



**apcotex industries limited**

**Annual Report 2010-2011**



**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. Rengachary	Director
Dr. S. Sivaram	Director
T. N. V. Ayyar	Director
Abhiraj Choksey	Managing Director
S.K. Lahiri (till 03/06/2010)	Director & CEO

**GM – ACCTS., FIN. AND  
COMPANY SECRETARY**

Anand V. Kumashi

**AUDITORS**

Shah & CO.  
Chartered Accountants

**BANKERS :**

State Bank of India

**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](mailto:redressal@apcotex.com)  
Website: [www.apcotex.com](http://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](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.com](http://www.linkintime.com)



## apcotex industries limited

### NOTICE

**NOTICE** is hereby given that the Twenty Fifth 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 Saturday, the **30<sup>th</sup> day of July 2011** 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 2011 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. TNV Ayyar, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Girish Choksey, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint M/s. Shah & Co., Chartered Accountants as Auditors of the Company, and fix their remuneration.

#### SPECIAL BUSINESS:

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

“**RESOLVED** THAT in supersession of the Resolution dated 24th July 1995 consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or substitution thereof to the Board of Directors of the Company for borrowing from time to time, such sums of monies as they may deem requisite for the purposes of business of the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) notwithstanding that such borrowings may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which the monies may be borrowed by the Board of Directors shall not exceed the sum of `120 crores (Rupee One Hundred Twenty Crores)”.

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

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

**Date: 30<sup>th</sup> April 2011**

#### 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 22nd day of July 2011 to Friday, the 29th day of July 2011** (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 1<sup>st</sup> August 2011 to those members whose names appear on the Register of Members as on 22<sup>nd</sup> July 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of 21<sup>st</sup> July 2011, 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 31<sup>st</sup> March 2004 to the Investors Education and Protection Fund or before 23<sup>rd</sup> September 2011. Shareholders are requested to

ensure that they claim the dividend from the Company before transfer of the said amount to the IEPF.

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 21<sup>st</sup> April 2011 and 29<sup>th</sup> 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**

Pursuant to the provisions of clause (d) of sub-section(1) of Section 293 of the Companies Act, 1956, the Board of Directors can't borrow more than the aggregate amount of the paid-up capital and free reserves of the Company at any one time, except with the consent of the shareholders of the Company. With a view to augment the funds required by the Company, the Board of Directors deems it advisable to raise long term finance by borrowing whenever necessary. To obviate the need for the Company to obtain permission of shareholders every time such transaction(s) take place, it is proposed to obtain a general sanction from the Shareholders by an Ordinary Resolution.

None of the Directors is concerned or interested in this resolution.

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



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

**Date: 30<sup>th</sup> April 2011**

#### **Registered Office:**

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



## apcotex industries limited

### DIRECTORS' REPORT

#### TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Fifth Annual Report of the Company and the audited Statements of Accounts for the year ended 31<sup>st</sup> March 2011.

#### COMPANY PERFORMANCE

##### FINANCIAL HIGHLIGHTS

Particulars	2010-11 (₹. In Lacs)	2009-10 (₹. In Lacs)
GROSS SALES	<b>22165.76</b>	15681.96
Gross Profit Before Depreciation, Interest and Tax after prior year adjustments	<b>1980.55</b>	1504.68
Less: Depreciation	<b>264.76</b>	198.95
Interest	<b>208.97</b>	48.47
Provision for Tax	<b>320.00</b>	295.50
Adjustment for Deferred Tax Liability	<b>114.46</b>	128.97
Profit/ (Loss) for the Year	<b>1072.36</b>	832.79
Add: Balance brought forward from Previous year	<b>863.24</b>	418.73
<b>Disposable Profit (Loss)</b>	<b>1935.60</b>	1251.52
The Directors recommend Appropriation of the Disposable profit as under:		
Dividend on Equity Shares	<b>362.91</b>	259.22
Tax on Dividend	<b>60.28</b>	44.06
Transfer to General Reserve	<b>110.00</b>	85.00
Balance carried to Balance Sheet	<b>1402.43</b>	863.24
	<b>1935.60</b>	1251.52

#### 1. DIVIDEND

Your Directors have recommended a dividend @ ₹ 7.00 (Rupees Seven) per Equity Share of ₹ 10/- each. The Equity Dividend, if approved, will absorb a sum of ₹ 423.19 lacs (including the dividend tax of ₹ 60.28 lacs) out of net profit as above and will be paid to those shareholders whose names appear on the Register of Members on **22nd July 2011**.

#### 2. MANAGEMENT DISCUSSION AND ANALYSIS

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

##### 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 based on Styrene – Butadiene chemistry available in the market today and caters mainly to the industrial segment. Our range of Synthetic Latexes is used among other applications, for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/ water proofing, textile finishing and paints. The various

grades of Synthetic Rubber find application in products such as footwear, automotive components, moulded items, v-belts, conveyor belts and hoses.

The company's major raw materials are petrochemicals and hence the business is vulnerable to high volatility of crude oil and its downstream product prices. Even though margins were under pressure due to steep raw materials price increases, overall business climate improved during the year since appropriate price increases were implemented to offset the higher cost of raw materials.

The company's performance was satisfactory due to volume increases which helped in achieving better economies of scale, addition of new value added products to our current range (particularly for the Paper Board coating, Construction and Rubber segments) as well as better operational efficiency.

For the last 5 years we have also been practicing Total Productive Maintenance (TPM) which is a Japanese methodology to improve Overall Plant Effectiveness and efficiency. This has helped significantly in improving plant operations and reducing costs. In January 2011, Apcotex has successfully crossed the 1st stage of the 3 step audit process for the TPM Level 1 Excellence Award. The remaining 2 stages of the audit will be conducted by the Japanese Institute of Plant Maintenance (Tokyo) in the FY 2011-12.

The technology at Apcotex was developed and is being continuously upgraded through in-house Research and Development efforts to meet the changing needs of customers.

Over the next few years we expect good domestic growth in most of the industries we cater to and we also envision good prospects for export of some of our products.

##### II. OPERATIONS DURING THE YEAR.

During the year the Company achieved Gross Value Sales of ₹ 22165.76 Lacs and volume sale of 28126 MT, registering a growth of **41.35%** and **20.05%** respectively compared to that of the preceding financial year.

The prices of major raw materials Styrene and Butadiene softened during the second quarter of the financial year but again started firming up during the second half of the financial year.

During the financial year the company exported goods worth ₹ 989.61 lacs compared to exports of ₹ 879.73 lacs 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,

## Annual Report 2010-2011

increased by **16%** to ₹ 1582.26 Lacs from ₹ 1364.27 Lacs during the previous financial year.

Other income, which includes dividend received on investments, profit on sale of investments, Rental Income etc., was at ₹ 207.39 Lacs as compared to ₹41.20 Lacs during previous financial year.

The profit after tax stood at ₹1072 Lacs as compared to ₹833 Lacs in the previous financial year.

Your Directors consider Company's performance as satisfactory.

### III. OUTLOOK.

From overall perspective, we expect 2011-12 to remain challenging in terms of volatilities in prices of major Inputs but overall growth of the economy, introduction of new value-added products and improving current market share, will 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 prospect for the year 2011-12 with cautious optimism.

### IV. RISK AND CONCERNS.

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

Some of the major raw materials are directly imported or have USD based pricing. If the INR weakens against the USD or becomes highly volatile the currency effect is expected to be adverse.

Rising inflation within the country will seriously 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 an 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 Company has commissioned its Wind Turbine Generators with a capacity of 1.25 MW, at village Sadawaghapur, Tal – Patan, Dist. Satara, Maharashtra on 31<sup>st</sup> March 2010, for captive consumption at a cost of ₹ 650 lacs. The Wind Turbine Generator has generated net revenue of about ₹ 70 lacs during the financial year, and is shown under Other Income.

### 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

#### B. DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- i. 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;
- ii. 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;
- iii. 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.
- iv. That they have prepared the annual accounts on a going concern basis.



## apcotex industries limited

### C. CORPORATE GOVERNANCE

Your Company has always strived to imbibe 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.

One fixed deposit worth ₹ 5,000/- matured, with accrued interest of ₹ 224/- has not been claimed by the concerned depositor despite reminders.

### 6. INSURANCE

All insurable assets of the Company including inventories, buildings, plant and machinery etc., as also liability under legislative enactments, are insured at current market values.

### 7. ECOLOGY AND SAFETY

Apcotex ensures a safe, healthy, and eco-friendly environment. Apcotex continually work towards identification and reduction of risk and prevention of pollution at its plants & surroundings.

We practice Total Productive Maintenance (TPM) where one of the objectives is zero accidents and zero wastages. TPM has helped us design our equipments and processes to ensure high standards for health, safety and the environment. We are also pursuing ISO 14001 and OHSAS 18001 which are global standards for Environment and Safety respectively. We expect to obtain the certification in FY 2011-12.

In addition, 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 were 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.

### 10. DIRECTORS

Mr. TNV Ayyar and Mr. Girish Choksey, retire by rotation and being eligible, offer themselves for reappointment.

Dr. S. Rengachary, Director, who retires by rotation and eligible, has conveyed his desire not to seek re-appointment. Dr. S. Rengachary is associated with the company for more than three decades in various capacities and is associated with the Company as Independent Director since April 2005.

Shri. S.K. Lahiri, Director & CEO of the Company retired from the service of the Company as on 03<sup>rd</sup> June 2010, after 27 years of association with the Company.

The Board places on record their appreciation for their services and contribution made.

The background of the Director proposed for 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: 30<sup>th</sup> April 2011



## **ANNEXURE TO DIRECTORS' REPORT**

### **FORM A**

#### **DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

##### **A. POWER AND FUEL CONSUMPTION**

Electricity:

	<b>2010-11</b>	2009-10
a) Purchased Units ('000 KWH)	<b>6250.25</b>	6170.41
Total amount (₹ In lacs)	<b>374.26</b>	336.25
Rate/Unit (₹)	<b>5.99</b>	5.45
b) Own Generation:		
Through Diesel generator		
Units ('000 KWH)	<b>32.36</b>	153.74
Units per ltr. of diesel oil	<b>2.70</b>	2.50
Cost/Unit (₹)	<b>13.30</b>	14.09

##### **B. CONSUMPTION PER UNIT OF PRODUCTION**

Synthetic Rubber including  
Latex Electricity (KWH/MT)

**281**      266

### **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 as well as a new grade of general purpose rubber.
- 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:

	<b>2010-11</b>	2009-10
(₹ in lacs)		
Capital	<b>4.05</b>	20.83
Recurring	<b>132.69</b>	90.10
Total	<b>136.74</b>	110.93
Total R & D expenditure as a percentage of Total Revenue	<b>0.67%</b>	0.77%

##### **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 Notes 9 & 10 of Schedule 'M2' to the accounts.

**FOR AND ON BEHALF OF THE BOARD**

*Atul Choksey*

**ATUL C CHOKSEY  
CHAIRMAN**

Mumbai: 30<sup>th</sup> April 2011



**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, Society etc.

### 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 – Managing Director.

Mr. Manubhai G Patel, Mr. Bipin Jhaveri, Mr. TNV Ayyar, Dr. S. Sivaram, Dr. S. Rengachary are the 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 receive a 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) 27<sup>th</sup> April 2010, b) 24<sup>th</sup> July 2010, c) 25<sup>th</sup> October 2010, and d) 02<sup>nd</sup> February 2011.**

Particulars of the Directorship of Board, membership and office of the Chairman of the Board Committees across all companies as on 31<sup>st</sup> March 2011 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 DIN 00002102	Non-Executive – Chairman Promoter	4	Yes	8	-
S K Lahiri ** DIN 00027493	CEO & Director	1	No	-	-
Abhiraj Choksey DIN 00002120	Managing Director	4	Yes	3	-
Girish C. Choksey DIN 00246196	Non-Executive	2	Yes	5	2/1
Amit C. Choksey DIN 00001470	Non-Executive	3	No	5	-/2
Manubhai G. Patel DIN 00001662	Non-Executive, Independent	4	Yes	3	2/3
Bipin V. Jhaveri DIN 00001648	Non-Executive, Independent	4	Yes	6	1/2
Dr.S. Rengachary DIN 00126980	Non-executive, Independent	4	Yes	2	-
Dr. S. Sivaram DIN 00009900	Non-Executive, Independent	3	Yes	2	2/-
T.N.V. Ayyar DIN 00008493	Non-Executive, Independent	1	No	3	4/3

\*Committee Membership of Audit Committee, Investors' Grievance Committee & Remuneration Committee are considered.

\*\* Sanjay Kumar Lahiri retired from the service of the Company on 3rd June 2010.

Mr. Abhiraj Choksey – Managing Directors holds 129604 shares in the Company.

### Audit Committee

The Audit Committee was constituted in April 2000. During the year four meetings were held on **a) 27<sup>th</sup> April 2010, b) 24<sup>th</sup> July 2010, c) 25<sup>th</sup> October 2010, and d) 02<sup>nd</sup> February 2011**

The Audit Committee comprises of four directors viz. Mr. M.G.Patel as the Chairman, and Mr. Bipin Jhaveri, Mr. Girish Choksey and Dr. S. Rengachary as members. Mr. M.G.Patel is Non- Executive Independent Director.

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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	2
Dr. S. Rengachary	Non-Executive, Independent	4

The terms of reference of the Audit Committee as per guidelines 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.
  - 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. Other members are Mr. Girish Choksey and Mr. Bipin Jhaveri.

The meeting of Shareholders Grievances Committee was held on 29<sup>th</sup> 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.



## apcotex industries limited

The details of correspondences / grievances received and redressed during the financial year 2010-11 by the Company through the Registrars, **LINK INTIME INDIA PVT LTD**, are as under;

Source	Correspondences	
	Received	Redressed / Attended
<b>A. Complaints</b>		
Directly from Shareholders	60	60
Consumer Forum	-	-
Department of Company Affairs	-	-
Through Advocates	-	-
SEBI	3	3
Stock Exchanges	-	-
NSDL	-	-
Any Other Government Body	-	-
<b>Total (A)</b>	<b>63</b>	<b>63</b>
<b>B. Type of Requests from Shareholders</b>		
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
<b>Total (B)</b>	<b>527</b>	<b>527</b>
<b>Grand Total (A+B)</b>	<b>590</b>	<b>590</b>

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.

With reference to clause 47(f) of the Listing Agreement the Company has designated exclusive e-mail ID as [redressal@apcotex.com](mailto: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:

Executive 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, 2010-11 are as under:

Name of Director	Sitting Fees	Commission**	Salary	Allowances	Contribution to Statutory Funds	Perquisites	Total
<b>Executive Director (s)</b>							
Mr. Sanjay K Lahiri *			1,16,596	6,30,355	12,671	4,861	7,64,483
Mr. Abhiraj Choksey	-	-	9,92,400	17,50,467	2,65,680	5,89,246	35,97,793
<b>Non-Executive Director(s)</b>							
Mr. Atul Choksey	24,000	11,89,000	-	-	-	-	12,13,000
Mr. Girish Choksey	24,000	-	-	-	-	-	24,000
Mr. Amit Choksey	18,000	-	-	-	-	-	18,000
Mr. M.G. Patel	54,000	80,000	-	-	-	-	1,34,000
Mr. Bipin Jhaveri	54,000	80,000	-	-	-	-	1,34,000
Dr. S. Rengachary	48,000	25,000	-	-	-	-	73,000
Dr. S. Sivaram	24,000	80,000	-	-	-	-	1,04,000
Mr. T N V. Ayyar	6,000	25,000	-	-	-	-	31,000

\* Sanjay Kumar Lahiri retired from the service of the Company on 3rd June 2010.

\*\* The Commission for the year ended 31st March 2011 will be paid, subject to deduction of tax, after adoption of the Account by the Shareholders at the Annual General Meeting to be held on 30th July 2011.

## Annual Report 2010-2011

Statement showing number of Equity Shares of ₹ 10/- each of the company held by the present Non Executive Directors as on 31st March 2011:

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	9,933	0.191
Manubhai G. Patel	137	0.002
Bipin V. Jhaveri	--	--
Dr. S. Rengachary	3,000	0.057
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

Name: **MR. GIRISH CHOKSEY.**

Age: 68 years

Educational Qualification: Undergraduate

Experience: He has over four decades experience in managing the industries dealing with various types of minerals and chemicals. He is past president of Mineral Merchants Association and Pesticides Formulators Association of India.

The Board of Directors had appointed Mr. Girish Choksey 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. Girish 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. Girish Choksey holds 7,850 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 2011.

Company	Position	Committee Membership
Cons Holdings Ltd	Director	Nil
Colortek (India) Limited	Director	Nil
Hindustan Mineral Products Company Ltd	Director	Nil
Sammelan Investments and Trading Ltd	Director	Nil
Dhoot Industrial Finance Ltd	Director	Audit Committee (Chairman) Remuneration Committee (Chairman) Investor Grievance Committee (Member)

Name: **MR. T N V AYYAR.**

Age: 50 years

Educational Qualification: Bachelor of Commerce, F.C.A (Fellow Member of the Institute of Chartered Accountant of India.)

Experience: He has more than two decades of post qualification experience in the field of Accounts, Audit, Development & Public Finance, Investment banking, Corporate Finance and was associated with State Government projects relating to Infrastructure in India. He has experience in working in twelve developing countries in Africa, Asia and West Indies.

Presently he is a free lancing financial consultant with well-known companies as his clients.

The Board of Directors had appointed Mr.T.N.V. Ayyar 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. T.N.V. Ayyar is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Mr. T N V Ayyar does not 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 2011.



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Company	Position	Committee Membership
Tata Ceramics Limited	Director	Audit Committee (Member)
Crest Animation Studios Ltd	Director	Audit Committee (Chairman) Investor Grievance Committee (Member) Remuneration Committee (Member)
Emco Ltd	Director	Audit Committee (Chairman) Remuneration & Nomination Committee (Member) Compensation Committee (ESOP Committee)(Chairman)

### General Body Meetings

#### Details of last three Annual General Meetings Held:

- 24<sup>th</sup> Annual General Meeting  
24<sup>th</sup> July 2010 at 3.00 p.m  
Plot no. 3/1, MIDC Industrial Area,  
Taloja - 410 208, Dist. Raigad, Maharashtra  
  
Special resolution passed:  
  - For appointment of Mr. Abhiraj Choksey as Managing Director of the company.
Postal Ballot  
  - 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.
- 23<sup>rd</sup> Annual General Meeting  
27<sup>th</sup> July 2009 at 3.30 p.m  
Plot no. 3/1, MIDC Industrial Area,  
Taloja - 410 208, Dist. Raigad, Maharashtra  
  
Special resolution passed:  
  - For appointment of Dr. S. Rengachary as Advisor to the company.
- 22<sup>nd</sup> Annual General Meeting  
12<sup>th</sup> July 2008 at 11.30 a.m  
Plot no. 3/1, MIDC Industrial Area,  
Taloja - 410 208, Dist. Raigad, Maharashtra  
  
Special resolution passed:  
  - 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 2010-11, the Company had supplied 265 MT of construction chemicals worth ₹19.89 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, these procedures will be periodically reviewed to ensure that the Management minimises the risks through a properly defined framework.

### 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 30<sup>th</sup> April 2011.

### 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:

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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](http://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' Report.

### 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 21<sup>st</sup> 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 addres 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, by sending the form duly filled in as given in this Annual Report. As and when requested by the shareholders, 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) 25<sup>th</sup> Annual General Meeting will be held on **Saturday, 30th July 2011** 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 begins on 1<sup>st</sup> April to 31<sup>st</sup> March
- c) Dates of book closure: **Friday, 22nd July 2011 to Friday, 29th July 2011** (both days inclusive) for the Purpose of Annual General meeting and payment of dividend.
- d) Dividend payment date: on or after **1<sup>st</sup> August 2011**
- 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 **2010-11:**

(Amount in ₹.)

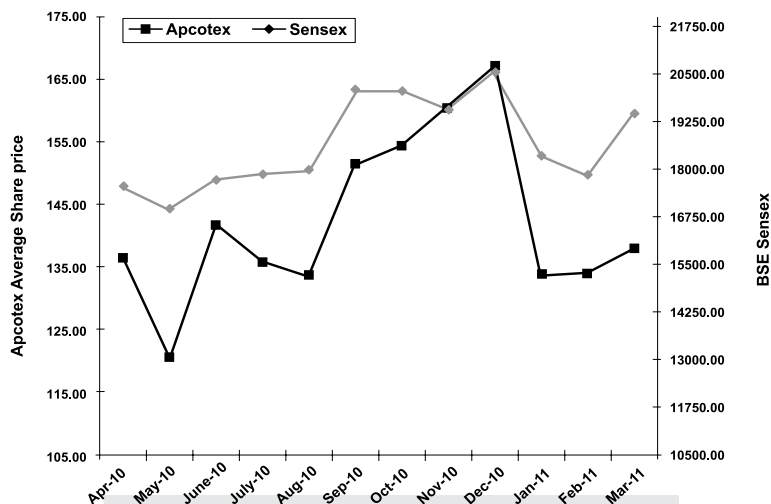
Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April	152.00	120.00	152.00	119.00
May	153.10	117.00	136.60	117.10
June	147.35	118.20	148.00	117.55
July	154.75	135.00	153.00	135.00
August	148.00	128.75	143.90	130.15
September	177.80	132.10	174.40	132.00
October	158.50	140.05	159.95	142.55
November	200.00	144.00	197.00	148.00
December	168.00	140.00	168.95	138.35
January	176.00	131.65	175.00	133.50
February	154.90	121.05	153.75	122.15
March	143.80	130.50	144.90	128.05





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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](mailto: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 2011.

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 500	18,687	97.09	10,68,701	20.61
501 - 1000	265	1.38	2,06,616	3.99
1001 - 2000	141	0.73	2,13,590	4.12
2001 - 3000	49	0.25	1,25,269	2.42
3001 - 4000	23	0.12	81,058	1.56
4001 - 5000	10	0.05	45,660	0.88
5001 - 10000	33	0.17	2,30,373	4.44
Above 10001	40	0.21	32,13,229	61.98
<b>Total</b>	<b>19,248</b>	<b>100.00</b>	<b>51,84,496</b>	<b>100.00</b>

### Categories of Shareholding as on 31<sup>st</sup> March 2011:

Sr. No.	Category	No. of Shares	% of shareholding
1.	<b>Promoters' Holding</b>		
	Indian Promoters	29,69,578	57.28
2.	<b>Non promoters' Holding</b>		
	Mutual Funds/Trusts/clearing members	12,607	0.24
	Insurance companies/Banks/Financial Institution	619	0.02
	Indian Public	19,55,962	37.73
	Directors/Relatives	3,237	0.06
	Hindu Undivided Family	3,162	0.06
	Non Resident Indians	56,615	1.09
	Other Corporate Bodies	1,82,716	3.52
	<b>Total</b>	<b>51,84,496</b>	<b>100.00</b>



## Annual Report 2010-2011

### 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 2011, 28,40,579 Equity Shares comprising of 54.79% 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  Website: <a href="http://www.apcotex.com">www.apcotex.com</a> E-mail: <a href="mailto:redressal@apcotex.com">redressal@apcotex.com</a>	<b>LINK INTIME INDIA PVT LTD</b> <b>(formerly Intime Spectrum Registry Ltd)</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup(w), Mumbai-400 078 Tel. No.- (022) 25963838 Fax : (022) 2594 6969  Website: <a href="http://www.linkintime.com.in">www.linkintime.com.in</a> E-mail. : <a href="mailto:mt.helpdesk@linkintime.co.in">mt.helpdesk@linkintime.co.in</a>

### 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
2003-04	00602230005152	HDFC Bank (Vijaya Bank correspondence Banker)	23/09/2004	22/09/2011
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

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 31<sup>st</sup> March 2010, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Place : Taloja  
Dated : 30<sup>th</sup> April 2011

Abhiraj Choksey  
Managing Director



**apcotex industries limited**

**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 **2010-11**, 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 2011, 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

**H. N. Shah**  
Partner  
Membership No. 8152

**Mumbai: 30<sup>th</sup> April 2011**



## AUDITORS' REPORT

### REPORT OF THE AUDITOR TO THE MEMBERS

1. We have audited the attached Balance Sheet of APCOTEX INDUSTRIES LIMITED as at 31<sup>st</sup> March 2011, 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 31<sup>st</sup> March 2011 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 31<sup>st</sup> March 2011.
    - (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 and on behalf of  
**Shah & Co.**  
Chartered Accountants  
Firm Registration No. 109430W

**H N Shah**  
Partner  
Membership No. 8152

Mumbai: 30<sup>th</sup> April 2011



## apcotex industries limited

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF APCOTEX INDUSTRIES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011

- 1) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
- (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. Material discrepancies noticed by the management during the course of physical verification have been properly dealt with.
- (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
- (b) The rate of interest and other terms and conditions of the loan given were prima facie not prejudicial to the interest of the Company.
- (c) The payment of principal and interest was regular during the tenure of the loan
- (d) 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) All the transactions with parties covered under section 301 of the Companies Act, 1956 have been properly entered in the register maintained under section 301 of the Act.
- (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) In our opinion, and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of sections Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- 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 prescribed under Sec. 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. As explained to us, the company did not have any dues on account of excise duty.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of wealth tax, service tax and cess as at 31<sup>st</sup> March, 2011 which have not been deposited on account of dispute other than income tax, customs duty and excise duty, which is as follows-

Name of the Statute	Nature of Dues	Amount (₹ In 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	208.33	2007-08	CIT(A)
Customs Act	Custom Duty & Penalty	283.08	August 2000 to July 2004	Supreme Court
Excise Act	Excise Duty & Penalty	19.75	2002-03	Joint Commissioner
			2003-04	Cestat
			2005-06	Assistant Commissioner
			2006-07	Assistant Commissioner
			2007-08	Assistant Commissioner

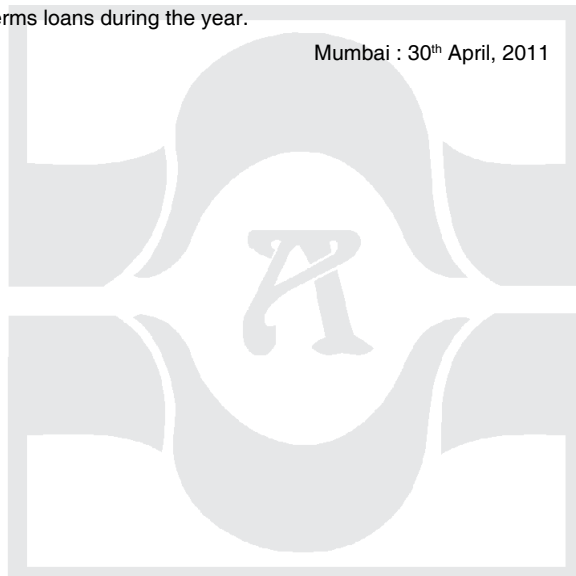
## Annual Report 2010-2011

- 10) The Company has no accumulated losses as at 31<sup>st</sup> March 2011 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) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- 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 not taken any terms loans during the year.
- 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

**H N SHAH**  
Partner  
Membership No. 8152

Mumbai : 30<sup>th</sup> April, 2011





**apcotex industries limited**

## BALANCE SHEET AS AT 31ST MARCH 2011

	Schedules	(₹ in lacs )	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>FUNDS EMPLOYED</b>				
<b>SHAREHOLDERS' FUNDS</b>				
Share Capital	A		522.35	522.35
Reserves and Surplus	B		5897.07	5247.88
			<b>6419.42</b>	5770.23
<b>LOANS</b>				
Secured	C	1544.66		1478.12
Unsecured		1142.85		-
			<b>2687.51</b>	1478.12
<b>DEFERRED TAX LIABILITY</b>			<b>527.49</b>	413.05
<b>TOTAL</b>			<b>9634.42</b>	7661.40
<b>APPLICATION OF FUNDS</b>				
<b>FIXED ASSETS</b>				
Gross Block	D	7216.86		6912.20
Less : Depreciation		4329.49		4074.56
Net Block of Fixed Assets		2887.37		2837.64
Capital Work-in-Progress and Advance		685.92		268.91
			<b>3573.29</b>	3106.55
<b>INVESTMENTS (At Cost)</b>	E		<b>2550.04</b>	1938.39
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
Inventories	F	1647.87		1048.06
Sundry Debtors		3705.17		2917.18
Cash and Bank Balances		207.02		174.42
Loans and Advances		632.90		569.00
Advance Payment of Taxes		397.07		355.84
			<b>6590.03</b>	5064.50
Less :				
<b>CURRENT LIABILITIES AND PROVISIONS</b>	G		<b>3078.94</b>	2448.04
<b>NET CURRENT ASSETS</b>			<b>3511.09</b>	2616.46
<b>TOTAL</b>			<b>9634.42</b>	7661.40
Notes	M			

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

Dr. S. RENGACHARY

Directors

**For SHAH & CO.**

Chartered Accountants

Firm Registration No. 109430W

**H.N. SHAH**

Partner

Mumbai : 30th April 2011

ANAND V. KUMASHI

GM – Accounts, Finance &  
Company Secretary

Mumbai : 30th April 2011

## Annual Report 2010-2011

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedules	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>INCOME</b>			
Sales (net of discounts)	H	21941.11	15465.40
Less: Excise		1973.80	1157.83
Sales (net of discounts & excise )		19967.31	14307.57
Other income	I	358.79	96.80
		<b>20326.10</b>	<b>14404.37</b>
<b>EXPENDITURE</b>			
Materials Consumed	J	15069.78	10229.49
Employees' Remuneration and Benefits	K	777.48	636.60
Manufacturing, Administrative, Selling and Distribution Expenses	L	2639.20	2132.80
		<b>18486.46</b>	<b>12998.89</b>
<b>GROSS PROFIT</b>		<b>1839.64</b>	<b>1405.48</b>
Less : Depreciation	D	264.76	198.95
Add/(Less) : Earlier year adjustments (net)		(68.06)	50.73
<b>PROFIT / (LOSS) BEFORE TAXES</b>		<b>1506.82</b>	<b>1257.26</b>
Less : Provision for Taxation Current Tax		(320.00)	(295.50)
Add/(Less) : Adjustment for Deferred Tax		(114.46)	(128.97)
<b>PROFIT / (LOSS) AFTER TAX</b>		<b>1072.36</b>	<b>832.79</b>
Add/(Less) :Balance brought forward from previous year		863.24	418.73
<b>DISPOSABLE PROFIT</b>		<b>1935.60</b>	<b>1251.52</b>
<b>DISPOSAL OF PROFIT</b>			
Dividend on Equity Shares		362.91	259.22
Tax on Dividend		60.28	44.06
Transfer to General Reserve		110.00	85.00
Balance carried to Balance Sheet		1402.43	863.24
		<b>1935.60</b>	<b>1251.52</b>
		₹	₹
<b>EPS (Basic &amp; Diluted) (Refer note 16 of Schedule M2)</b>		<b>20.68</b>	<b>15.26</b>

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

Dr. S. RENGACHARY

} Directors

**For SHAH & CO.**

Chartered Accountants

Firm Registration No. 109430W

**H.N. SHAH**

Partner

Mumbai : 30th April 2011

ANAND V. KUMASHI

GM – Accounts, Finance &  
Company Secretary

Mumbai : 30th April 2011



**apcotex industries limited**

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>SCHEDULE A : SHARE CAPITAL</b>		
<b>Authorised</b>		
14,970,000 Equity Shares of ₹ 10/- each	1497.00	1497.00
500 Preference Shares of ₹ 100/- each	0.50	0.50
25,000 Unclassified shares of ₹ 10/- each	2.50	2.50
	<u>1500.00</u>	<u>1500.00</u>
<b>Issued and Subscribed</b>		
5,184,496 (Previous year 5184496) Equity Shares of ₹ 10/- each fully paid.	518.45	518.45
Add Amount Originally paid on 78051 shares forfeited	3.90	3.90
	<u>522.35</u>	<u>522.35</u>
<b>Notes :</b>		
Out of the above, 9,58,909 Equity Shares had been issued to the shareholders of Asian Paints (I) Ltd., for consideration other than cash pursuant to the terms of Scheme of Arrangement sanctioned by the Hon'ble High Court, Mumbai.		
<b>SCHEDULE B : RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>	34.29	34.29
<b>Share Premium</b>		
As per last Balance Sheet	3084.11	3388.89
Less : Buy back of Shares	-	304.78
	<u>3084.11</u>	<u>3084.11</u>
<b>General Reserve</b>		
As per last Balance Sheet	1266.24	1181.24
Add : Transfer from Profit and Loss A/c.	110.00	85.00
	<u>1376.24</u>	<u>1266.24</u>
<b>PROFIT &amp; LOSS A/C.</b>	1402.43	863.24
	<u>5897.07</u>	<u>5247.88</u>
<b>SCHEDULE C : SECURED AND UNSECURED LOANS</b>		
<b>SECURED LOANS</b>		
<b>Long Term Loan</b>		
Term Loan from Bank (refer note)	444.66	-
<b>Short Term Loan</b>		
Working capital loans from Bank (refer note)	1100.00	1478.12
	<u>1544.66</u>	<u>1478.12</u>
<b>UNSECURED LOANS</b>		
<b>Short Term Loan</b>		
Working capital loans from Banks	1142.85	-
	<u>2687.51</u>	<u>1478.12</u>

**Notes :**

Loan from a bank secured by hypothecation of the Company's entire movables except book debts and equitable mortgage by way of first charge in respect of Company's immovable property located at Talaja together with all buildings, structures, godowns.



## Annual Report 2010-2011

### SCHEDULE D : FIXED ASSETS

(₹ in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Total as on 01/04/2010	Additions / Adjustments for the year	Deductions / Adjustments for the year	Total as on 31/03/2011	As at 01/04/2010	For the year	Deductions for the year	Total as on 31/03/2011	As at 31/03/2011	As at 31/03/2010
Lease Hold Land	7.64	-	-	7.64	2.26	-	-	2.26	5.38	5.38
Buildings	1458.37	18.75	9.87	1467.25	575.34	41.61	2.63	614.32	852.93	883.03
Plant & Machinery	3664.18	200.17	-	3864.35	2891.70	115.87	-	3007.57	856.78	772.48
Computer Software	50.55	1.80	-	52.35	34.33	11.42	-	45.75	6.60	16.22
Scientific Research Equipments	204.43	4.05	-	208.48	79.49	7.93	-	87.42	121.06	124.94
Electric & Pipe Fittings	623.01	90.36	-	713.37	381.34	32.22	-	413.56	299.81	241.67
Furniture & Office Equip.	123.75	10.39	1.35	132.79	69.30	8.20	0.38	77.12	55.67	54.45
Vehicles	172.40	-	14.56	157.84	40.71	15.15	6.81	49.05	108.79	131.69
<b>Total</b>	<b>6304.33</b>	<b>325.52</b>	<b>25.78</b>	<b>6604.07</b>	<b>4074.47</b>	<b>232.40</b>	<b>9.82</b>	<b>4297.05</b>	<b>2307.02</b>	<b>2229.86</b>
Wind Turbine Generator	607.87	4.92	-	612.79	0.09	32.36	-	32.44	580.35	607.78
<b>Total</b>	<b>6912.20</b>	<b>330.44</b>	<b>25.78</b>	<b>7216.86</b>	<b>4074.56</b>	<b>264.76</b>	<b>9.82</b>	<b>4329.49</b>	<b>2887.37</b>	<b>2837.64</b>
<b>Previous Year</b>	<b>5852.71</b>	<b>1072.15</b>	<b>12.66</b>	<b>6912.20</b>	<b>3885.12</b>	<b>198.94</b>	<b>9.50</b>	<b>4074.56</b>	<b>2837.64</b>	

As at  
**31st March, 2011**  
(₹ in lacs)

As at  
31st March, 2010  
(₹ in lacs)

### SCHEDULE E: INVESTMENTS (At Cost)

#### LONG TERM INVESTMENTS

##### 1) UNQUOTED

##### i) TRADE INVESTMENTS

1	333 Ordinary Shares of Bombay Mercantile Co-op. Bank Ltd., Mumbai of the face value of ₹ 30/- fully paid	0.10	0.10
2	Share of Landmark Co-op. Hsg. Soc. Ltd. (₹ 260/-)	-	0.01
		<b>0.10</b>	<b>0.11</b>

##### ii) INVESTMENTS IN MUTUAL FUNDS

1	Nil Units (P.Y. 34538.98 Units) of <b>HDFC Cash Management Fund</b>	-	3.46
2	126535.526 Units (P. Y. 87925.849 Units) of <b>HDFC HI Short Term Plan</b>	12.20	8.07
3	92020.167 Units (P. Y. 87793.526 Units) of <b>IDFC Money Mgr Fund - Plan B</b>	9.27	8.84
4	109990.582 Units (P. Y. 104874.614 Units) of <b>IDFC Money Mgr Fund - Plan C</b>	11.00	10.49
5	5497.229 Units (P. Y. Nil Units) <b>Birla Sun Life Floating Rate Fund - Retail - LT - Weekly Dividend</b>	0.55	-
6	50,000 units (P. Y. 50000 units) of <b>SBI Magnum Multicap Fund</b>	5.00	5.00
7	509316.994 units (P. Y. Nil units) of <b>SBI Short Horizon Debt Fund - Short Term - IP - Weekly Div Reinvst</b>	50.00	-
8	2,50,000 units (P. Y. Nil units) of <b>SBI PSU Fund Dividend</b>	25.00	-
9	2500420.108 units (P. Y. Nil units) of <b>SBI SHF-Ultra Short Term Fund</b>	250.19	-
10	Nil Units (P. Y. 86421.689 Units) of <b>Reliance Medium Term Fund Weekly Dividend</b>	-	14.35



## apcotex industries limited

	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
11 1747389.412 Units (P. Y. Nil Units) of <b>Reliance Liquid Fund - Treasury Plan - Institutional Option - Weekly Dividend</b>	267.55	-
12 Nil Units (P. Y. 27295.756 Units) of <b>ICICI Pru Floating Rate Plan C - Wkly Dividend</b>	-	27.27
13 197101.984 Units (P. Y. 197101.984 Units) <b>Birla Sun Life Frontline Equity Fund - Growth</b>	124.46	124.46
14 48106.851 Units (P. Y. 48106.851 Units) <b>Birla Sunlife Midcap Fund - Plan A (G)</b>	50.00	50.00
15 Nil Units (P. Y. 38616.208 Units) <b>Reliance Growth Fund - Growth Plan</b>	-	124.71
16 Nil Units (P. Y. 172513.846 Units) <b>DSP BlackRock Top 100</b>	-	125.71
17 382542.167 Units (P. Y. Nil Units) <b>DSP BlackRock Micro Cap Fund-Regular Plan</b>	66.00	-
18 58645.707 Units (P. Y. 33574.074 Units) <b>HDFC Top 200 Fund (G)</b>	112.50	60.00
19 423919.327 Units (P. Y. Nil Units) <b>HDFC Mid-Cap Opportunities Growth</b>	66.00	-
20 185536.323 Units (P. Y. 185536.323 Units) <b>IDFC Premier Equity Fund - Plan A Growth</b>	49.80	49.80
21 157401.77 Units (P. Y. 157401.77 Units) <b>Sundaram SMILE Fund - (G)</b>	50.00	50.00
22 Nil Units (P. Y. 135074.615 Units) <b>Kotak Floater Short Term - Growth</b>	-	20.37
23 824499.411 Units (P. Y. Nil Units) <b>ICICI Prudential Focused Bluechip Eq Fund - Retail (G)</b>	140.00	-
24 313480.711 Units (P. Y. Nil Units) <b>Mirae Asset China Advantage Fund-Reg Plan- Growth</b>	36.16	-
	<b>1325.68</b>	<b>682.53</b>

## 2) QUOTED

### NON-TRADE INVESTMENTS

1 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
2 2000 (P. Y. 2000) Equity Shares of Tata Motors Ltd. of the face value of ₹ 10/- fully paid	1.52	1.52
3 11250 (P. Y.17650) Equity Shares of Century Textiles Ltd. of the face value of ₹ 10/- fully paid	94.68	171.80
4 10000 (P. Y. 7250) Equity Shares of Kotak Mahindra Bank Ltd. of the face value of ₹ 5/- fully paid, <i>Stock Split 1:1</i>	25.61	37.13
5 3525 (P. Y. 7050) Equity Shares of Reliance Industries Ltd. of the face value of ₹ 10/- fully paid	24.11	46.52
6 1025 (P. Y. 5400) Equity Shares of State Bank of India Ltd of the face value of ₹ 10/- fully paid	13.16	77.45
7 49250 (P. Y. 94800) Equity Shares of Voltas Ltd of the face value of Re. 1/- fully paid	71.14	123.65
8 38900 (P. Y. 20100) Equity Shares of Welspun Corp Ltd ( <i>Previously Welspun Gujarat Stahl Rohren Ltd</i> ) of the face value of ₹ 5/- fully paid	71.61	40.22
9 Nil (P. Y. 11900) Equity Shares of Blue Star Ltd of the face value of ₹ 2/- fully paid purchased during the year	-	41.83
10 Nil (P. Y. 9400) Equity Shares of Bharti Airtel Ltd of the face value of ₹ 5/- fully paid	-	39.18
11 112500 (P. Y. 112100) Equity Shares of Exide Industries Ltd of the face value of ₹ 1/- fully paid	112.25	110.70

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	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
12 Nil (P. Y. 35000) Equity Shares of Kirloskar Oil Engines Ltd of the face value of ₹ 10/- fully paid	-	40.86
13 33950 (P. Y. 30850) Equity Shares of Opto Circuits India Ltd of the face value of ₹ 10/- fully paid	71.64	63.79
14 2000 (P. Y. 1300) Equity Shares of Oracle Financial Services Software Ltd of the face value of ₹ 5/- fully paid	44.18	28.73
15 Nil (P. Y. 19950) Equity Shares of MAX India Ltd of the face value of ₹ 2/- fully paid	-	44.85
16 17500 (P. Y. 3500) Equity Shares of Lupin Ltd of the face value of ₹ 2/- fully paid, <i>Stock Split 1:5</i>	49.60	49.60
17 Nil (P. Y. 22250) Equity Shares of Prakash Industries Ltd of the face value of ₹ 10/- fully paid	-	38.85
18 34000 (P. Y. 6800) Equity Shares of Kalpataru Power Transmission Ltd of the face value of ₹ 2/- fully paid, <i>Stock Split 1:5</i>	72.88	72.88
19 31100 (P. Y. 23200) Equity Shares of JK Cement Ltd of the face value of ₹ 10/- fully paid	56.93	46.75
20 9775 (P. Y. 2250) Equity Shares of Bajaj Auto Ltd of the face value of ₹ 10/- fully paid, Bonus Shares 1:1 recd ( <i>6300 bonus shares recd</i> )	84.39	44.54
21 91850 (P. Y. Nil) Equity Shares of S. Kumars Nationwide Ltd of the face value of ₹ 10/- fully paid purchased during the year	68.90	-
22 17450 (P. Y. Nil) Equity Shares of Mahindra Holidays & Resorts India Ltd of the face value of ₹ 10/- fully paid purchased during the year	82.10	-
23 6150 (P. Y. Nil) Equity Shares of Jammu & Kashmir Bank Ltd of the face value of ₹ 10/- fully paid purchased during the year	49.93	-
24 17100 (P. Y. Nil) Equity Shares of Sun TV Network Ltd of the face value of ₹ 5/- fully paid purchased during the year	72.05	-
25 1250 (P. Y. Nil) Equity Shares of Tata Consultancy Services Ltd of the face value of ₹ 1/- fully paid purchased during the year	13.78	-
26 3800 (P. Y. 3800) Equity Shares of India Infoline Ltd of the face value of ₹ 2/- fully paid	5.03	5.03
27 Nil (P. Y. 5265) Equity Shares of The Phoenix Mills Ltd of the face value of ₹ 2/- fully paid	-	10.08
28 4450 (P. Y. 8900) Equity Shares of Indian Overseas Bank of the face value of ₹ 10/- fully paid	5.00	9.99
29 Nil (P. Y. 1050) Equity Shares of Tata Global Beverages Ltd ( <i>Previously Tata Tea Ltd</i> ) of the face value of ₹ 10/- fully paid	-	10.04
30 Nil (P. Y. 1260) Equity Shares of LIC Housing Finance Ltd of the face value of ₹ 2/- fully paid	-	10.00
31 Nil (P. Y. 1475) Equity Shares of Mindtree Limited of the face value of ₹ 10/- fully paid	-	9.99
32 2265 (P. Y. 2265) Equity Shares of Corporation Bank of the face value of ₹ 10/- fully paid	10.00	10.00
33 6535 (P. Y. 6535) Equity Shares of PSL Limited of the face value of ₹ 10/- fully paid	10.01	10.01
34 630 (P. Y. 1230) Equity Shares of ICICI Bank Ltd of the face value of ₹ 10/- fully paid	5.01	11.94
35 975 (P. Y. 975) Equity Shares of Reliance Infrastructure Ltd of the face value of ₹ 10/- fully paid	9.97	9.98



## apcotex industries limited

	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
36 5184 (P. Y. 691) Equity Shares of Sterlite Inds (Ind) L of the face value of ₹ 1/- fully paid, <i>Stock Split 1:4</i>	10.00	5.01
37 1343 (P. Y. Nil) Equity Shares of Mahindra & Mahindra Ltd of the face value of ₹ 5/- fully paid purchased during the year	8.00	-
38 1920 (P. Y. Nil) Equity Shares of Biocon Ltd of the face value of ₹ 5/- fully paid purchased during the year	6.62	-
39 1345 (P. Y. Nil) Equity Shares of Apollo Hospitals Enterprise Ltd of the face value of ₹ 5/- fully paid purchased during the year	6.03	-
40 5610 (P. Y. Nil) Equity Shares of Nagarjuna Construction Company Ltd of the face value of ₹ 10/- fully paid purchased during the year	8.61	-
41 357 (P. Y. Nil) Equity Shares of Larsen & Toubro Ltd of the face value of ₹ 2/- fully paid purchased during the year	7.01	-
42 313 (P. Y. Nil) Equity Shares of Infosys Technologies Ltd of the face value of ₹ 5/- fully paid purchased during the year	10.67	-
43 4950 (P. Y. Nil) Equity Shares of Infrastructure Development Finance Company Ltd of the face value of ₹ 10/- fully paid purchased during the year	9.00	-
44 20350 (P. Y. 4070) HDFC Warrants, <i>Stock Split 1:5</i>	11.84	11.84
	<b>1208.26</b>	<b>1239.75</b>
<b>3) UNQUOTED</b>		
<b>NON-TRADE INVESTMENTS</b>		
120000 (P.Y. 120000) Equity Shares of Cybele Paradise Pvt Ltd. of the face value of ₹10/- fully paid	16.00	16.00
<b>TOTAL LONG TERM INVESTMENTS</b>	<b>2550.04</b>	<b>1938.39</b>
<b>AGGREGATE MARKET VALUE OF INVESTMENTS</b>		
	<b>31st March 2011</b>	
	<b>Cost of Purchase (₹ In lacs)</b>	<b>Mkt. Value (₹ In Lacs)</b>
<b>QUOTED INVESTMENTS</b>	<b>1208.26</b>	<b>1441.35</b>
<b>UNQUOTED INVESTMENTS</b>	<b>16.10</b>	<b>-</b>

### Equity Shares Purchased And Sold During The Period

Mutual Funds	Cost of Purchase	Sales Value
Equity	108.47	92.86
Kirloskar Ind Ltd	6.06	6.58
LIC Hsg Finance	13.43	17.03
Mahindra Lifespace Developers	9.98	9.59
SKS Microfinance	79.00	59.66
	<b>108.47</b>	<b>92.86</b>

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>SCHEDULE F : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A) CURRENT ASSETS</b>		
i) Inventories (Lower of cost and market value -as taken, valued and certified by Vice President-Operations)		
(a) Packing Materials	15.60	21.00
(b) Raw Materials	969.11	571.24
(c) Finished Goods	456.01	312.36
(d) Work - in - Process	32.67	37.03
(e) Stores, Spares & Consumables	174.48	106.43
	<b>1647.87</b>	<b>1048.06</b>
ii) Sundry Debtors (Unsecured)		
(a) Outstanding for more than six months		
Considered good	10.33	15.00
(b) Other debts	3694.84	2902.18
	<b>3705.17</b>	<b>2917.18</b>
iii) Cash and Bank Balances		
(a) Cash on hand	3.96	4.36
(b) With Scheduled Banks	174.59	167.73
(c) Term Deposit Receipts	28.48	2.33
	<b>207.02</b>	<b>174.42</b>
<b>B) LOANS AND ADVANCES</b>		
(i) Unsecured, considered good		
a) Balances with Customs, Central Excise etc.	65.73	77.64
b) Sundry Deposits	266.28	257.46
c) Advances/claims recoverable in cash or in kind	298.24	227.50
d) Loans/Advances to staff	2.65	2.52
e) Retirement Benefit Asset	-	3.88
	<b>632.90</b>	<b>569.00</b>
(ii) Advance Payment of Taxes	397.07	355.84
	<b>6590.03</b>	<b>5064.50</b>

## SCHEDULE G: CURRENT LIABILITIES AND PROVISIONS

### A) CURRENT LIABILITIES

(i) Sundry Creditors for goods		
a) Total outstanding dues of small scale industrial undertakings (refer note 12 in Schedule M2)	30.48	28.66
b) Total outstanding dues of creditors other than small scale industrial undertakings	1367.35	867.01
	<b>1397.83</b>	<b>895.67</b>
(ii) Other liabilities	751.90	853.28
(iii) Advance from customers including security deposits	54.82	38.58
(iv) Investors Education & Protection Fund shall be credited by the following amount (Refer Note below) Unclaimed Dividend	16.54	13.55
	<b>2221.09</b>	<b>1801.08</b>

**Note:**

There is no amount due and outstanding as at Balance Sheet date to be credited to Investors Education & Protection Fund



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### SCHEDULES FORMING PART OF THE ACCOUNTS

		As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>B] PROVISIONS</b>			
(i) Proposed Dividends	362.91		259.22
(ii) Tax on Dividends	60.28		44.06
(iii) Provision for taxation	320.00		295.50
(iv) Provision for Accrued Leave	53.02		48.18
(v) Retirement Benefit Liability	11.64		-
(vi) Other Provisions (Refer Note M2-18 in Schedule 'M')	50.00		-
		<b>857.85</b>	<b>646.96</b>
		<b>3078.94</b>	<b>2448.04</b>
<b>SCHEDULE H : SALES</b>			
Sales		<b>22267.90</b>	15758.33
Less : Goods return		<b>102.15</b>	76.37
Gross Sales		<b>22165.75</b>	15681.96
Less : Discounts and rebates		<b>224.65</b>	216.56
Excise Duty & CESS		<b>1973.80</b>	1157.83
Sales (net of discounts, rebates and excise)		<b>19967.30</b>	14307.57
<b>SCHEDULE I : OTHER INCOME</b>			
Interest		<b>10.02</b>	5.53
Dividend from investments		<b>28.10</b>	64.84
Income from Wind Turbine Generator		<b>69.62</b>	-
Surplus on sale of investments		<b>115.49</b>	(24.09)
Rent		<b>22.60</b>	0.45
Surplus on sale of assets		<b>41.20</b>	-
Miscellaneous Income		<b>71.76</b>	50.07
		<b>358.79</b>	96.80
<b>SCHEDULE J : MATERIALS CONSUMED</b>			
Raw Materials Consumed :			
Opening Stock	571.24		204.84
Add : Purchases and Expenses (Net of exchange difference of ₹16.05 lacs credited (P.Y. 29.61 Lacs credited) )	15134.71		10405.24
	<b>15705.95</b>		10610.08
Less : Closing Stock	969.11		571.24
		<b>14736.84</b>	10038.84
Packing Materials Consumed		<b>472.23</b>	419.19
Less : (Increase) / Decrease in finished and semi-finished stock			
Opening Stock	349.39		120.85
Closing Stock	488.68		349.39
		<b>(139.29)</b>	(228.54)
		<b>15069.78</b>	10229.49
<b>SCHEDULE K : EMPLOYEES' REMUNERATION AND BENEFITS</b>			
Salaries, wages, allowances, provision for bonus and accrued leave salary & Gratuity		<b>626.70</b>	520.69
Staff Welfare Expenses		<b>66.20</b>	56.17
Contribution to Provident and other funds		<b>30.81</b>	25.98
Contribution to Superannuation funds		<b>4.15</b>	3.50
Contract Labour		<b>49.62</b>	30.26
		<b>777.48</b>	636.60

## SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2011 (₹ in lacs)	As at 31st March, 2010 (₹ in lacs)
<b>SCHEDULE L : MANUFACTURING, ADMINISTRATIVE, SELLING AND DISTRIBUTION EXPENSES</b>		
Stores and spares consumed	188.22	130.00
Power and fuel	548.75	449.38
Freight and transport charges	496.03	371.46
Repairs and Maintenance		
Buildings	166.67	171.93
Machinery	141.58	168.46
Other assets	18.09	79.67
	326.34	420.06
Rent	6.35	4.44
Rates and taxes	61.61	47.33
Insurance	20.02	16.77
Advertisement	10.34	14.76
Printing, stationery, postage and telephones	39.27	37.77
Travelling Expenses		
Directors	38.36	35.86
Others	85.94	72.11
	124.30	107.97
Commission on sales	93.91	74.64
Donation	1.95	12.10
Miscellaneous expenses	492.58	377.04
Commission to Non Executive Directors	14.79	12.86
Directors' meeting fees	2.52	3.66
Audit Fees	3.25	2.00
Loss on sale/discarded assets (Net)	-	2.09
Interest and financing charges :		
On fixed loans	134.94	2.63
On other loans	74.03	45.84
	208.97	48.47
	<u>2639.20</u>	<u>2132.80</u>



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### SCHEDULE M: NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### M1. 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 shown under 'prior period adjustments' 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 upto 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 recorded at the exchange rates prevailing on the date of the transaction or at the exchange rates under related forward exchange contracts. The realized exchange gains/losses are recognized in the Profit & Loss account. All foreign currency current assets/liabilities are translated in rupees at the rates prevailing on the date of balance sheet.
- 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 Life Insurance Company for future payments of gratuities. The gratuity liability is determined based on an actuarial valuation performed by Life Insurance Company.  
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 31st March 2011.



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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 lessor 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.

### M2. NOTES TO ACCOUNTS

1. Estimated amount of contracts to be executed on capital account and not provided for ₹ **344.97 lacs** (Net of advances) [Previous Year ₹ 33.77 lacs (Net of Advances)].
2. Contingent Liabilities:  
Claims against the Company not acknowledged as debts [Gross] ₹ **555.22 lacs** (Previous Year ₹ 589.42 Lacs).

(₹ In Lacs)

Particulars	F.Y 2010-11*	F.Y 2009-10
Direct Tax Matters	<b>252.39</b>	63.67
Excise & Custom	<b>302.83</b>	525.75

\* Adhoc provision had been made for contingencies of ₹ 50.00 lacs

3. In addition to Audit Fees, reimbursement of expenses ₹ **0.10 lacs** (Previous Year ₹ 0.10 lacs), ₹ **0.35 lacs** towards other services (Previous Year ₹ 0.54 lacs) and ₹ **0.50** Lacs towards Tax Audit (Previous year ₹ 0.50 Lacs), being paid.
4. Managerial remuneration under Section 198 of the Companies Act, 1956, read with schedule XIII (Minimum applicable)

(₹ In Lacs)

	31 <sup>st</sup> March, 2011*	31 <sup>st</sup> March, 2010
Salaries	<b>10.90</b>	11.15
Allowances	<b>24.00</b>	21.73
Contribution to Provident & Superannuation Funds	<b>2.78</b>	3.08
Perquisites	<b>5.94</b>	3.15
Directors' sitting fee	<b>2.52</b>	3.66
<b>Commission to Non-executive Directors</b>	<b>14.79</b>	12.86
<b>Total</b>	<b>60.93</b>	55.63

\* Salary of Shri. S.K.Lahiri – Director & C.E.O. is up to 03/06/2010

The above remuneration does not include contribution to Gratuity Fund, as this contribution is a lump sum amount based on actuarial valuation.



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The calculation of Commission to Non-Executive Director(s) is given below:

(₹ In Lacs)

Net Profit as per Profit and Loss Account	1072.36
<b>Add:</b> Depreciation charged in Accounts	264.76
Provision for Taxation	434.46
Managerial Remuneration	60.93
Prior year adjustments (net)	68.06
<b>Sub Total</b>	1900.57
<b>Less:</b> Depreciation charged u/s. 350	264.76
Profit on sale of Investments	115.49
Profit on sale of Assets	41.20
Profit as per Section 349 of the Companies Act, 1956	1479.12
Commission to NON-EXECUTIVE DIRECTORS @ 1% of net profit	14.79

### 5. Installed Capacity

	Unit	Installed Capacity*	
		<b>As at 31<sup>st</sup> March, 2011</b>	<b>As at 31<sup>st</sup> March, 2010</b>
Synthetic Rubber & Latex	MT#	<b>30,000</b>	21,000

\* As per certificate given by the Vice President-Operations on which the Auditors have relied since it is a Technical matter.

# Installed capacity is on dry basis.

### 6. Production:

		<b>As at 31<sup>st</sup> March, 2011</b>	<b>As at 31<sup>st</sup> March, 2010</b>
Synthetic Rubber including Latex	MT	<b>28,095.46</b>	23,957.11

### 7. CIF value of direct imports:

	<b>2010-2011 (₹ In lacs)</b>	<b>2009-2010 (₹ In lacs)</b>
Raw materials	<b>1015.03</b>	1234.13
Stores and spares	<b>41.81</b>	22.00

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

	<b>2010-2011 (₹ in lacs)</b>	<b>% To Total</b>	<b>2009-2010 (₹ in lacs)</b>	<b>% To Total</b>
<b>Raw Materials:</b>				
Direct Imports	<b>1084.48</b>	<b>7.36</b>	1187.42	11.83
Others {including value of consumption of imported raw materials purchased through indigenous sources ₹ 5562.59 Lacs} (Previous Year ₹ 4255.61 lacs)	<b>13654.37</b>	<b>92.64</b>	8851.41	88.17
	<b>14738.85</b>	<b>100.00</b>	10038.83	100.00
<b>Stores and Spares:</b>				
Direct Imports	<b>11.41</b>	<b>6.06</b>	17.24	13.26
Indigenous	<b>176.81</b>	<b>93.94</b>	112.76	86.74
	<b>188.22</b>	<b>100.00</b>	130.00	100.00

### 9. Earnings in foreign currency:

	<b>2010-2011 (₹ In lacs)</b>	<b>2009-2010 (₹ In lacs)</b>
F.O.B. value of Exports	<b>989.61</b>	879.73

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10. Expenditure in foreign Currency:

		2010-2011 (₹ In lacs)	2009-2010 (₹ In lacs)
a.	Books and periodicals & other memberships	3.09	6.47
b.	Foreign Travel	30.36	29.40
c.	Professional fees (including reimbursement)	22.76	27.22
d.	Sales Commission (including reimbursement)	2.08	4.02

11. Revenue expenses amounting to ₹ **132.69 lacs** on Research and Development have been included under the respective heads of expense accounts (Previous Year ₹ 90.10 lacs).

12. The Company deals with several Small Scale Industrial (SSI) undertakings on mutually accepted terms and conditions. Based on the records of the company and the information received from SSI suppliers, the various amounts due to SSI's and included under sundry creditors. The names of SSI Undertakings to whom the company owe any sum outstanding for more than 30 days are as under:

NAME OF THE PARTY	(₹ In lacs)
AVA CHEMICALS PVT LTD.	9.92
K.T. PLASTIC INDUSTRIES LIMITED.	17.50
TYTAN ORGANICS PVT. LTD.	3.06
<b>TOTAL</b>	<b>30.48</b>

The Company has not received any intimation from suppliers regarding their status under the Micro Small & Medium Enterprises Development Act, 2006, and hence disclosures, if any, relating to amount unpaid as at the end together with interest paid/ payable as required under the said Act have not been given.

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

14. Disclosure as per Accounting Standard 15 (Revised)

The following table sets out the status of the gratuity Plan as required under AS 15 (Revised).

Statement Showing changes in Present Value of obligation as on 31 <sup>st</sup> March 2011		
	31st March 2011	31st March 2010
Present Value of Obligation of the year	69.58	57.98
Interest Cost	5.57	4.64
Current service Cost	5.00	4.27
Benefits paid	(14.86)	(3.28)
Actuarial (gain)/Loss on obligations	18.22	5.97
Present Value of obligations as at the end of the year	83.51	69.58
Table showing changes in the fair value of plan asset as on 31 <sup>st</sup> March 2011		
Fair value of plan assets	73.47	70.44
Expected Return on plan Assets	6.35	6.30
Contributions	6.91	0.00
Benefits Paid	(14.86)	(3.28)
Actuarial Gain / (Loss) on plan asset	0.00	0.00
Fair Value of Plan Asset as the end of the year	71.87	73.47
Actuarial Gain / Loss recognized as on 31 st March, 2011		
Actuarial gain/(Loss) for the year – Obligation	(18.22)	5.98
Actuarial (Gain) / Loss for the year – plan asset	0.00	0.00
Total (gain)/Loss for the year	18.22	5.98
Actuarial (gain)/Loss recognized in the year	18.22	5.98
Expenses Recognized in the Statement of Profit & Loss A/c		
Current Service Cost	5.00	4.27
Interest Cost	5.57	4.64
Expected Return on Plan assets	(6.35)	(6.30)
Net Actuarial (gain)/Loss Recognized in the year	18.22	5.98



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Expenses Recognized in the Statement of Profit & Loss A/c.	22.44	8.58
<b>Amount to be recognized in the Balance Sheet</b>		
Present Value of Obligation as at the end of the year	83.51	69.58
Fair value of plan asset as at the end of the year	71.87	73.47
Net Asset/(liability) recognize in the Balance sheet	11.64	3.88
<b>Actuarial Assumptions</b>		
Discount Rate	8%	8 %
Salary Escalation	5%	5 %
<b>Investment details</b>		
Central & State Govt. Securities	53.00%	71.00%
Bonds / Debentures	43.00%	22.00%
Equity Shares	4.00%	5.00%
Money Market Instrument / FD	0.00%	2.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

### Related Party Disclosure

#### Transactions with Related Parties

(₹ in Lacs)

Sl. No.	Nature of Transaction	Person(s) having controlling interest	Directors	Associates (Common Control)	Key Management Personnel*	Total
1	Reimbursement of Office maintenance, Travelling, Rent and Other expenses	-	-	8.90	-	8.90
2	Remuneration	-	-	-	43.62	43.62
3	Directors sitting fees	0.24	2.28	-	-	2.52
4	Inter Corporate Deposits	-	-	200.00	-	200.00
5	Interest on Inter Corporate Deposits	-	-	2.03	-	2.03
6	Sales of Goods	-	-	19.89	-	19.89
7	Reimbursement of medical exp.	0.81	-	-	-	0.81
8	Commission to Non-Executive Directors paid	10.11	2.75	-	-	12.86

\* Salary of Shri. S.K.Lahiri – Director & C.E.O. is up to 03/06/2010

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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Sr. No.	Names of related parties	Description
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 Belt Trading & Investments Pvt. 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 Dhumravarma Trading & Investments 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 Mustang Investments Pvt. 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 Shri. S.K.Lahiri – Key Management Personnel	Managing Director w.e.f.01/05/2010 Director & C.E.O. till 03/06/2010

### 16. Earning per Share:

		2010-11	2009-10
1.	Profits/(Loss) after Tax – ₹ In lacs	1072.36	832.79
2.	Number of Shares	5184496	5184496
3.	Earning per Share – ₹	20.68	15.26

### 17. Deferred Tax

		As at 31-03-2011 (₹ In lacs)	As at 31-03-2010 (₹ In lacs)
<b>Opening balance</b>		<b>413.05</b>	<b>284.08</b>
<b>Deferred Tax Liability on account of:</b>			
	Difference between Book & Tax Depreciation	143.28	124.68
	Capital Expenditure on Scientific Research	1.35	10.62
	<b>(A)</b>	<b>144.63</b>	<b>135.30</b>
<b>Deferred Tax Assets on account of:</b>			
	Provision for Leave Encashment /Superannuation / Bonus	29.11	6.33
	Deferred tax Assets Due to Reduction in Tax Rates	1.06	-
	<b>(B)</b>	<b>30.17</b>	<b>6.33</b>
<b>Net Deferred Tax (Liability) (A-B)</b>		<b>114.46</b>	<b>128.97</b>
<b>Closing balance</b>		<b>527.49</b>	<b>413.05</b>



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18. Pursuant to the Accounting Standard (AS 29)-Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31<sup>st</sup> March 2011 is as follows;

(₹ in Lacs)

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

19. 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 ₹ 2.74 lacs (Previous Year Nil). The lease agreements obligations due within five years ₹ 17.27 lacs (Previous Year Nil)

20. Previous year's figures have been regrouped, wherever necessary. Figures in brackets are for the previous year.

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 } Directors  
 BIPIN V. JHAVERI  
 Dr. S. RENGACHARY

**For SHAH & CO.**  
 Chartered Accountants  
 Firm Registration No. 109430W

**H.N. SHAH**  
 Partner  
 Mumbai : 30th April 2011

ANAND V. KUMASHI GM – Accounts, Finance &  
 Company Secretary  
 Mumbai : 30th April 2011

## CASH FLOW STATEMENT FOR THE F.Y. 2010-2011

	2010-2011 (₹ in lacs)	2009-2010 (₹ in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net profit / (loss) before tax and extraordinary items</b>	<b>1506.82</b>	1257.27
Adjustments for :		
- Depreciation	264.76	198.95
- Interest Paid	208.97	48.47
- Retirement benefit plan	-	8.57
- Prior year adjustments	68.06	(50.73)
- Income on sale of assets	(41.20)	2.09
- Wind Mill Income	(69.62)	-
- Income on sale of investment	(115.49)	24.09
- Interest/Dividend/Other Income	(132.48)	(120.90)
<b>Operating profit before working capital changes</b>	<b>1689.82</b>	1367.81
Adjustments for :		
- Trade and other receivables	(851.89)	(1484.06)
- Inventories	(599.80)	(627.24)
- Trade and other payables	424.84	583.02
<b>Cash (used) / generated from operations</b>	<b>662.97</b>	(160.47)
Interest paid	(208.97)	(50.81)
Direct taxes paid	(377.25)	(439.77)
<b>Net Cash Flow from operating activities</b>	<b>76.75</b>	(651.05)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(747.45)	(1303.97)
Sale of fixed assets	57.35	1.08
Purchase of investments	(2408.80)	(2579.67)
Sale of investments	1912.64	3518.60
Wind Mill Income	69.62	-
Interest received	10.02	5.35
Dividend received	14.96	64.84
Other Income	94.36	50.65
<b>Net cash generated / (used) in investing activities</b>	<b>(997.30)</b>	(243.11)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Buy back of shares	-	(339.07)
- Proceeds from borrowings	1209.39	1478.12
- Dividends paid	(256.24)	(219.61)
<b>Net cash used in financing activities</b>	<b>953.15</b>	919.44
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>32.60</b>	25.27
Cash and cash equivalents as at 1st April 2010	174.42	149.15
Cash and cash equivalents as at 31st March 2011	<b>207.02</b>	174.42

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

Dr. S. RENGACHARY

Directors

**For SHAH & CO.**

Chartered Accountants

Firm Registration No. 109430W

**H.N. SHAH**

Partner

Mumbai : 30th April 2011

ANAND V. KUMASHI

GM – Accounts, Finance &  
Company Secretary

Mumbai : 30th April 2011



## apcotex industries limited

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I REGISTRATION DETAILS

Registration No.

State Code:

Balance Sheet Date:

Date Month

Year

#### II CAPITAL RAISED DURING THE YEAR (Amount ₹ in thousands)

Public Issue

Rights Issue

Bonus Issue

Private Placement

#### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount ₹ in thousands)

Total Liabilities

Total Assets

##### SOURCE OF FUNDS

Paid-up Capital

Reserves and Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

##### APPLICATION OF FUNDS

Net Fixed Assets

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

#### IV PERFORMANCE OF COMPANY (Amount ₹ in thousands)

Turnover (Total Income)

Total Expenditure

+ - Profit/(Loss) Before Tax and extraordinary items

☒

+ - Profit/(Loss) After Tax but before extraordinary items

☒

Earning per share in ₹

Dividend Rate (%)

#### V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (As per monetary terms)

Item Code No. (ITC Code)

Product Description

S T Y R E N E B U T A D I E N E  
R U B B E R ( S B R ) L A T E X

Item Code No. (ITC Code)

Product Description

S T Y R E N E B U T A D I E N E  
R U B B E R ( S B R )

Item Code No. (ITC Code)

Product Description

O T H E R L A T E X



## Annual Report 2010-2011

PERFORMANCE SUMMARY OF FIVE YEARS						
					(₹ in lacs)	
PARTICULARS	Growth in comparison to previous year	2010-11	2009-10	2008-09	2007-08	2006-07
Volume Sales in M.T.	20.06%	28126.76	23428.03	14086.17	17137.86	13838.55
<b>Revenues</b>						
Gross Sales	41.87%	21941.10	15465.40	11155.81	11774.08	8926.59
Net Sales	39.56%	19967.31	14307.57	9972.90	10156.96	7764.83
Other Income	270.65%	358.79	96.80	65.12	309.15	216.03
<b>Cost</b>						
Material Consumed		15069.78	10229.49	6921.79	7675.17	6205.80
Employee's Remuneration and Benefits		777.48	636.60	529.73	443.47	354.67
Distribution Expenses		2639.20	2132.80	1657.02	1477.88	1207.89
Gross Profit ( Cash profit)	30.89%	1839.64	1405.48	929.48	869.59	212.50
Depreciation		264.76	198.95	219.91	211.71	319.48
Earlier year adjustments		(68.06)	50.73	4.17	(6.32)	47.15
Profit before tax		1506.82	1257.26	713.74	651.56	(59.83)
Profit after tax	28.77%	1072.36	832.79	448.39	487.24	1.33
<b>Earning Per Shares</b>		<b>20.68</b>	<b>15.26</b>	<b>8.11</b>	<b>8.82</b>	<b>0.02</b>
<b>Capital Accounts</b>						
Share Capital		522.35	522.35	556.64	556.64	556.64
Reserves and Surplus		5897.07	5247.88	4988.88	4799.15	4484.18
Gross Block		7216.86	6912.2	5852.71	5724.85	5866.90
Total Investments		2550.04	1938.39	2827.57	1476.94	2121.28
Net Current Assets		3511.09	2616.46	1025.50	2360.56	2598.62



## apcotex industries limited

Dear Shareholder,

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies and has allowed companies to email documents to shareholders electronically, instead of mailing physical copies.

The 25<sup>th</sup> Annual General Meeting of the Company will be held at **Plot No. 3/1, MIDC Industrial Area, Taloja – 410208, Dist. Raigad, Maharashtra** on **Saturday**, the **30<sup>th</sup>** day of July **2011** at **11.30** a.m.

Keeping in view the spirit of MCA initiative, we request you to advise your email id on which we can send the company documents henceforth.

Electronic documents have following advantages:

1. Facility of permanent storage
2. Easy retrieval at the click of a button
3. Search facility
4. Saving of space
5. From Company's perspective, it saves printing and mailing cost
6. From National perspective, it enables conservation of forest resources and helps the cause of environment

**You do not lose anything but the Country gains.**

As such we request your consent to above arrangement.

Please let us know your email id, which will be registered by us. For this purpose the attached reply may be filled and returned to us. You may, alternatively, email the scanned copy of the same at [redressal@apcotex.com](mailto:redressal@apcotex.com).

In case you wish to continue receiving physical documents, you need not respond to this letter.

Thanking you,

Yours faithfully

For **apcotex industries limited**

**Anand V. Kumashi**  
GM- Accounts, Finance &  
Company Secretary

Date \_\_\_\_\_

To  
The Company Secretary  
**Apcotex industries Limited**  
Plot no. 3/1, MIDC Industrial Area,  
Taloja – 410208,  
Dist. Raigad, Maharashtra

**Re: Receiving various documents such as Notices of General Meetings,  
Annual Reports, Circulars and other documents through email.**

I/We confirm that you may send us the above documents through email instead of physical copies. For this purpose, the following email id may be registered.

Folio No.	
DP ID and Client ID	
Email ID	
Name of shareholder	

(Signature)



**apcotex industries limited**

Plot No.3/1, M I D C Industrial Area, P.O. Talaja, Dist. Raigad 410 208, Maharashtra

**ATTENDANCE SLIP**

Folio No./DP ID or BEN No. : \_\_\_\_\_

I/We hereby record my/our presence at the **25th Annual General Meeting** at **Plot No.3/1, M I D C Industrial Area, P.O. Talaja - 410208, Dist. Raigad, Maharashtra** on **Saturday, the 30th day of July 2011** at **11.30 a.m.**

\_\_\_\_\_  
Name of the Shareholder/Proxyholder

\_\_\_\_\_  
Signature of the Shareholder/Proxyholder

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE



**apcotex industries limited**

Plot No.3/1, M I D C Industrial Area, P.O. Talaja - 410208, Dist. Raigad, Maharashtra

**PROXY FORM**

Folio No./DP ID or BEN No. : \_\_\_\_\_

I/We \_\_\_\_\_

being a Member / Member(s) of APCOTEX INDUSTRIES LIMITED, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

or failing him/her \_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote to me/us on my/our behalf at the **25th Annual General Meeting** at **Plot No. 3/1, M I D C Industrial Area, P.O. Talaja - 410208, Dist. Raigad, Maharashtra** on **Saturday, the 30th day of July 2011** at **11.30 a.m.** or at adjournment thereof.

AS WITNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp

**NOTE :** The Proxy Form must be deposited at the Registered Office of the Company at Plot No.3/1, M I D C Industrial Area, P.O. Talaja - 410208, Dist. Raigad, Maharashtra not less than 48 hours before the time for holding the Meeting.

## BOOK-POST

If undelivered, please return to :



**apcotex industries limited**

Plot No.3/1, M I D C Industrial Area, P.O. Taloja, Dist. Raigad 410 208, Maharashtra