (HSR, SBR) in India. The company has one of the broadest ranges of products based on SYRENE – BUTADIENE CHEMISTRY available in the market today. Our range is used, among other applications, for TYRE CORD DIPPING, PAPER/PAPER BOARD COATING, CONCRETE MODIFICATION/WATER PROOFING, PAINT EMULSIONS and TEXTILE FINISHING. The various grades of Synthetic Rubber find application in products such as footwear, automotive components, v-belts, conveyor belts and hoses.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED IN THE COMPILATION OF THE ACCOUNTS

a) Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rule 2006 and with relevant provisions of the Companies Act, 1956.

b) Method of Accounting

- i. The method of accounting followed by the Company is mercantile/accrual basis.
- ii. The rights and liabilities pertaining to prior period operations but arising in the current year, if material, are considered under other expenses in the Profit and Loss Account.

c) Fixed Assets

- i. The 'gross block' of fixed assets is shown at the cost of acquisition, which includes taxes, duties (net of MODVAT/CENVAT and set-offs availed) and other identifiable direct expenses.
- ii. Leasehold lands are amortized over the period of lease.

d) Depreciation

1) The Company has provided depreciation

- i. On all additions up to 31.03.1994 under Written Down Value Method and at rates specified under Schedule XIV of the Companies Act, 1956.
- ii. On all additions after 31.03.1994 under Straight Line Method and at rates specified under Schedule XIV of the Companies Act, 1956.

2) In respect of all additions during the year depreciation is provided pro-rata on monthly basis.

3) Intangible Assets -Computer Software expenses are written off over period of three years.

e) Investments

- i. Short-term investments, if any, are carried at the lower of cost and quoted/fair value, computed category wise. Long-term investments are carried at cost. Provision for diminution in the value of the long-term investments is made only, if such a decline is not temporary, in the opinion of the management.
- ii. Cost is arrived at by specific identification method.

f) Inventory

- i. Raw and packing materials are valued at cost or market value, whichever is lower, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes, which are subsequently recoverable from the taxing authorities.
- ii. The finished goods inventory is valued on the principle of cost or market value whichever is lower. It includes material cost, conversion and other costs incurred in bringing the inventories at their present location and condition.
- iii. Work-in-process is valued at material cost and cost of conversion appropriate to their location in the manufacturing cycle.
- iv. Stores, spares and consumables are valued at cost, computed on FIFO basis. The cost includes the cost of purchase and other expenses directly attributable to their acquisition but excludes duties and taxes that are subsequently recoverable from the taxing authorities, if any.
- v. Damaged, unserviceable and inert stocks are suitably depreciated.

g) Transactions in foreign exchange

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the profit and loss account.

Foreign currency monetary assets and liabilities at the year end translated at the year end and exchange rates and the resultant exchange difference except those qualifying for hedge accounting in the profit and loss account.



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The exchange rate difference between the rate as at the close of the financial year and the actual disbursement amounted to ₹ 107.50 lacs has been recognized in the foreign exchange transaction reserve account. It would have been ₹ 155.23 lacs in case the same has been recognized as Mark to Market concept.

h) Sundry Debtors

Sundry debtors are stated after writing off debts considered as bad. Adequate provision is made for doubtful debts, if any. Discounts due, yet to be quantified at the customer level are provided for under other provisions.

i) Employees' Benefits

The Company has taken Group Gratuity Policy from Kotak Mahindra Life Insurance Corporation of India (Kotak) for future payments of gratuities. The gratuity liability is determined based on an actuarial valuation performed by Kotak.

Liability towards Superannuation is funded @ 15% of basic salary.

Provision for leave encashment, which is defined benefit, is made based on an actuarial valuation carried out by an independent actuary at 31 st March 2012.

j) Research and Development

- Capital expenditure is shown separately under respective heads of fixed assets.
- Revenue expenses are included under the respective heads of expenses.

k) Provision for Taxation

Provision for taxation is computed as per 'total income' returnable under the Income Tax Act, 1961 after taking into account available deductions and exemptions. Deferred tax is recognized for all timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

l) Borrowing Costs

Borrowing cost directly attributable to the acquisition and construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period, which they are incurred.

m) Other Accounting Policies

These are consistent with generally accepted accounting practices.

n) Impairment of Fixed Assets

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. If any indication exists, an assets recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

o) Leases

Assets taken on lease, under which lesser effectively retains all the risks and rewards of ownership, are classified as operating lease. Operating lease payments are recognized as expenses in the profit and loss account on a straight – line basis over the lease term.

p) Cash & Cash Equivalent

Closing balance includes balances aggregating to ₹ 62.96 lacs (P.Y. ₹ 28.48 lacs) with banks in Term Deposits & Margin accounts, which is pledged against the bank guarantees and deposit with concern authorities, which are not available for use by the company.

q) Revenue Recognition

- a. Domestic sales are recognized at the point of dispatch of goods to the customers, which is when risks and rewards of ownership are passed to the customers and stated net of trade discount and exclusive of sales tax and excise duty.
- b. Export sales are recognized based on the bill of lading except sales to Nepal which are recognized when the goods are cross the Indian territory, which is when risks and rewards of ownership are passed to the customers.
- c. Interest and other income are recognized on accrual basis.

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NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 2 : SHARE CAPITAL		
Authorised		
Equity Shares of ₹ 10/- each	1497.00	1497.00
Preference shares of ₹ 100/- each	0.50	0.50
Unclassified shares of ₹ 10/- each	2.50	2.50
	<u>1500.00</u>	<u>1500.00</u>
Issued, Subscribed and Paid up capital		
5,184,496 (Previous year 5,184,496) Equity Shares of ₹ 10/- each fully paid. (Including ₹ 3.90 lacs towards 78,051 share forfeited at ₹ 5/- each)	522.35	522.35
	<u>522.35</u>	<u>522.35</u>

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31st March 2012		As at 31st March 2011	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
At the beginning of the year	5,184,496	522.35	5,184,496	522.35
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>5,184,496</u>	<u>522.35</u>	<u>5,184,496</u>	<u>522.35</u>

(b) Details of Shareholders holding more than 5% equity shares in the company

	As at 31st March 2012		As at 31st March 2011	
Equity Shares of ₹ 10/- each	No of Equity Shares	% holding	No of Equity Shares	% holding
Dhumraketu Investment & Trading Company Pvt. Ltd	818,696	15.79	808,318	15.59
Saldhar Investment & Trading Company Pvt. Ltd	280,539	5.41	272,580	5.26
Trivikram Investment & Trading Company Ltd.	986,668	19.03	981,654	18.93

(c) Terms/rights attached to equity shares

The Company has issued one class of share i.e Equity Shares which enjoy similar rights in respect of Voting, Payment of dividend and Repayment of capital.

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 3 : RESERVES AND SURPLUS		
(a) Capital Redemption Reserve	34.30	34.30
(b) Share Premium	3084.11	3084.11
(c) General Reserve		
As per last Balance Sheet	1376.24	1266.24
Add : Transfer from Statement of Profit and Loss A/c	114.64	110.00
	<u>1490.88</u>	<u>1376.24</u>
(d) Foreign Exchange Translation Reserve	-107.50	--
	<u>-107.50</u>	<u>--</u>
(e) Surplus in Statement of Profit and Loss		
As per last Balance Sheet	1402.43	863.24
Add : Net profit after tax transferred from Statement of Profit and Loss A/c	1146.38	1072.36
Excess Provision of Dividend Distribution tax Written Back for F.Y. 2010-11	1.40	--
Amount available for appropriation	<u>2550.21</u>	<u>1935.60</u>



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Less: Appropriations		
Dividend on Equity shares:		
Proposed Dividend [Amount per share ₹ 8 (Previous year ₹ 7)]	414.76	362.91
Dividend Distribution Tax	67.28	60.28
Transfer to General Reserve	114.64	110.00
Closing Balance	1953.53	1402.43
	6455.32	5897.08

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 4 : LONG TERM BORROWINGS		
(a) Term Loan		
Secured		
From Banks	2568.99	444.66
	2568.99	444.66

Note:

1. Loan from a bank secured by hypothecation of the Company's entire Plant & Machinery by way of first charge.
2. There is no default in terms of repayment.
3. External Commercial Borrowing in USD for the tenure of 5 years the amount repayable in 15 quarterly equated installment after moratorium period of 15 months.

Note 5: DEFERRED TAX LIABILITY (NET)

The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) – Accounting for Taxes on income.

The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March 2012 are as follows:

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
Deferred tax liabilities		
Deferred tax assets created in previous year reversed in current year	28.43	
Deferred tax liabilities created due to deduction allowed in income tax on capital expenditure for Scientific Research	14.33	1.35
Total deferred tax liabilities	42.76	1.35
Deferred tax assets		
Difference between Written Down Value/Capital work in progress of fixed assets as per the books of accounts and Income Tax Act, 1961.	3.72	-143.28
Deferred tax assets created for the year end	14.68	29.11
Deferred Tax asset created due to reduction in tax rate	1.32	1.06
Capital losses carried forward under Income Tax Act, 1961	2.22	-
Total deferred tax assets	21.94	-113.11
Net deferred tax (liability)	20.82	114.46
Net Deferred tax liability of earlier years	527.51	413.05
Net Deferred tax (expense) for the year	548.33	527.51

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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 6. OTHER LONG TERM LIABILITIES		
Unsecured		
Security Deposits	43.30	54.83
	<u>43.30</u>	<u>54.83</u>

(₹ in lacs)

	Long -Term		Short- Term	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
NOTE 7. PROVISIONS				
Employee allowances	-	-	197.36	111.28
Gratuity	27.23	5.83	-	5.81
Excise	-	-	69.70	34.72
Proposed Dividend	-	-	414.76	362.91
Provision for Dividend distribution Tax	-	-	67.28	60.28
Income Tax	-	-	464.00	320.00
Other Provisions (Incl. Custom duty Provision)	142.41	53.26	-	-
	<u>169.64</u>	<u>59.09</u>	<u>1213.10</u>	<u>895.00</u>

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 8 : SHORT TERM BORROWINGS		
Loan repayable on demand from banks		
Secured		
Working capital loan from Banks	3240.78	1100.00
Unsecured		
Working capital loan from Banks	0.00	1142.85
	<u>3240.78</u>	<u>2242.85</u>

Note:

1. Loan from a bank secured by hypothecation of stock, book debts on parri passu basis and exclusive charge on land and building and second parri passu charge on plant machinery.
2. There is no default in terms of repayment of principal and interest.

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 9 : TRADE PAYABLES		
Unsecured		
Trade Payables	1393.76	1397.83
(Refer note 41 (for details of dues to Micro, Small and Medium Enterprises))	<u>1393.76</u>	<u>1397.83</u>



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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 10 : OTHER CURRENT LIABILITIES		
(a) Other Payables		
(1) Statutory Payables -		
Central sales tax and VAT	16.96	3.17
Excise & Service tax	2.97	4.91
TDS under Income tax	14.96	13.71
Provident Fund, Profession Tax and ESIC	0.77	0.00
Provision For Bonus	19.50	14.00
Commission to Non Exe. Directors	20.00	14.79
Sundry creditors-Others	11.13	167.11
Retention Money Payable	8.60	6.35
Outstanding Expenses	379.92	421.20
Interest accrued but not due on borrowings	22.93	8.91
(b) Investor Education and Protection Fund		
(i) Unpaid/ Unclaimed dividend	15.31	16.54
(ii) Others (unclaimed)	1.52	1.52
	16.82	18.05
	514.57	672.20

Note :-

- There is no amount due and outstanding to be paid to the Investor Education and Protection Fund as at 31st March 2012. These amounts shall be paid to the Fund as and when they become due.

NOTE 11 : FIXED ASSETS									
	Gross Block				Depreciation				(₹ in lacs)
	As at 01.04.11	Additions during the year	Deductions/ Adjustments	As at 31.03.12	As at 01.04.11	Additions During the year	Deductions/ Adjustments	As at 31.03.12	As at 31.03.12
A. Tangible Assets :									
Leasehold Land	7.64	-	-	7.64	2.26	0.20	-	2.46	5.18
Buildings	1467.25	84.71	-	1551.96	614.32	43.20	-	657.52	894.44
Plant and Equipment	3864.35	170.47	34.40	4000.42	3007.57	128.99	28.27	3108.29	892.13
Scientific Research Equipment	208.48	44.16	-	252.64	87.42	11.04	-	98.46	154.18
Furnitures & Fixtures	92.60	0.46	-	93.06	68.90	3.10	-	72.00	21.06
Vehicles	157.84	53.27	30.36	180.75	49.05	15.76	18.56	46.25	134.50
Office Equipment	40.19	20.41	-	60.60	8.22	3.89	-	12.11	48.49
Electric & Pipe Fittings	713.37	214.09	-	927.46	413.56	37.92	-	451.48	475.98
Wind Turbine Generator	612.79	-	-	612.79	32.44	32.27	-	64.71	548.08
Total tangible assets	7164.51	587.58	64.76	7687.32	4283.74	276.36	46.82	4513.28	3174.04
B. Intangible Assets :									
Computer Software	52.35	-	-	52.35	45.75	2.28	-	48.03	4.32
Total intangible assets	52.35	-	-	52.35	45.75	2.28	-	48.03	4.32
Total (A+B)	7216.86	587.58	64.76	7739.67	4329.49	278.64	46.82	4561.31	3178.36
Previous year	6912.20	330.44	25.78	7216.86	4074.56	264.76	9.82	4329.49	2887.37

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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 12 : NON CURRENT INVESTMENTS		
I. Unquoted		
(a) Investment In Associates company		
120000 (P.Y. 120000) Equity Shares of Cybele Paradise Pvt Ltd. of the face value of ₹10/- fully paid	16.00	16.00
	16.00	16.00
(b) Investment in Trade Investment		
333 Ordinary Shares of Bombay Mercantile Co-op. Bank Ltd., Mumbai of the face value of ₹30/- fully paid	0.10	0.10
	0.10	0.10
(C) Investment in Mutual Funds		
Nil Units (P. Y. 250000 units) of SBI PSU Fund Dividend	-	25.00
197101.984 Units (P. Y. 197101.984 Units) Birla Sun Life Frontline Equity Fund - Growth	124.46	124.46
Nil Units (P. Y. 48106.851 Units) Birla Sunlife Midcap Fund - Plan A (G)	-	50.00
382542.167 Units (P. Y. 382542.167 Units) DSP BlackRock Micro Cap Fund-Regular Plan	66.00	66.00
58645.707 Units (P. Y. 58645.707 Units) HDFC Top 200 Fund (G)	112.50	112.50
423919.327 Units (P. Y. 423919.327 Units) HDFC Mid-Cap Opportunities Growth	66.00	66.00
Nil Units (P. Y. 185536.323 Units) IDFC Premier Equity Fund - Plan A Growth	-	49.80
Nil Units (P. Y. 157401.77 Units) Sundaram SMILE Fund - (G)	-	50.00
824499.411 Units (P. Y. 824499.411 Units) ICICI Prudential Focused Bluechip Eq Fund - Retail (G)	140.00	140.00
Nil Units (P. Y. 313480.711 Units) Mirae Asset China Advantage Fund-Reg Plan- Growth	-	36.16
886011.144 Units (P. Y. Nil units) of Kotak Floater Long Term - Daily Div	89.31	-
95660.24 Units (P. Y. Nil units) of Kotak Floater Long Term - Growth	16.00	-
	614.27	719.92
Total Non Current Unquoted Investments (I)	630.37	736.02
II. Quoted		
(a) Investment in Equity shares :		
4080 (P. Y. 4080) Equity Shares of Asian Paints (I) Ltd.(includes 3580 bonus shares) of the face value of ₹10/- fully paid	4.99	4.99
10000 (P. Y. 2000) Equity Shares of Tata Motors Ltd. of the face value of ₹10/- fully paid, <i>Stock Split 1:5</i>	1.52	1.52
11850 (P. Y. 11250) Equity Shares of Century Textiles Ltd. of the face value of ₹10/- fully paid	96.97	94.68
Nil (P. Y. 10000) Equity Shares of Kotak Mahindra Bank Ltd. of the face value of ₹5/- fully paid	-	25.61
Nil (P. Y. 3525) Equity Shares of Reliance Industries Ltd. of the face value of ₹10/- fully paid	-	24.11
Nil (P. Y. 1025) Equity Shares of State Bank of India Ltd of the face value of ₹10/- fully paid	-	13.16
Nil (P. Y. 49250) Equity Shares of Voltas Ltd of the face value of ₹1/- fully paid	-	71.14
Nil (P. Y. 38900) Equity Shares of Welspun Corp Ltd of the face value of ₹5/- fully paid	-	71.61
30225 (P. Y. 112500) Equity Shares of Exide Industries Ltd of the face value of ₹1/- fully paid	35.95	112.25
37830 (P. Y. 33950) Equity Shares of Opto Circuits India Ltd of the face value of ₹10/- fully paid	61.61	71.64
1525 (P. Y. 2000) Equity Shares of Oracle Financial Servcies Software Ltd of the face value of ₹5/- fully paid	33.88	44.18
11500 (P. Y. 17500) Equity Shares of Lupin Ltd of the face value of ₹2/- fully paid	33.63	49.60



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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
34000 (P. Y. 34000) Equity Shares of Kalpataru Power Transmission Ltd of the face value of ₹2/- fully paid	72.88	72.88
31100 (P. Y. 31100) Equity Shares of JK Cement Ltd of the face value of ₹10/- fully paid	56.93	56.93
3025 (P. Y. 9775) Equity Shares of Bajaj Auto Ltd of the face value of ₹10/- fully paid	0.00	84.39
89750 (P. Y. 91850) Equity Shares of S. Kumars Nationwide Ltd of the face value of ₹10/- fully paid	67.45	68.90
17450 (P. Y. 17450) Equity Shares of Mahindra Holidays & Resorts India Ltd of the face value of ₹10/- fully paid	82.10	82.10
3750 (P. Y. 6150) Equity Shares of Jammu & Kashmir Bank Ltd of the face value of ₹10/- fully paid	30.17	49.93
27400 (P. Y. 17100) Equity Shares of Sun TV Network Ltd of the face value of ₹5/- fully paid	104.13	72.05
Nil (P. Y. 1250) Equity Shares of Tata Consultancy Services Ltd of the face value of ₹1/- fully paid	-	13.78
1954 (P. Y. 1500) Equity Shares of Infosys Ltd. of the face value of ₹5/- fully paid	58.35	10.67
6750 (P. Y. Nil) Equity Shares of Axis Bank Ltd. of the face value of ₹10/- fully paid	80.25	-
43210 (P. Y. Nil) Equity Shares of United Phosphorous Ltd. of the face value of ₹2/- fully paid	65.30	-
23100 (P. Y. Nil) Equity Shares of Muthoot Finance Ltd. of the face value of ₹10/- fully paid	43.29	-
30500 (P. Y. Nil) Equity Shares of Cox & Kings Ltd. of the face value of ₹5/- fully paid	65.68	-
11700 (P. Y. Nil) Equity Shares of ING Vysya Bank Ltd. of the face value of ₹10/- fully paid	35.58	-
38600 (P. Y. Nil) Equity Shares of Jain Irrigation Systems Ltd. of the face value of ₹2/- fully paid	42.35	-
27700 (P. Y. Nil) Equity Shares of Kajaria Ceramics Ltd. of the face value of ₹2/- fully paid	28.76	-
8900 (P. Y. Nil) Equity Shares of IPCA Laboratories Ltd. of the face value of ₹2/- fully paid	28.52	-
Nil (P. Y. 3800) Equity Shares of India Infoline Ltd of the face value of ₹2/- fully paid	-	5.03
Nil (P. Y. 4450) Equity Shares of Indian Overseas Bank of the face value of ₹10/- fully paid	-	5.00
Nil (P. Y. 2265) Equity Shares of Corporation Bank of the face value of ₹10/- fully paid	-	10.00
6535 (P. Y. 6535) Equity Shares of PSL Limited of the face value of ₹10/- fully paid	10.01	10.01
725 (P. Y. 630) Equity Shares of ICICI Bank Ltd of the face value of ₹10/- fully paid	6.00	5.01
Nil (P. Y. 975) Equity Shares of Reliance Infrastructure Ltd of the face value of ₹10/- fully paid	-	9.97
5184 (P. Y. 5184) Equity Shares of Sterlite Inds (I) Ltd of the face value of ₹1/- fully paid	10.00	10.00
Nil (P. Y. 1343) Equity Shares of Mahindra & Mahindra Ltd of the face value of ₹5/- fully paid	-	8.00
7075 (P. Y. 1920) Equity Shares of Biocon Ltd of the face value of ₹5/- fully paid	19.90	6.62
Nil (P. Y. 1345) Equity Shares of Apollo Hospitals Enterprise Ltd of the face value of ₹5/- fully paid	-	6.03
6925 (P. Y. 5610) Equity Shares of Nagarjuna Construction Company Ltd of the face value of ₹10/- fully paid	9.61	8.61
357 (P. Y. 357) Equity Shares of Larsen & Toubro Ltd of the face value of ₹2/- fully paid	7.01	7.01
Nil (P. Y. 4950) Equity Shares of Infrastructure Development Finance Company Ltd of the face value of ₹10/- fully paid	-	9.00
18700 (P. Y. Nil) Equity Shares of Kotak Nifty ETF of the face value of ₹10/- fully paid	110.88	-
1650 (P. Y. Nil) Equity Shares of Bharat Electronics Ltd of the face value of ₹10/- fully paid	23.49	-
2450 (P. Y. Nil) Equity Shares of Wyeth Ltd of the face value of ₹10/- fully paid	24.63	-
2934 (P. Y. Nil) Equity Shares of Sudarshan Chemical Industries Ltd. of the face value of ₹10/- fully paid	20.60	-
27740 (P. Y. Nil) Equity Shares of Texmaco Rail & Engineering Ltd. of the face value of ₹1/- fully paid	20.94	-

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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
1437 (P. Y. Nil) Equity Shares of Bayer Cropscience Ltd. of the face value of ₹10/- fully paid	11.14	-
18650 (P. Y. Nil) Equity Shares of RPG Life Sciences Ltd. of the face value of ₹8/- fully paid	14.83	-
512 (P. Y. Nil) Equity Shares of Swaraj Engines Ltd. of the face value of ₹10/- fully paid	2.33	-
5875 (P. Y. Nil) Equity Shares of Alstom Projects India Ltd. of the face value of ₹10/- fully paid	22.99	-
37610 (P. Y. Nil) Equity Shares of KEC International Ltd. of the face value of ₹2/- fully paid	14.80	-
4200 (P. Y. Nil) Equity Shares of Honda Siel Power Products Ltd. of the face value of ₹10/- fully paid	11.58	-
3955 (P. Y. Nil) Equity Shares of Ingersoll-Rand (India) Ltd. of the face value of ₹10/- fully paid	15.06	-
2045 (P. Y. Nil) Equity Shares of Coromandel International Ltd. of the face value of ₹1/- fully paid	5.39	-
6100 (P. Y. Nil) Equity Shares of CESC Ltd. of the face value of ₹10/- fully paid	18.65	-
Nil (P. Y. 20350) HDFC Warrants	-	11.84
Total Non Current Quoted Investments (II)	1510.15	1208.26
Total Non Current Investments (I) + (II)	2140.52	1944.28
Aggregate market value of Non Current Quoted Investments :	1538.11	1,208.26

Note :

1. Figures in brackets indicate that of previous year.

(₹ in lacs)

	Long Term		Short Term	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
NOTE 13 : LOANS AND ADVANCES				
(A) Unsecured & Considered good:				
(a) Capital Advances	99.23	376.56	-	-
(b) Sundry deposits	247.98	254.28	12.00	12.00
(c) Balance with Income Tax – Advance Penalty Appeal	5.76	5.76	-	-
(d) Sundry Creditors debit Balances	-	-	-	80.16
	352.97	636.60	12.00	92.16
(B) Loans and advances to related parties				
Advance contribution to Gratuity Fund Trust	3.78	3.78	-	-
(C) Other loans and advances				
Advances to Vendor	-	-	18.77	12.24
Advances against Expenses	-	-	42.95	88.44
Balance with Excise and service tax	-	-	143.06	111.78
Customs Duty under protest	142.09	-	-	-
Income Tax paid against disputed liability	-	-	100.00	-
Advance payment of Income Tax (Gross)	-	-	482.12	397.07
Advances to employees	-	-	5.24	2.65
	142.09	0.00	792.14	612.18
	498.84	640.38	804.14	704.34



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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 14: INVENTORIES		
(a) Raw materials	595.90	969.11
(b) Packing materials	22.76	15.60
(c) Finished goods	483.68	456.01
(d) Work-in-progress	32.67	32.67
(e) Stores, spares and consumables	217.39	174.48
	<u>1352.41</u>	<u>1647.87</u>
Note: At Lower of cost and market value.		

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 15: TRADE RECEIVABLES		
Unsecured		
(a) Overdue for more than six months		
Considered good	11.66	15.00
(b) Others		
Considered good	4465.38	3690.17
	<u>4477.04</u>	<u>3705.17</u>
Note:-		
Amount due from private company in which any director is a director of that co.		
(l) Choksey Chemical Pvt. Ltd	22.26	10.81

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 16: CASH AND BANK BALANCES:		
A. Cash & Cash equivalents		
(a) Cash on hand	6.06	3.96
(b) Balances with Banks :		
(i) Balances with Bank Accounts	85.39	154.44
(ii) Deposit with bank	1770.57	28.48
(iii) EEFC A/c	143.16	3.61
(c) Investment in liquid mutual funds (See note on page no. 33)	1412.61	605.76
B. Other bank balances-earmarked		
(i) Unpaid dividend	15.31	16.54
	<u>3433.10</u>	<u>812.79</u>

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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
Investment in liquid mutual funds		
Unquoted		
Investments in Mutual Funds:		
Nil Units (P. Y. 126535.526 Units) of HDFC HI Short Term Plan	-	12.20
139929.844 Units (P. Y. Nil Units) of HDFC Floating Rate Income Fund-LT-Div Reinv	14.24	-
Nil Units (P. Y. 92020.167 Units) of IDFC Money Mgr Fund - Plan B	-	9.27
Nil Units (P. Y. 109990.582 Units) of IDFC Money Mgr Fund - Plan C	-	11.00
Nil Units (P. Y. 5497.229 Units) Birla Sun Life Floating Rate Fund - Retail - LT - Weekly Dividend	-	0.55
50000 units (P. Y. 50000 units) of SBI Magnum Multicap Fund	5.00	5.00
Nil Units (P. Y. 509316.994 units) of SBI Short Horizon Debt Fund - Short Term - IP - Weekly Div Reinvst	-	50.00
Nil Units (P. Y. 2500420.108 units) of SBI SHF-Ultra Short Term Fund	-	250.19
499315.937 Units (P. Y. Nil units) of SBI - Gold Fund - Growth	50.00	-
119664.5866 Units (P. Y. Nil units) of SBI Premier Liq Fund - Super Institutional - Dly Div	1200.53	-
520520.217 Units (P. Y. 1747389.412 Units) of Reliance Liquid Fund - Treasury Plan - Institutional Option - Weekly Dividend	79.75	267.55
618593 Units (P. Y. Nil units) of HDFC Liquid Fund - Dividend - Daily	63.09	-
	1412.61	605.76

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 17: OTHER CURRENT ASSETS		
Sales Tax Refund	32.15	29.12
Interest Receivable	18.92	0.23
Discount Receivable	11.54	29.51
Export Incentive Receivable	1.46	2.94
	64.07	61.80



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NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 18: REVENUE FROM OPERATIONS		
(a) Sale of products:		
Home Market (Net of Returns)	25555.36	21136.89
Exports	2234.41	1028.87
Turnover	27789.77	22165.76
Less: Excise duty	2405.05	1973.80
Sale of products	25384.72	20191.96
(B) Other operating revenues:		
Income From Wind Mill Operation (Net)	77.12	69.62
Scrap sales	4.92	9.92
Export Incentives	34.03	38.77
	116.07	118.31
	25500.79	20310.27

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 19: OTHER INCOME		
(a) Interest Income	20.48	10.02
(b) Dividend Received (From Non Current investments)	54.74	28.10
(c) Surplus on sale of investments (From Non- Current Investment) (Net of Expenses ₹1.42 lacs and P.Y ₹37.24 lacs)	97.27	115.49
(d) Net gain on foreign currency transactions & translations (Other than considered as finance cost)	44.82	8.70
(e) Income from rent	6.20	22.60
(f) Other non-operating income	-	56.20
	223.51	241.10

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 20 (A) COST OF MATERIALS CONSUMED		
Raw Materials Consumed		
Opening Stock	969.11	571.24
Add : Purchases	18499.09	15134.71
	19468.20	15705.96
Less: Closing Stock	595.90	969.11
	18872.30	14736.85
Packing Materials Consumed		
Opening Stock	15.60	21.00
Add : Purchases	490.18	466.82
	505.78	487.82
Less : Closing Stock	22.76	15.60
	483.02	472.22
	19355.32	15209.07

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(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 20 (B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Stock at the beginning of the year		
Finished Goods	456.01	312.36
Work-in-Progress	32.67	37.03
Total (A)	488.68	349.39
Stock at the end of the year		
Finished Goods	483.68	456.01
Work-in-Progress	32.67	32.67
Total(B)	516.35	488.68
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE (A-B)	-27.67	-139.29

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
NOTE 21 : EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and allowances	808.12	626.70
Contract Labour	68.31	49.62
Contribution to Provident and other Funds (Ref. Note no. 38)	47.94	34.96
Staff welfare expenses	84.13	66.19
	1008.50	777.48

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
Note 22 : OTHER EXPENSES		
Stores and spares consumed	208.34	188.22
Power and fuel	591.58	548.75
Repairs and Maintenance		
Buildings	204.98	166.67
Machinery	144.93	141.58
Other assets	17.06	18.09
Rent	5.75	6.35
Rates and taxes	92.60	61.61
Insurance	27.36	20.02
Miscellaneous expenses	1683.91	1458.76
Prior year Adjustment		
Prior year Income	22.02	85.52
Prior year Expenses	125.74	153.58
Prior year Expenses (Net)	103.72	68.06
	3080.24	2678.11

(₹ in lacs)

	As at 31st March 2012	As at 31st March 2011
Note 23 : FINANCE COST		
Interest on Borrowings	332.48	208.97
Other Borrowing costs	65.60	45.45
	398.08	254.42



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NOTES TO ACCOUNTS

24. Estimated amount of contracts to be executed on capital account and not provided for ₹ **493.87 lacs** (Net of advances) [P.Y. ₹ 344.97 lacs (Net of Advances)].

25. Contingent Liabilities:

Claims against the Company not acknowledged as debts [Gross] ₹ **566.00 lacs** (P.Y. ₹ 555.22 Lacs).

(₹ in lacs)

Particulars	F.Y 2011-12*	F.Y 2010-11
Direct Tax Matters	252.39	252.39
Excise & Custom	313.61	302.83

* Provision had been made for contingencies of ₹ 142.10 lacs.

26. In addition to Audit Fees ₹ **3.50 lacs** (P.Y. ₹ 3.25 lacs), reimbursement of expenses ₹ **0.10 lacs** (P.Y. ₹ 0.10 lacs), ₹ **0.50 lacs** towards other services (P.Y. ₹ 0.50 lacs) and ₹ **0.50 lacs** towards Tax Audit (P.Y. ₹ 0.50 Lacs), being paid.

27. CIF value of direct imports:

(₹ in lacs)

	2011-2012	2010-2011
Raw materials	1755.70	1015.03
Stores and spares	41.44	41.81
Capital Goods	15.24	0.00

28. Value of imported and indigenous raw materials and spares consumed and percentage of each to total consumption:

(₹ in lacs)

	2011-2012	% To Total	2010-2011	% To Total
Raw Materials:				
Direct Imports	1923.81	10.19	1084.48	7.36
Others {including value of consumption of imported raw materials purchased through indigenous sources ₹ 6736.24Lacs} (P.Y. ₹ 5562.59 lacs)	16948.48	89.81	13654.37	92.64
	18872.29	100.00	14738.85	100.00
Stores and Spares:				
Direct Imports	2.65	1.27	11.41	6.06
Indigenous	205.69	98.73	176.81	93.94
	208.34	100.00	<u>188.22</u>	100.00

29. Value of Raw Material Consumed:

(₹ in lacs)

	2011-12	2010-11
Monomers	17135.81	13228.55
Others	1736.48	1510.30
Total	18872.29	14738.85

30. Finished Goods:

(₹ in lacs)

	2011-12			2010-11		
	Sales	Closing	Opening	Sales	Closing	Opening
Synthetic Rubber (Incl. Latices)	27789.77	483.68	456.01	22165.76	456.01	312.36

31. Finished goods - Work in Progress:

(₹ in lacs)

	2011-12	2010-11
Synthetic Rubber (Incl. Latices)	32.67	32.67

32. Earning in Foreign Currency:

(₹ in lacs)

	2011-2012	2010-2011
F.O.B. value of Exports	2120.61	989.61

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33. Expenditure in Foreign Currency:

(₹ in lacs)

		2011-2012	2010-2011
a.	Books and periodicals & other memberships	10.42	3.09
b.	Foreign Travel	45.91	30.36
c.	Professional fees (including reimbursement)	56.04	22.76
d.	Sales Commission (including reimbursement)	7.35	2.08
e.	Banking & Other Financial Services	0.61	0.00

34. Details on derivatives instruments and unhedged foreign currency exposures.

(I) The foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

Particulars	2011-2012		2010-2011	
	USD	₹ in lacs	USD	₹ in lacs
Payables	544582	277.04	122446	54.45
Receivables	57265	29.13	203594	90.53
	EURO	₹ in lacs	EURO	₹ in lacs
Receivables	61579	41.81	227539	138.00

35. Company is engaged in the business of Synthetic rubber including latices.

36. As per requirement of Accounting standard for related parties transaction (AS 18) issued by ICAI:

Related Party Disclosure

Transactions with Related Parties

(₹ in lacs)

Sr. No.	Nature of Transaction	Person(s) having controlling interest	Directors	Associates (Common Control)	Key Management Personnel*	Total
1	Reimbursement of Office Maintenance, Traveling, Rent and Other expenses	-	-	10.45	-	10.45
2	Remuneration	-	-	-	47.15	47.15
3	Directors sitting fees	0.24	1.92	-	-	2.16
4	Sale of Goods	-	-	48.13	-	48.13
5	Reimbursement of medical exp.	0.82	-	-	-	0.82
6	Commission to Non-Executive Directors paid	11.89	2.90	-	-	14.79

Names of related parties and description of relationship

Sr. No.	Names of related parties	Description
1	Shri Atul C. Choksey	Person/s having controlling interest
2	Smt. Parul Choksey Smt. Devanshi Jalan Shri. Anantveer Jalan Smt. Rita Ashok Parekh Smt. Biyash Choksey Baby Alekha Choksey Baby Tarika Choksey	Relatives of person/s having controlling interest
3	Shri Girish C. Choksey Shri Bipin V. Jhaveri Shri Manubhai G. Patel Shri Amit C. Choksey Shri T.N.V. Ayyar Dr. S. Sivaram Dr. S. Rengachary	Directors



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4	Abhiraj Trading & Investments Pvt. Limited Aeonian Investments Compnay Limited Amisha Credit & Capital Pvt. Limited Apco Enterprises Limited Aquamarine Trading & Investments Pvt. Limited Balasesh Leafin Limited Bhuvantray Investments & Trading Co. Pvt. Limited Casabella Interior Pvt. Limited Choksey Chemical Pvt. Limited Cons Holdings Limited Cybele Paradise Pvt Ltd Dhumraketu Investments & Trading Company Pvt. Limited Forest Hills Trading & Investments Pvt. Limited Gauriputra Investments & Trading Co. Pvt. Limited Haridwar Trading & Investments Pvt. Limited HMP Mineral Pvt. Limited Joshimath Trading & Investments Pvt. Limited Laxmanjhula Trading & Investments Pvt. Limited Mazda Colours Limited Nurture Finance Limited Propycon Trading & Investments Private Limited Saldhar Investments & Trading Company Pvt. Limited Sammelan Investment & Trading Limited Shyamal Finvest (India) Limited Sunshield Chemicals limited The Hindustan Mineral Products Co. Limited Titan Trading & Agencies Limited Trivikram Investments & Trading Company Limited	Associates (Common Control)
5	Shri. Abhiraj A. Choksey - Key Management Personnel	Managing Director

37. Pursuant to the Accounting Standard (AS 29)-Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provision made in the accounts for the year ended 31st March 2012 is as follows;

(₹ in lacs)

	Opening Balance	Additions	Adjustments/ Payments	Closing Balance
Provision for Contingencies	50.00	92.10	-	142.10

38. Employee Benefits:

A. Short term employee benefits:

The liability towards short-term employee benefits for the year ended 31st March, 2012 has been recognized in the Profit and Loss Account.

B. Post- employment benefits:

The following disclosures are made in accordance with AS 15 (Revised) pertaining to Defined Benefit Plans:

(₹ in lacs)

Statement Showing changes in Present Value of obligation as on 31 st March 2012		
	31st March 2012	31 st March 2011
Present Value of Obligation of the year	83.51	69.58
Interest Cost	6.68	5.57
Current service Cost	9.54	5.00
Benefits paid	(5.81)	(14.86)
Actuarial (gain)/Loss on obligations	32.09	18.22
Present Value of obligations as at the end of the year	126.01	83.51
Table showing changes in the fair value of plan asset as on 31 st March 2012		
	31st March 2012	31 st March 2011
Fair value of plan assets	71.87	73.47
Expected Return on plan Assets	5.75	6.35
Contributions	25.49	6.91
Benefits Paid	(5.81)	(14.86)
Actuarial Gain / (Loss) on plan asset	1.48	0.00
Fair Value of Plan Asset as the end of the year	98.78	71.87

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Actuarial Gain / Loss recognized as on 31 st March, 2012		
Actuarial gain/(Loss) for the year – Obligation	32.09	(18.22)
Actuarial (Gain) / Loss for the year – plan asset	(1.48)	0.00
Total (gain)/Loss for the year	30.61	18.22
Actuarial (gain)/Loss recognized in the year	30.61	18.22
Expenses Recognized in the Statement of Profit & Loss A/c		
Current Service Cost	9.54	5.00
Interest Cost	6.68	5.57
Expected Return on Plan assets	(5.75)	(6.35)
Net Actuarial (gain)/Loss Recognized in the year	30.61	18.22
Expenses Recognized in the Statement of Profit & Loss A/c.	41.08	22.44
Amount to be recognized in the Balance Sheet		
Present Value of Obligation as at the end of the year	126.01	83.51
Fair value of plan asset as at the end of the year	98.78	71.87
Net Asset/(liability) recognize in the Balance sheet	(27.23)	11.64
Actuarial Assumptions		
Discount Rate	8.50%	8%
Salary Escalation	5.50%	5%
Investment details		
Central & State Govt. Securities	36.37%	53.00%
Bonds / Debentures	31.33%	43.00%
Equity Shares	2.51%	4.00%
Money Market Instrument / FD	2.27%	0.00%
Insurer Managed Fund	27.52%	0.00%
	100.00%	100.00%

39. Operating Leases:

The Company lease agreements are in respect of operating lease for vehicles. This lease agreement provide for cancellation by either parties there to as per the terms and condition of the agreements. The lease rental recognized to the profit and loss account during the year ₹ 3.33 lacs (P.Y. ₹ 2.74 lacs). The lease agreements obligations due within one year amounting to ₹ 3.63 lacs and that due within one to five years ₹ 12.09 lacs (P.Y. ₹ 18.16 lacs)

40. Earning per Share:

		2011-12	2010-11
1.	Profits/(Loss) after Tax – ₹ In lacs	1146.38	1072.36
2.	Number of Shares	5184496	5184496
3.	Earning per Share – ₹	22.11	20.68

41. Disclosure under the Macro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2011-12, to the extent of the Company has received intimation from the suppliers regarding their status under the Act.

(₹ in lacs)

	2011-12	2010-11
Principle amount remaining unpaid	22.76	30.48

42. Previous year's figures have been regrouped, wherever necessary. Figures in brackets are for the P.Y.

As per our Report of even date

ATUL C. CHOKSEY

Chairman

ABHIRAJ A. CHOKSEY

Managing Director

GIRISH C. CHOKSEY

AMIT C. CHOKSEY

MANUBHAI G. PATEL

BIPIN V. JHAVERI

SHAILESH VAIDYA

} Directors

For SHAH & CO.

Chartered Accountants

Firm Registration No. 109430W

H.N. SHAH

Partner

Mumbai : 10th May 2012

ANAND V. KUMASHI

GM – Accounts, Finance &
Company Secretary

Mumbai : 10th May 2012



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PERFORMANCE SUMMARY							(Rs. in lacs)
	Growth in comparison to previous year	2011-12	2010-11	2009-10	2008-09	2007-08	
Volume Sales in M.T.	3.03%	28979.55	28126.76	23428.03	14086.17	17137.86	
Revenues							
Gross Sales	25.37%	27789.77	22165.76	15465.40	11155.81	11774.08	
Net Sales	25.72%	25384.72	20191.96	14307.57	9972.90	10156.96	
Other Income & Other Operating Revenue	-5.52%	339.58	359.41	96.80	65.12	309.15	
Cost							
Material Consumed		19327.65	15069.78	10229.49	6921.79	7675.17	
Employee's Remuneration and Benefits		1008.51	777.48	636.60	529.73	443.47	
Other Exp (Incl Finance cost)		3374.59	3000.59	2132.80	1657.02	1477.88	
Gross Profit	18.20%	2013.56	1703.53	1405.48	929.48	869.59	
Depreciation		278.64	264.76	198.95	219.91	211.71	
Earlier year adjustments		103.72	-68.06	50.73	4.17	-6.32	
Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA)	13.92%	2307.92	2026.00	1524.55	962.31	921.87	
Profit before tax	8.25%	1631.20	1506.83	1257.26	713.74	651.56	
Profit after tax	6.90%	1146.38	1072.36	832.79	448.39	487.24	
Earning Per Shares		22.11	20.68	15.26	8.11	8.82	
Capital Accounts							
Share Capital		522.35	522.35	522.35	556.64	556.64	
Reserves and Surplus		6455.32	5897.08	5247.88	4988.88	4799.15	
Gross Block		7739.67	7216.86	6912.20	5852.71	5724.85	
Total Investments (See note below)		3553.13	2550.04	1938.39	2827.57	1476.94	

Note:

(Includes Investments in Liquid Mutual Funds which is part of cash and cash equivalents.)