

APCOTEX INDUSTRIES LIMITED

BOARD OF DIRECTORS

Atul C. Choksey	Chairman
S.K. Lahiri	Director & CEO
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	Executive Director

AUDIT COMMITTEE

Manubhai G Patel	Chairman
Girish G Choksey	Member
Bipin V Jhaveri	Member
Dr. S. Rengachary	Member

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, MIDC Industrial Area,
P.O. Taloja - 410208, Dist. Raigad
Maharashtra
Telephone: (022) 27403500
Fax: (022) 2741 2052
E-mail – redressal@apcotex.com
Website : www.apcotex.com

CORPORATE OFFICE

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

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai - 400 078
Tel. No.- (022) 2596 3838 Fax – (022) 2594 6969.
Email: mumbai@linkintime.co.in
Website: www.linkintime.co.in



apcotex industries limited

NOTICE

NOTICE

NOTICE is hereby given that the Twenty Fourth 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 24th day of July 2010 at 3.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Accounts for the year ended 31st March 2010 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. Atul Choksey, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Amit Choksey, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr.S.Sivaram, who retires by rotation and, being eligible, offers himself for reappointment.
6. To appoint M/s. Shah & Co., Chartered Accountants as Auditors of the Company, and fix their remuneration.

SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**.;

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions of the companies Act, 1956 or any amendment or substitution thereof and subject to the approval of the Central Government, if any, required, the Company hereby approves the appointment of Shri Abhiraj Atul Choksey, as "Managing Director" of the Company, for a period of 3 (Three) years, effective from 1st May 2010, upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by the Chairman thereof which agreement is hereby specifically approved with authority to the Board of Directors, including committee(s) thereof to alter and / or vary the terms and conditions of the said appointment within limits, if any, prescribed in the Act, and / or schedules thereto."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Shri Abhiraj Choksey, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, after obtaining suitable recommendation of its Remuneration Committee."

"RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Shri. Abhiraj Choksey, which revision should be in conformity with any amendments to the relevant provisions of the

Companies Act and / or the rules and regulations made thereunder and / or such guidelines as may be announced by the Central Government from time to time."

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

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

Date: 27th April 2010

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 16th day of July 2010 to Friday, the 23rd day of July 2010** (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. Members are hereby informed that the Company has transferred to the Central Government all unclaimed dividends relating to the accounting years upto 31.3.2002. Members who have not collected dividends for any accounting year upto and including 31.3.1995 are requested to make an application to the Registrar of Companies, Maharashtra, CGO Complex, Belapur, Navi Mumbai, for an order for payment of such uncollected dividends. Such application has to be made in the prescribed Form No. II under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government Rules, 1978).
7. Members desirous of getting any information relating to the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the Annual General Meeting so that the information required may be made readily available at the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

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

Item No.7

The Board of Directors of the Company at their meeting held on 27th April 2010, have, in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in the General Meeting and that of the Central Government, if required, under the provisions of the Companies Act, 1956, decided to appoint Shri Abhiraj Atul Choksey, as "Managing Director" of the Company, for a period of 3 (Three) Years, effective from 1st May 2010.

Shri Abhiraj Choksey is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A. He has several years of experience in the field of finance, system engineering, strategy formulation, administration etc, having worked in a consulting firm in USA and a software company in the Country.

Shri Abhiraj Choksey is a relative of Company's Chairman, Shri Atul Choksey and by virtue of this appointment; he will hold an office or place of profit in the Company in accordance with the provisions of Section 314(1) of the Companies Act, 1956. This requires approval of the Company in the General Meeting by way of a Special Resolution.

The terms and conditions of the remuneration as set out in the draft agreement to be entered into by the Company with the said Shri Abhiraj Choksey, are as under:

Salary: Rs.82,000 (Rupees Eighty Two Thousand Only) per month, with an increment to be determined by the Board of Directors, including Committee thereof, effective from the 1st day of April each year.

Allowances: House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

Special Allowance: Rs.1,35,000 (Rupees One Lac Thirty Five Thousand Only) per month, with rise to be determined by the Board of Directors, including committee thereof, effective from 1st day of April each year.

Variable Pay Plan as per the rules in force in the Company, from time to time.

Perquisites: Perquisites are classified into three categories "A", "B" and "C" as follows;

Part "A"

Housing

(1) Free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and general maintenances of the premises as are desired by the Director to be provided at the Company's expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company's expense.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc to be made available to the Managing Director shall be valued as per the Income Tax Rules, as are in force from time to time.

Medical Expenses Reimbursement / Medical Insurance:

Payment of Medical Insurance premium and reimbursement of expenses actually incurred for self, wife, dependent, children including hospitalization expenses, nursing home charges, treatment expenses, surgical expenses etc any limit or scheme of the company.

Leave Travel Concession;

Leave Travel Concession for the Managing Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

Personal Accident Insurance;

Personal Accident insurance, the annual premium of which will not exceed Rs.10,000/- or coverage under the Group Personal Accident Insurance Policy taken / as may be taken by the Company every year during the tenure of this appointment.

Club Fees;

Fees of clubs subject to a maximum of two clubs.

Part "B"

Provident Fund:

Company's contribution towards Provident Fund, subject to a ceiling of 12% of the salary.

Gratuity, Pension and Superannuation:

Benefits in accordance with the rules and regulations in force in the Company from time to time.

Part "C"

Car:

Provision of a car and driver for both official and personal use of the Managing Director.

Telephone:

Provision of telephone at residence of the Managing Director. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

Other Benefits:

1. Leave: Leave with full pay and allowance in accordance with the rules and regulations in the Company in force from time to time. Leave encashment in accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.
2. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
3. Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.



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The remuneration as aforesaid to be allowed to the Managing Director shall be subject to such limits for the remuneration as are laid down by the Government in the Companies Act, 1956, its Schedule XIII and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the Managing Director remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation of Remuneration Committee of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there-under and/or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

The draft of the agreement to be entered into by the Company with Shri Abhiraj Choksey is available for inspection by the members at the Registered Office of the Company between 11 A.M. and 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Your Directors commend his appointment.

Except Sarvashri Atul Choksey, Girish Choksey, Amit Choksey and Shri Abhiraj Choksey himself, no other Director of the Company is interested in this resolution.

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

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

Date: 27th April 2010

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

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Fourth Annual Report of the Company and the audited Statements of Accounts for the year ended 31st March 2010.

COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

Particulars	2009-10 (Rs. In Lacs)	2008-09 (Rs. In Lacs)
GROSS SALES	15681.96	11410.11
Gross Profit Before Depreciation, Interest and Tax after prior year adjustments	1504.68	948.49
Less: Depreciation	198.95	219.91
Interest	48.47	14.84
Provision for Tax	295.50	253.25
Adjustment for Deferred Tax Liability	128.97	12.10
Profit/ (Loss) for the Year	832.79	448.39
Add: Balance brought forward from Previous year	418.73	274.01
Disposable Profit (Loss)	1251.52	722.40
The Directors recommend the appropriation of the disposable profit as under:		
Dividend on Equity Shares	259.22	221.09
Tax on Dividend	44.06	37.57
Transfer to General Reserve	85.00	45.00
Balance carried to Balance Sheet	863.24	418.74
	1251.52	722.40

1. DIVIDEND

Your Directors have recommended a dividend of Rs.5.00 (Rupees Five) per Equity Share of Rs.10/- each (@50%). The Equity Dividend, if approved, will absorb a sum of Rs.259.22 lacs (excluding the dividend tax of Rs.44.06 lacs) out of net profit as above and will be paid to those shareholders whose names appear on the Register of Members on **16th July 2010**.

2. MANAGEMENT DISCUSSION AND ANALYSIS

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

I. CURRENT SCENARIO.

Your Company is one of the leading producers of polymer products namely Synthetic Latices (VP Latex, XSB latex, Nitrile Latex) and Synthetic Rubber (HSR, SBR) in India. The Company has one of the broadest range of products based on Styrene – Butadiene chemistry available in the market today and cater mainly to the industrial segment. Our range of Synthetic Latices is used among other applications, for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing and textile

finishing. The various grades of Synthetic Rubber find application in products such as footwear, automotive components, 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, overall business climate improved during the year.

The company's performance was satisfactory due to appropriate price increases to offset the increased cost of raw materials, addition of new value added products to our current range particularly for the Paper Board Coating Industry and better operational efficiency.

The technology was developed and is being continuously upgraded through in-house Research and Development efforts to meet the changing needs of customers. Competition remains intense across most of the products.

The company manufactures and markets a range of polymer products viz. Styrene Butadiene Rubber, Synthetic Rubber Latices and Acrylic based Latices and over the next few years we expect good domestic growth in most of the industries we cater to – tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, textile finishing and paint industries. We also envision good export prospects for some of our products.

II. OPERATIONS DURING THE YEAR.

During the year the Company achieved Gross Value Sales of Rs.15681.96 lacs and volume sale of 23428 MT, registering a growth of **37.44%** and **66.32%** respectively compared to that of the preceding financial year.

The prices of major raw materials Styrene and Butadiene softened during the beginning of the financial year and started firming up during the end of the financial year. Packaging materials also registered significant increase.

During the financial year the company exported goods worth Rs.908 lacs compared to exports of Rs.355 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.

Operating profits before tax and depreciation during the year has increased by **77%** to Rs.1160 Lacs from Rs. 649 Lacs during the previous financial year.

Other income, which includes dividend received on investments, export benefits and interest was at Rs.97 Lacs as compared to Rs.65 Lacs during previous financial year.

The profit after tax stood at Rs.833 Lacs as compared to Rs.448 Lacs in the previous financial year.

Your Directors consider Company's performance as satisfactory.



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III. OUTLOOK

From overall perspective, we expect 2010-11 to remain challenging in terms of volatilities in prices of major Inputs. However with overall growth of the economy, it 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 2010-11 with cautious optimism.

IV. RISK AND CONCERNS.

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.

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

VI. DEVELOPMENT OF HUMAN RESOURCE / INDUSTRIAL RELATIONS.

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

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

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

CAUTIONARY STATEMENT.

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include raw material availability and prices, cyclical demand, movements in company's principal markets, changes in Government regulations, tax regimes, economic developments within and outside India and other incidental factors.

3. BUYBACK OF SHARES

The Board of Directors in their meeting held on 16th October 2009 approved the scheme of buyback of shares through market operation, which commenced from 21st December 2009, for buyback of minimum 2,50,000 and maximum 4,00,000 equity shares at a price not exceeding Rs.90/- per share aggregating to Rs.360 Lacs. The Company had purchased and extinguished 3,42,856 shares, comprising of 85.71% of maximum buyback offer size before the end of the financial year 2009-10, at a weighted average price of Rs.88.75 per equity share.

The share price of company's equity are traded well above the maximum price at which buyback offer was approved by Board of Directors i.e. Rs.90/- per share, since last couple of months. In view of this, the Board of Directors in their meeting held on 27th April 2010 have decided to pre-close the offer of buyback of shares since company has already bought more than minimum number of shares to be bought back as per buyback offer.

4. 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 31st March 2010, for captive consumption. The cost of project is Rs.650 lacs. The Wind Turbine Generator is expected to generate about 24,00,000 units per annum.

The electricity generated by Wind Turbine Generator will be used for captive consumption at Company's Plant at Taloja, Maharashtra.

5. 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.

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.

6. 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 Rs.48,000/- and accrued interest of Rs.22,491/- thereon. These deposits matured during the first week of December 2002.

One fixed deposits worth Rs.5,000/- matured, with accrued interest of Rs.224/- but were not claimed by the concerned depositors despite reminders.

7. INSURANCE

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

8. ECOLOGY AND SAFETY

Members of the Safety Committee of the Company's Talaja 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. Necessary application had been made to Maharashtra Pollution Control Board to operate the plant at Talaja till 31st December 2014. The Certificate is awaited.

9. 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.

10. BANKS

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

11. DIRECTORS

Shri. S.K.Lahiri, Director & CEO of the Company retires from the service of the Company as on 03rd June 2010, after 27 years of association with the Company. Your Directors wish to place on record their appreciation for his service and contribution made.

Mr. Atul Choksey, Mr. Amit Choksey and Dr. S. Sivaram, retire by rotation and being eligible, offer themselves for reappointment.

12. AUDITORS

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

FOR AND ON BEHALF OF THE BOARD



ATUL C CHOKSEY
CHAIRMAN

Mumbai: 27th April 2010



ANNEXURE TO DIRECTORS' REPORT

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:

A. POWER AND FUEL CONSUMPTION

Electricity:

	2009-10	2008-09
a) Purchased Units ('000 KWH)	6170.414	4585.123
Total amount (Rs. In lacs)	336.254	222.613
Rate/Unit (Rs.)	5.45	4.860
b) Own Generation:		
Through Diesel generator		
Units ('000 KWH)	153.736	70.266
Units per ltr. of diesel oil	2.500	2.200
Cost/Unit (Rs.)	14.090	15.400

B. CONSUMPTION PER UNIT OF PRODUCTION

Synthetic Rubber including Latices Electricity (KWH/MT)	266	333
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FORM B

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

RESEARCH AND DEVELOPMENT (R&D)

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

	(Rs. in lacs)	
Particulars	2009-10	2008-09
Capital	20.83	7.34
Recurring	90.10	42.55
Total	110.93	49.89
Total R & D expenditure as a percentage of Turnover	0.77%	0.50%

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

Necessary application for renewal of recognition of the in-house R & D facilities of the company has been made to the Department of Scientific & Industrial Research.

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 11 & 12 of Schedule 'M2' to the accounts.

FOR AND ON BEHALF OF THE BOARD

Atul Choksey

**ATUL C CHOKSEY
CHAIRMAN**

Mumbai: 27th April 2010.

CORPORATE GOVERNANCE

Company's Philosophy On Code of Corporate Governance:

The Company believes in adopting good practices in the areas of Corporate Governance and follows the principles of transparency and disclosure in its operations.

Board Of Directors:

The Company presently has ten Directors. Two of them are whole-time directors and eight are non-executive directors. Out of eight non-executive directors, five are independent directors.

During the Financial year 2009-10, Meetings of the Board of Directors were held on the following days: -

a) 11th May 2009, b) 25th May 2009, c) 27th July 2009 d) 15th October 2009 e) 16th October 2009 and f) 22nd January 2010

None of the Directors on the Board hold the office of director in more than fifteen companies or membership of committee of the Board in more than ten committees or chairmanship of more than five committees.

The details are explained in the Table 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	6	Yes	8	-
S K Lahiri DIN 00027493	CEO & Director	4	Yes	-	-
Girish C. Choksey DIN 00246196	Non-Executive	5	Yes	5	2/2
Amit C. Choksey DIN 00001470	Non-Executive	1	No	5	1/1
Manubhai G. Patel DIN 00001662	Non-Executive, Independent	5	Yes	4	3/5
Bipin V. Jhaveri DIN 00001648	Non-Executive, Independent	6	Yes	6	2/2
Dr.S. Rengachary DIN 00126980	Non-executive, Independent	6	Yes	2	1/0
Dr. S. Sivaram DIN 00009900	Non-Executive, Independent	4	No	2	2/0
T.N.V. Ayyar DIN 00008493	Non-Executive, Independent	2	No	4	5/4
Abhiraj Choksey DIN 00002120	Executive Director	6	Yes	3	-

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

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. Sanjay K Lahiri CEO & Director is appearing in the Annual Report.

Audit Committee

The Audit Committee was constituted in April 2000. It 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.

The terms of reference of the Audit Committee include the matters specified in clause 49 (II) of the Listing Agreement with the Stock Exchanges. The terms of reference of Audit Committee include 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.
- Discussing / reviewing with the management and /or auditors:
 - a) Company's Annual Plan;
 - b) Quarterly, half yearly and annual financial performance statements;
 - c) Adequacy of internal Checks and controls within the organization;
 - d) Observations of the Statutory and Internal Auditors in the course of their Audit;



apcotex industries limited

- e) Compliances with Stock Exchange and other Statutory / regulatory requirements;
- f) Management Discussion and Analysis of Company's periodical performance;
- g) Risks being faced by the Company and framework of management thereof from time to time;
- h) 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;
- i) Accounting Policies followed by the Company and changes required in them from time to time;
- j) Significant related parties transactions, if any.
- Reviewing with the management and the Statutory and / or Internal Auditors:
 - a) Adequacy of internal checks and controls within the organization.
 - b) Scope of Internal Audit / Statutory Audit.
 - c) Findings of Internal Audit.
- Recommending to the Board of Directors appointment / reappointment of Statutory auditors and Internal Auditors.

During the year, seven meetings of the Audit Committee were held on:

a) 04th April 2009 b) 11th May 2009, c) 25th May 2009 d) 27th July 2009, e) 15th October 2009 f) 22nd January 2010 and g) 20th March 2010

Attendance at the Audit Committee meetings:

Name	Non-Executive / Independent	Numbers of Meetings held - Seven	
		Attended	
M. G. Patel	Non-Executive, Independent	7	
Bipin Jhaveri	Non-Executive, Independent	7	
Girish C. Choksey	Non-Executive	5	
Dr. S. Rengachary	Non-Executive, Independent	7	

Shareholders/Investors Grievances:

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

Terms of Reference

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

The details of correspondences / grievances received and redressed during the financial year 2009-10 by the Company through the Registrars, LINK INTIME INDIA PVT LTD. are as under;

Source	Correspondences	
	Received	Redressed / Attended
A. Complaints		
Directly from Shareholders	40	40
Consumer Forum	-	-
Department of Company Affairs	-	-
Through Advocates	-	-
SEBI	4	4
Stock Exchanges	-	-
NSDL	-	-
Any Other Government Body	-	-
Total (A)	44	44

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B. Type of Requests from Shareholders		
Request for change of Address	145	145
Request for transfer / Transmission of shares / deletion of Name	40	40
Request for change / correction of bank details	80	80
Request for revalidation / issue of new dividend warrants	155	155
Issue of Duplicate Share Certificates	21	21
Nomination	-	-
Miscellaneous	89	89
Total (B)	530	530
Grand Total (A+B)	574	574

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 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 Directors	Service Contract and Period	Severance Fees
Mr. Sanjay K Lahiri	Agreement dt. 30-07-2007:Period:04-06-2007 to 03-06-2010	Nil
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, 2009-10 are as under;

Name of Director	Sitting Fees	Commission*	Salary	Allowances	Contribution to Statutory Funds	Perquisites	Total
Executives Directors							
Mr. Sanjay K Lahiri	-	-	6,12,732	12,69,590	1,74,666	4861	20,61,849
Mr. Abhiraj Choksey	-	-	5,01,864	9,03,317	1,32,840	3,09,640	18,47,661
Non-Executives Directors							
Mr. Atul Choksey	36,000	10,11,000	-	-	-	-	10,47,000
Mr. Girish Choksey	60,000	-	-	-	-	-	60,000
Mr. Amit Choksey	6,000	-	-	-	-	-	6,000
Mr. M.G. Patel	72,000	75,000	-	-	-	-	1,47,000
Mr. Bipin Jhaveri	78,000	75,000	-	-	-	-	1,53,000
Dr. S. Rengachary	78,000	25,000	-	-	-	-	1,53,000
Dr. S. Sivaram	24,000	75,000	-	-	-	-	99,000
Mr. T N V. Ayyar	12,000	25,000	-	-	-	-	37,000

*The Commission for the year ended 31 st March 2010 will be paid, subject to deduction of tax, after adoption of the Accounts by the Shareholders at the Annual General Meeting to be held on 24th July 2010.

Statement showing number of Equity Shares of Rs. 10/- each of the company held by the present Non Executive Directors as on 31st March 2010:

Non-Executive Directors	No. of Shares	% to paid up capital
Atul C. Choksey	2,19,194	4.227
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	-	-



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

Name: **MR. ATUL CHOKSEY.**

Age: 58 years

Educational Qualification: Chemical Engineer from Illinois Institute of Technology, Chicago, USA.

Experience: He has more than three decades of experience in managing the affairs of the Company. He worked with Asian Paints (India) Ltd in various capacities viz. whole-time director and as Managing Director from 1984 to 1997.

He has served on the Managing Committee of Bombay Chamber of Commerce & Industry, Mumbai and Associated Chamber of Commerce & Industry, New Delhi and was President of Bombay Chamber of Commerce. He is also associated with Cricket Club of India Ltd, and various other reputed Companies.

Mr. Atul Choksey is also a member of the Asian Executive Board of the Wharton Business School, a part of the University of Pennsylvania, an Ivy League University in U.S.A.

Mr. Atul Choksey holds 2,19,194 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 2010

Company	Position	Committee Membership
Apco Enterprises Limited	Director	Nil
Ceat Limited	Director	Nil
Finolux Cables Limited	Director	Nil
Mazda Colours Limited	Director	Nil
Marico Industries Limited	Director	Nil
Shyamal Finvest (India) Limited	Director	Nil
Titan Trading & Agencies Limited	Director	Nil
Trivikram Investments & Trading Company Limited	Director	Nil

Name: **MR. AMIT CHOKSEY.**

Age: 55 years

Educational Qualification: Bachelor of Commerce

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

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

Mr. Amit Choksey holds 9,933 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 2010.

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

Name: **DR.S.SIVARAM**

Age: 63 years

Educational Qualification: M.Sc.- Indian Institute of Technology, PHD – Purdue University, W. Lafayette, USA and Research Associate – The Institute of Polymer Science - Akron, USA.

Experience: Dr. S. Sivaram is presently working with National Chemical Laboratory (NCL) as its Director and has over 30 years of experience in research on polymer synthesis, high performance polymers and surface chemistry of polymers. He has to his credit various awards like Silver Medal (2002) from Chemical Research Society of India, Millennium Medal from the Indian Science Congress Association (2000), Distinguished Alumnus Award from I.I.T, Kanpur (1998). He has been conferred PADMA SHRI by President of India (2006).

He is a member of various national and International institutes and visiting faculty in several institutes / universities in India and abroad.

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The Board of Directors had appointed Dr. S. Sivaram as an Additional Director of the Company, liable to retire by rotation with effect from 27th March 1996. He was appointed as Director of the Company in the Annual General Meeting held on 23rd September 1996. Dr. S. Sivaram is due to retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Dr.S.Sivaram 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 2010.

Company	Position	Committee Membership
Asian Paints (India) Limited	Director	Nil
Gmm Pfaudler Limited	Director	Audit Committee – (Member) Remuneration Committee-(Member)
Entrepreneurship Development Centre	Director	Nil

General Body Meetings

A. Details of last three Annual General Meetings Held:

- 23rd Annual General Meeting
27th July 2009 at 03.30 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.
- 22nd Annual General Meeting
12th 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.
- 21st Annual General Meeting
27th July 2007 at 12.30 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.
 - Re-appointment of Mr. Sanjay K Lahiri, as "Wholetime Director" of the Company for a period of three years from 4th June 2007.
 - For approval of shareholders for allowing re-imbusement of medical expenses to Mr. Atul Choksey and his spouse.
 - For maintaining of Registers and Indexes of members with Registrar and Share Transfer Agents.
 - For approval of shareholders for payment of commission to non-executive directors for five financial years from 1st April 2007.

B. Postal Ballot

Special Resolutions passed during the financial year 2009-10 through the Postal Ballot Procedure:

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. These resolutions were passed on December 26, 2009 under Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

- Person who conducted the Postal Ballot Exercise:
Mr. Mahesh Hurgat, Practicing Company Secretary, Mumbai was appointed by the board of Directors as Scrutinizer to conduct the Postal Ballot exercise. Mr. Mahesh Hurgat conducted the process and submitted his report to the Chairman.
- Procedure of Postal Ballot:
 - The Postal Ballot Notice and accompanying documents were despatched to shareholders under certificate of posting.
 - A calendar of events alongwith Board Resolution was filed through e-filing with Registrar of Companies in MCA21 website



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3. Details of voting pattern are as under:

Sr. no.	Particulars	Resolution 1	Resolution 2
1	Total Votes	30,69,080	30,69,080
2	Total Valid Votes Cast	30,64,685	30,64,685
3	Total Valid Votes cast in favour of the Resolution	30,64,098 (55.44%)	30,62,213 (55.40%)
4	Total Valid Votes cast in against of the Resolution	585 (0.01%)	789 (0.01%)

Disclosures:

Related Party Transactions:

There has not been any materially significant related party transaction 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.

CEO and CFO Certification:

Certificate from Mr. S. K. Lahiri, Director & CEO 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 27th April 2010.

Compliances

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

Means of Communication:

Half yearly / Quarterly Results have not been sent to shareholders; instead shareholders were intimated these through press and the Company's website, www.apcotex.com The Company also posted its Quarterly Results and Quarterly Shareholding pattern on the SEBI website viz. www.sebidifar.nic.in. 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 Annual Report and appears as Annexure to the Directors Reports.

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:

- 24th Annual General Meeting will be held on **Saturday, 24th July 2010** at 3.00 P.M at Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra
- The Company's financial Year begins on 1st April to 31st March
- Dates of book closure: **Friday, 16th July 2010** to **Friday, 23rd July 2010** (both days inclusive) for the Purpose of Annual General meeting and payment of dividend.
- Dividend payment date: on or after **27th July 2010**
- Listing on Stock Exchanges: The Company's equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Mumbai. The Annual Listing fees have been paid and there is no outstanding payment towards the stock exchanges, as on date
- Stock Code: Bombay Stock Exchange Limited - 523694
Symbol : National Stock Exchange of India Limited – APCOTEXIND
- ISIN allotted to Equity Shares is INE116A01016

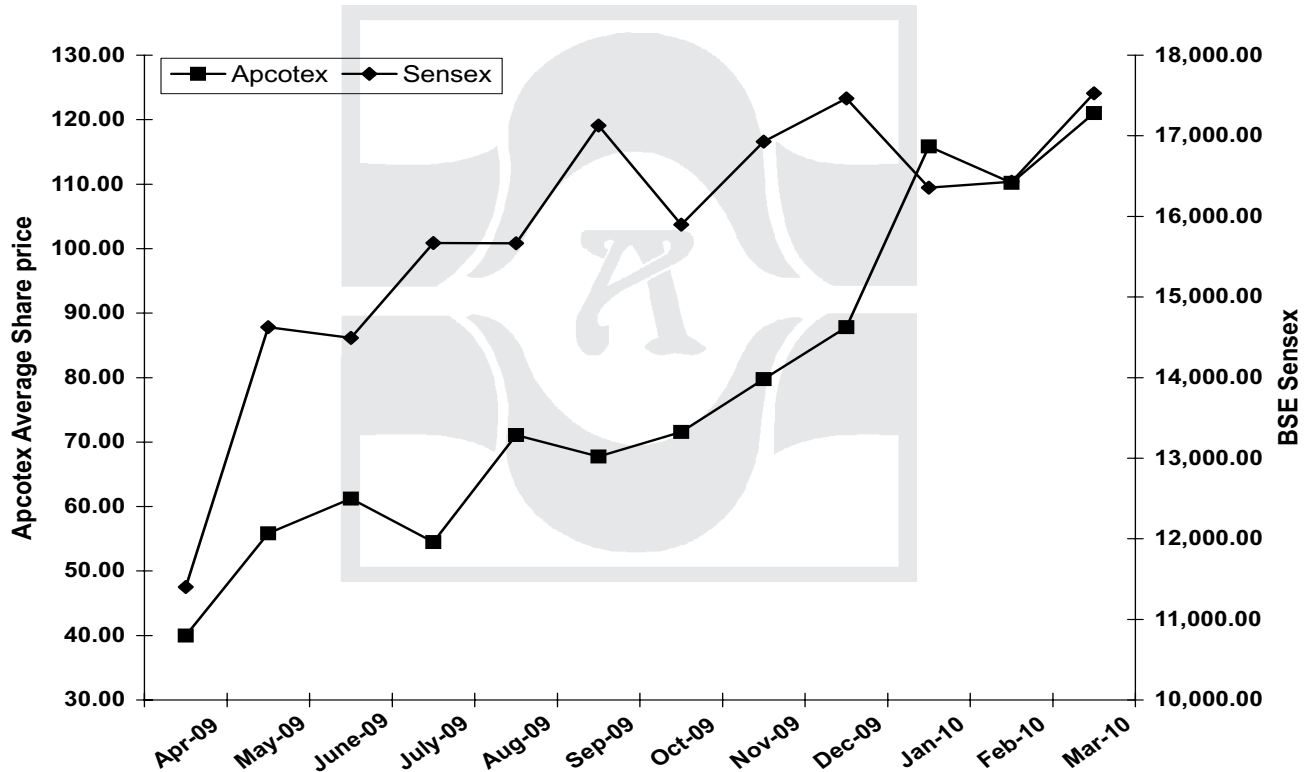
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Market Price Data:

Monthly high and low prices of equity shares of the company quoted at Bombay Stock Exchange and National Stock Exchange during the year 2009-10:
(Amount in Rs.)

Month	Bombay Stock Exchange		National Stock Exchange	
	High	Low	High	Low
April	41.45	34.00	43.80	32.10
May	55.85	38.60	53.10	31.20
June	64.70	55.70	63.95	54.05
July	63.90	53.40	64.85	53.50
August	71.10	50.00	71.40	54.70
September	82.10	65.00	82.45	65.05
October	82.90	64.60	83.80	64.10
November	82.00	68.65	83.05	69.50
December	90.00	76.25	89.00	75.55
January	130.40	88.00	144.00	88.15
February	123.60	105.00	134.95	101.00
March	129.90	107.50	133.65	105.10

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



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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 2010.

Category	No. of Shareholders	% to total No. of Shareholders	No. of shares	% to total Shares
1 - 5000	19,279	97.09	11,08,081	21.37
5001 - 10000	278	1.40	2,20,581	4.26
10001 - 20000	147	0.74	2,15,008	4.15
20001 - 30000	47	0.24	1,19,872	2.31
30001 - 40000	21	0.10	74,748	1.44
40001 - 50000	17	0.09	79,817	1.54
50001 - 100000	27	0.14	1,94,004	3.74
Above 100001	40	0.20	31,72,385	61.19
Total	19,856	100.00	51,84,496	100.00

Categories of Shareholding as on 31st March 2010:

Sr.No.	Category	No. of Shares	% of shareholding
1.	Promoters' Holding Indian Promoters	29,60,864	57.11
2.	Non promoters' Holding Mutual Funds/Trusts/clearing members	15,025	0.29
	Insurance companies/Banks/Financial Institution	619	0.01
	Indian Public	19,79,114	38.17
	Non Resident Indians	54,853	1.06
	Other Corporate Bodies	1,74,021	3.36
	Total	51,84,496	100.00

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 2010, 27,28,890 Equity Shares comprising of 52.64% 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

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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: www.apcotex.com E-mail: redressal@apcotex.com	LINK INTIME INDIA PVT LTD (formerly Intime Spectrum Registry Ltd) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup(w), Mumbai-400 078 Tel. No.- (022) 25963838 Fax : (022) 2594 6969 Website: www.linkintime.com.in E-mail. : rnt.helpdesk@linkintime.co.in

Unclaimed Dividend

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

Year	Dividend Account No.	Bank name	Date of declaration	Date due for transfer to Central Government
2002-03	00602230003833	HDFC Bank (Vijaya Bank correspondence Banker)	12/07/2003	11/07/2010
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

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

Declaration – Code of Conduct

The Board has laid down the code of conduct for the all the Board Members and Senior Management of the company, which is posted on the Company's Website. All the Board Members and Senior Management personnel of the company, for the financial year ended 31st March 2010, have affirmed compliance with code of conduct.

For Apcotex Industries Limited

Place : Taloja

Dated : 27th April 2010

S K Lahiri

Director and CEO



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AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE:

To the **Members of Apcotex Industries Limited**

Taloja, Dist. Raigad, Maharashtra.

We have examined the compliance of conditions of **Corporate Governance** by **Apcotex Industries Limited** for the financial year **2009-10**, 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 2010, 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.

Mumbai: 27th April 2010



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

H. N. Shah
Partner:
Membership No. 8152

AUDITORS' REPORT

REPORT OF THE AUDITOR TO THE MEMBERS

1. We have audited the attached Balance Sheet of APCOTEX INDUSTRIES LIMITED as at 31st March 2010, and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we state that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Account and the Cash flow Statement referred to in this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of Companies Act, 1956.
 - (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and as per the information and according to the explanations given to us, the said Accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March 2010.
 - (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: 27th April 2010



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT TO THE MEMBERS OF APCOTEX INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2010

- 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 Rs. 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 31st March, 2010 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 (Rs.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	26.38	2006-07	CIT (A)
Income Tax Act	Tax, Interest	7.16	2007-08	CIT (A)
Customs Act	Custom Duty & Penalty	506.00	August 2000 to July 2004	CESTAT
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

- 10) The Company has no accumulated losses as at 31st March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

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- 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 : 27th April,2010





apcotex industries limited

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedules	(Rs. in lacs)	As at 31 st March, 2010 (Rs. in lacs)	As at 31 st March, 2009 (Rs. in lacs)
FUNDS EMPLOYED				
SHAREHOLDERS' FUNDS				
Share Capital	A		522.35	556.64
Reserves and Surplus	B		5247.88	4988.88
			<u>5770.23</u>	<u>5545.52</u>
LOANS				
Secured	C	1478.12		-
Unsecured		-		-
			<u>1478.12</u>	<u>-</u>
DEFERRED TAX LIABILITY				
			413.05	284.08
TOTAL			<u><u>7661.40</u></u>	<u><u>5829.60</u></u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	D	6912.20		5852.71
Less : Depreciation		4074.56		3885.12
Net Block of Fixed Assets		2837.64		1967.59
Capital Work-in-Progress and Advance		240.74		8.94
			<u>3078.38</u>	<u>1976.53</u>
INVESTMENTS (At Cost)				
	E		1938.39	2827.57
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	F	1048.06		420.82
Sundry Debtors		2917.18		1589.69
Cash and Bank Balances		174.42		149.15
Loans and Advances		593.29		427.52
Advance Payment of Taxes		355.84		206.34
Retirement Benefit Asset		3.88		12.46
			<u>5092.67</u>	<u>2805.98</u>
Less :				
CURRENT LIABILITIES AND PROVISIONS				
	G		2448.04	1780.48
NET CURRENT ASSETS			<u><u>2644.63</u></u>	<u><u>1025.50</u></u>
TOTAL			<u><u>7661.40</u></u>	<u><u>5829.60</u></u>
Notes	M			

As per our Report of even date

ATUL C. CHOKSEY
S. K. LAHIRI

Chairman
Director & C.E.O.

MANUBHAI G. PATEL
BIPIN V. JHAVERI
Dr. S. RENGACHARY
Dr. S. SIVARAM

Directors

For SHAH & CO.
Chartered Accountants

ABHIRAJ A. CHOKSEY

Executive Director

H.N. SHAH
Partner
Mumbai : 27th April 2010

ANAND V. KUMASHI
Mumbai : 27th April 2010

GM – Accounts, Finance &
Company Secretary

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedules	As at 31 st March, 2010 (Rs. in lacs)	As at 31 st March, 2009 (Rs. in lacs)
INCOME			
Sales (net of discounts)	H	15465.40	11155.81
Less: Excise		1157.83	1182.91
Sales (net of discounts & excise)		14307.57	9972.90
Other income	I	96.80	65.12
		14404.37	10038.02
EXPENDITURE			
Materials Consumed	J	10229.49	6921.79
Employees' Remuneration and Benefits	K	636.60	529.73
Manufacturing, Administrative, Selling and Distribution Expenses	L	2132.80	1657.02
		12998.89	9108.54
GROSS PROFIT		1405.48	929.48
Less : Depreciation	D	198.95	219.91
Add/(Less) : Earlier year adjustments (net)		50.73	4.17
PROFIT / (LOSS) BEFORE TAXES		1257.26	713.74
Less : Provision for Taxation Current Tax		(295.50)	(245.25)
Less : Provision for Taxation FBT		-	(8.00)
Add/(Less) : Adjustment for Deferred Tax		(128.97)	(12.10)
PROFIT / (LOSS) AFTER TAX		832.79	448.39
Add/(Less) : Balance brought forward from previous year		418.73	274.01
DISPOSABLE PROFIT		1251.52	722.40
DISPOSAL OF PROFIT			
Dividend on Equity Shares		259.22	221.09
Tax on Dividend		44.06	37.57
Transfer to General Reserve		85.00	45.00
Balance carried to Balance Sheet		863.24	418.74
		1251.52	722.40
		Rs.	Rs.
EPS (Basic & Diluted) (Refer note 18 of Schedule M2)		15.26	8.11

As per our Report of even date

ATUL C. CHOKSEY
S. K. LAHIRI

Chairman
Director & C.E.O.

MANUBHAI G. PATEL
BIPIN V. JHAVERI
Dr. S. RENGACHARY
Dr. S. SIVARAM

} Directors

For SHAH & CO.
Chartered Accountants

ABHIRAJ A. CHOKSEY

Executive Director

H.N. SHAH
Partner
Mumbai : 27th April 2010

ANAND V. KUMASHI
Mumbai : 27th April 2010

GM – Accounts, Finance &
Company Secretary



apcotex industries limited

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31 st March, 2010 (Rs. in lacs)	As at 31 st March, 2010 (Rs. in lacs)
SCHEDULE A : SHARE CAPITAL		
Authorised		
14,970,000 Equity Shares of Rs. 10/- each	1497.00	1497.00
500 Preference Shares of Rs. 100/- each	0.50	0.50
25,000 Unclassified shares of Rs. 10/- each	2.50	2.50
	<u>1500.00</u>	<u>1500.00</u>
Issued and Subscribed		
5,184,496 (Previous year 5527352) Equity Shares of Rs. 10/- each fully paid. (Please refer Note 5 in Schedule M 2)	518.45	552.74
Add : Amount Originally paid on 78051 shares forfeited	3.90	3.90
	<u>522.35</u>	<u>556.64</u>
NOTES :		
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.		
SCHEDULE B : RESERVES AND SURPLUS		
Capital Redemption Reserve	34.29	0.01
Share Premium		
As per last Balance Sheet	3388.89	
Lrss : Buy back of Shares (Please refer Note 5 in Schedule M 2)	<u>304.78</u>	
	3084.11	3388.89
General Reserve		
As per last Balance Sheet	1181.24	1136.24
Add : Transfer from Profit and Loss A/c.	<u>85.00</u>	45.00
	1266.24	1181.24
PROFIT & LOSS A/C.	<u>863.24</u>	418.74
	<u>5247.88</u>	<u>4988.88</u>
SCHEDULE C : SECURED AND UNSECURED LOANS		
SECURED LOANS		
SHORT TERM :		
Loans and Advances from Banks (refer note)		
Cash Credit Account	1,478.12	-
	<u>1,478.12</u>	<u>-</u>
Notes :		
Loan from a bank secured by hypothecation of the Company's entire movables and equitable mortgage by way of first charge in respect of Company's immovable property located at Taloja together with all buildings, structures, godowns,		

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SCHEDULE D : FIXED ASSETS

(Rs.in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Total as on 01/04/2009	Additions/ Adjustments for the year	Deductions/ Adjustments for the year	Total as on 31/03/2010	As at 01/04/2009	For the year	Deductions for the year	Total as on 31/03/2010	As at 31/03/2010	As at 31/03/2009
Lease Hold Land	7.64	-	-	7.64	2.16	0.10	-	2.26	5.38	5.48
Buildings	1308.74	149.63	-	1458.37	535.13	40.21	-	575.34	883.03	773.61
Plant & Machinery	3460.39	212.91	9.12	3664.18	2807.54	91.20	7.04	2891.70	772.48	652.85
Computer Software	45.65	4.90	-	50.55	22.04	12.29	-	34.33	16.22	23.61
Scientific Research Equipments	183.60	20.83	-	204.43	72.30	7.19	-	79.49	124.94	111.30
Electric & Pipe Fittings	571.38	52.50	0.87	623.01	357.77	24.36	0.79	381.34	241.67	213.61
Furniture & Office Equip.	120.19	3.56	-	123.75	61.80	7.50	-	69.30	54.45	58.39
Vehicles	155.12	19.95	2.67	172.40	26.38	16.00	1.67	40.71	131.69	128.74
Total	5852.71	464.28	12.66	6304.33	3885.12	198.85	9.50	4074.47	2229.86	1967.59
Wind Turbine Generator	-	607.87	-	607.87	-	0.09	-	0.09	607.78	-
Total	5852.71	1072.15	12.66	6912.20	3885.12	198.94	9.50	4074.56	2837.64	1967.59
Previous Year	5724.85	166.25	38.39	5852.71	3699.78	219.91	34.57	3885.12	1967.59	

As at
31st March, 2010
(Rs.in lacs)

As at
31st March, 2009
(Rs.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 Rs.30/- fully paid	0.10	0.10
2	Share of Landmark Co-op. Hsg. Soc. Ltd. (Rs. 260/-)	0.01	0.01
		<u>0.11</u>	<u>0.11</u>

ii) INVESTMENTS IN MUTUAL FUNDS

1	34538.98 Units (P.Y. 6900937.63 Units) of HDFC Cash Management Fund .	3.46	692.27
2	87925.849 Units (P. Y. Nil Units) of HDFC HI Short Term Plan	8.07	-
3	87793.526 Units (P. Y. 5782053.336 Units) of IDFC Money Mgr Fund - Plan B	8.84	582.27
4	104874.614 Units (P. Y. Nil Units) of IDFC Money Mgr Fund - Plan C	10.49	-
5	50,000 units (P. Y. 50000 units) of SBI Magnum Multicap Fund .	5.00	5.00
6	Nil Units (P. Y. 1379288.062 Units) Birla Sun Life Short Term Fund - Fortnightly Dividend	-	140.42
7	86421.689 Units (P. Y. 825750 Units) of Reliance Medium Term Fund Weekly Dividend	14.35	141.24
8	Nil Units (P. Y. 10458 Units) of Tata Liquid Fund HIP	-	119.95
9	27295.756 Units (P. Y. Nil Units) of ICICI Pru Floating Rate Plan C - Wkly Dividend	27.27	-
10	Nil Units (P. Y. 1416023.018 Units) of Birla Sun Life Short Term Fund - Monthly Dividend	-	150.66
11	197101.984 Units (P. Y. Nil Units) Birla Sun Life Frontline Equity Fund - Growth	124.46	-
12	48106.851 Units (P. Y. Nil Units) Birla Sunlife Midcap Fund - Plan A (G)	50.00	-
13	38616.208 Units (P. Y. Nil Units) Reliance Growth Fund - Growth Plan	124.71	-
14	172513.846 Units (P. Y. Nil Units) DSP BlackRock Top 100	125.71	-
15	33574.074 Units (P. Y. Nil Units) HDFC Top 200 Fund (G)	60.00	-
16	185536.323 Units (P. Y. Nil Units) IDFC Premier Equity Fund - Plan A Growth	49.80	-
17	157401.77 Units (P. Y. Nil Units) Sundaram SMILE Fund - (G)	50.00	-
18	135074.615 Units (P. Y. Nil Units) Kotak Floater Short Term - Growth	20.37	-
		<u>682.53</u>	<u>1831.81</u>



apcotex industries limited

	As at 31st March, 2010 (Rs.in lacs)	As at 31st March, 2009 (Rs.in lacs)	
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 Rs.10/- fully paid	4.99	4.99
2	2000 (P. Y. 2000) Equity Shares of Tata Motors Ltd. of the face value of Rs.10/- fully paid	1.52	1.52
3	Nil (P. Y.4250) Equity Shares of B. L. Kashyap & Sons Ltd. of the face value of Rs. 5/- fully paid	-	78.96
4	17650 (P. Y.17550) Equity Shares of Century Textiles Ltd. of the face value of Rs. 10/- fully paid	171.80	171.45
5	Nil (P. Y. 22000) Equity Shares of Everest Kanto Cylinder Ltd of the face value of Rs. 2/- fully paid	-	52.57
6	7250 (P. Y. 7250) Equity Shares of Kotak Mahindra Bank Ltd. of the face value of Rs. 10/- fully paid	37.13	37.13
7	Nil (P. Y. 28000) Equity Shares of Madras Cement Ltd. Of the face value of Re. 1/- fully paid	-	53.43
8	Nil (P. Y. 200) Equity Shares of Piramal Healthcare Ltd. of the face value of Rs. 2/- fully paid	-	0.57
9	Nil (P. Y. 20800) Equity Shares of Punj Lloyd Ltd. of the face value of Rs. 2/- fully paid	-	61.61
10	Nil (P. Y. 250) Equity Shares of Reliance Capital Ltd. of the face value of Rs. 10/- fully paid	-	2.95
11	Nil (P. Y. 1500) Equity Shares of Reliance Comm. Ltd. of the face value of Rs. 5/- fully paid	-	4.77
12	7050 (P. Y. 9600) Equity Shares of Reliance Industries Ltd. of the face value of Rs. 10/- fully paid, Bonus Shares 1:1 recd (3525 bonus shares recd)	46.52	116.52
13	5400 (P. Y. 5550) Equity Shares of State Bank of India Ltd of the face value of Rs. 10/- fully paid	77.45	87.51
14	94800 (P. Y. 114500) Equity Shares of Voltas Ltd of the face value of Re. 1/- fully paid	123.65	145.27
15	20100 (P. Y.33400) Equity Shares of Welspun Gujarat Stahl Rohren Ltd of the face value of Rs. 5/- fully paid	40.22	59.73
16	1230 (P. Y. 8850) Equity Shares of ICICI Bank Ltd of the face value of Rs. 10/- fully paid	11.94	100.65
17	11900 (P. Y. Nil) Equity Shares of Blue Star Ltd of the face value of Rs. 10/- fully paid purchased during the year	41.83	-
18	9400 (P. Y. Nil) Equity Shares of Bharti Airtel Ltd of the face value of Rs. 5/- fully paid purchased during the year, Shares Split in 1:1	39.18	-
19	112100 (P. Y. Nil) Equity Shares of Exide Industries Ltd of the face value of Rs. 10/- fully paid purchased during the year	110.70	-
20	35000 (P. Y. Nil) Equity Shares of Kirloskar Oil Engines ltd of the face value of Rs. 10/- fully paid purchased during the year	40.86	-
21	30850 (P. Y. Nil) Equity Shares of Opto Circuits India Ltd of the face value of Rs. 10/- fully paid purchased during the year	63.79	-
22	1300 (P. Y. Nil) Equity Shares of Oracle Financial Servcies Software Ltd of the face value of Rs. 10/- fully paid purchased during the year	28.73	-
23	19950 (P. Y. Nil) Equity Shares of MAX India Ltd of the face value of Rs. 10/- fully paid purchased during the year	44.85	-
24	3500 (P. Y. Nil) Equity Shares of Lupin Ltd of the face value of Rs. 10/- fully paid purchased during the year	49.60	-
25	22250 (P. Y. Nil) Equity Shares of Prakash Industries Ltd of the face value of Rs. 10/- fully paid purchased during the year	38.85	-
26	6800 (P. Y. Nil) Equity Shares of Kalpataru Power Transmission Ltd of the face value of Rs. 10/- fully paid purchased during the year	72.88	-
27	23200 (P. Y. Nil) Equity Shares of JK Cement Ltd of the face value of Rs. 10/- fully paid purchased during the year	46.75	-
28	2250 (P. Y. Nil) Equity Shares of Bajaj Auto Ltd of the face value of Rs. 10/- fully paid purchased during the year	44.54	-

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29	3800 (P. Y. Nil) Equity Shares of India Infoline Ltd of the face value of Rs. 10/- fully paid purchased during the year	5.03	-
30	5265 (P. Y. Nil) Equity Shares of The Phoenix Mills Ltd of the face value of Rs. 2/- fully paid purchased during the year	10.08	-
31	8900 (P. Y. Nil) Equity Shares of Indian Overseas Bank of the face value of Rs. 2/- fully paid purchased during the year	9.99	-
32	1050 (P. Y. Nil) Equity Shares of Tata Tea Ltd of the face value of Rs. 10/- fully paid purchased during the year	10.04	-
33	1260 (P. Y. Nil) Equity Shares of LIC Housing Finance Ltd of the face value of Rs. 10/- fully paid purchased during the year	10.00	-
34	1475 (P. Y. Nil) Equity Shares of Mindtree Limited of the face value of Rs. 10/- fully paid purchased during the year	9.99	-
35	2265 (P. Y. Nil) Equity Shares of Corporation Bank of the face value of Rs. 10/- fully paid purchased during the year	10.00	-
36	6535 (P. Y. Nil) Equity Shares of PSL Limited of the face value of Rs. 10/- fully paid purchased during the year	10.01	-
37	975 (P. Y. Nil) Equity Shares of Reliance Infrastructure Ltd of the face value of Rs. 10/- fully paid purchased during the year	9.98	-
38	691 (P. Y. Nil) Equity Shares of Sterlite Inds (Ind) L of the face value of Rs. 2/- fully paid purchased during the year	5.01	-
39	4070 (P. Y. Nil) HDFC Warrants	11.84	-
		1239.75	979.64
3) UNQUOTED			
NON-TRADE INVESTMENTS			
	120000 (P.Y. 120000) Equity Shares of Cybele Paradise Pvt Ltd. of the face value of Rs.10/- fully paid	16.00	16.00
	TOTAL LONG TERM INVESTMENTS	1938.39	2827.57
AGGREGATE MARKET VALUE OF INVESTMENTS			
31ST March 2010			
		Cost of Purchase (Rs. In lacs)	Mkt. Value (Rs. In Lacs)
QUOTED INVESTMENTS		1239.73 (P.Y. 979.64)	1440.66 (P.Y. 482.11)
UNQUOTED INVESTMENTS		16.11	-
Unit/Shares/Debentures Purchased And Sold During The Period			

Equity Shares / Warrent :

Particulars	(Rs in lacs)	
	Cost price	Sale Price
Bajaj Auto	26.52	35.96
BALCHINI	13.65	18.68
BALCHINI	27.30	23.92
BLKASH	1.45	3.24
Blue Star Ltd.	13.87	18.65
HUL	10.00	9.49
IOB	15.54	20.96
PATNI	10.31	11.36
PIRA Health	1.90	3.32
PIRA Health	17.03	31.30
PIRA Health	29.58	50.94
HDFC Warrants	12.92	18.55
Sesa Goa	44.38	61.59
SHREE CEMENTS	1.39	1.54
Grand Total	225.84	309.49

Units of Mutual Fund :

Particulars	(Rs in lacs)	
	Cost Price	Sale Price
Birla Sun Life Short Term Fund - Daily Div	15.00	15.13
Reliance Medium Term - Growth Option	164.50	166.22
Reliance Medium Term - Daily Dividend	42.29	42.55
DSP BlackRock Money Manager - Daily Div	179.50	180.50
HDFC Cash Management Treasury Adv - DDR	60.00	60.09
IDFC Money Manager Fund - TP - Daily Dividend	50.00	50.16
SBNPP Ultra ST Fund Retail Dividend Daily	50.00	50.06
TOTAL	561.29	564.71



SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010	As at 31st March, 2009
	(Rs. in lacs)	(Rs. in lacs)
SCHEDULE F : CURRENT ASSETS, LOANS AND ADVANCES		
A) CURRENT ASSETS		
i) Inventories (Lower of cost and market value -as taken, valued and certified by General Manager-Factory)		
(a) Packing Materials	21.00	6.84
(b) Raw Materials	571.24	204.84
(c) Finished Goods	312.36	88.18
(d) Work - in - Process	37.03	32.67
(e) Stores, Spares & Consumables	<u>106.43</u>	<u>88.29</u>
		1048.06
ii) Sundry Debtors (Unsecured)		
(a) Outstanding for more than six months		
Considered good	15.00	8.34
(b) Other debts	<u>2902.18</u>	<u>1581.35</u>
		2917.18
iii) Cash and Bank Balances		
(a) Cash on hand	4.36	2.38
(b) With Scheduled Banks	167.73	144.68
(c) Term Deposit Receipts	<u>2.33</u>	<u>2.09</u>
		174.42
iv) Retirement Benefit Asset (Refer Note No 16 in Schedule 'M2')		3.88
		12.46
B) LOANS AND ADVANCES		
(i) Unsecured, considered good		
a) Balances with Customs, Central Excise etc.	77.64	12.85
b) Sundry Deposits	257.46	224.16
c) Advances/claims recoverable in cash or in kind	227.50	175.85
d) Loans/Advances to staff	2.52	1.38
e) Capital Advance	<u>28.17</u>	<u>13.28</u>
		593.29
(ii) Advance Payment of Taxes		355.84
		<u>5092.67</u>
		2805.98
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 14 in Schedule 'M2')	28.66	38.78
b) Total outstanding dues of creditors other than small scale industrial undertakings	<u>867.01</u>	<u>496.04</u>
	895.67	534.82
(ii) Other liabilities	823.60	525.05
(iii) Advance from customers including security deposits	38.58	32.58
(iv) Investors' Education & Protection Fund shall be credited by the following amount (Refer Note below) Unclaimed Dividend	<u>13.55</u>	<u>12.07</u>
		1771.40
		1104.52

Note:

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

SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010 (Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)
B] PROVISIONS		
(i) Proposed Dividends	259.22	221.09
(ii) Tax on Dividends	44.06	37.57
(iii) Provision for taxation	295.50	253.25
(iv) Other Provisions	77.86	164.04
	<u>676.64</u>	<u>675.95</u>
	<u>2448.04</u>	<u>1780.47</u>
 SCHEDULE H : SALES		
Sales	15758.33	11417.15
Less : Goods return	76.37	7.04
Gross Sales	15681.96	11410.11
Less : Discounts and rebates	216.56	254.30
Excise Duty & CESS	1157.83	1182.91
Sales (net of discounts, rebates and excise)	<u>14307.57</u>	<u>9972.90</u>
 SCHEDULE I : OTHER INCOME		
Interest	5.53	11.78
Dividend from investments	64.84	51.94
Surplus on sale of investments	(24.09)	(10.38)
Rent	0.45	0.54
Miscellaneous Income	50.07	11.24
	<u>96.80</u>	<u>65.12</u>
 SCHEDULE J : MATERIALS CONSUMED		
Raw Materials Consumed :		
Opening Stock	204.84	395.58
Add : Purchases and Expenses (Net of exchange difference of Rs.29.61 lacs credited (P.Y. Rs. 10.40 Lacs debited))	10405.24	6191.29
	<u>10610.08</u>	<u>6586.87</u>
Less : Closing Stock	571.24	204.84
	<u>10038.84</u>	<u>6382.03</u>
Packing Materials Consumed	419.19	278.08
Less : (Increase) / Decrease in finished and semi-finished stock		
Opening Stock	120.85	382.53
Closing Stock	349.39	120.85
	<u>(228.54)</u>	<u>261.68</u>
	<u>10229.49</u>	<u>6921.79</u>
 SCHEDULE K : EMPLOYEES' REMUNERATION AND BENEFITS		
Salaries, wages, allowances, provision for bonus and accrued leave salary & Gratuity	520.69	444.50
Staff Welfare Expenses	56.17	40.67
Contribution to Provident and other funds	25.98	21.15
Contribution to Superannuation funds	3.50	4.70
Contract Labour	30.26	18.71
	<u>636.60</u>	<u>529.73</u>



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SCHEDULES FORMING PART OF THE ACCOUNTS

	As at 31st March, 2010 (Rs. in lacs)	As at 31st March, 2009 (Rs. in lacs)
SCHEDULE L : MANUFACTURING, ADMINISTRATIVE , SELLING AND DISTRIBUTION EXPENSES		
Stores and spares consumed	130.00	236.32
Power and fuel	449.38	307.55
Freight and transport charges	371.46	171.72
Repairs and Maintenance		
Buildings	171.93	322.62
Machinery	168.46	50.83
Other assets	<u>79.67</u>	<u>46.36</u>
	420.06	419.81
Rent	4.44	14.55
Rates and taxes	47.33	41.35
Insurance	16.77	12.44
(including accident insurance for Director Rs. 0.04 lacs - previous year Rs. 0.04 lacs)		
Advertisement	14.76	1.95
Printing, stationery, postage and telephones	37.77	25.69
Travelling Expenses		
Directors	35.86	34.83
Others	<u>72.11</u>	<u>51.95</u>
	107.97	86.78
Commission on sales	74.64	69.54
Donation	12.10	0.60
Miscellaneous expenses	377.04	240.89
Commission to Non Executive Directors	12.86	7.65
Directors' meeting fees	3.66	2.82
Audit Fees	2.00	1.86
Loss on sale/discarded assets (Net)	2.09	0.66
Interest and financing charges :		
On fixed loans	2.63	2.85
On other loans	<u>45.84</u>	<u>11.99</u>
	48.47	14.84
	<u>2132.80</u>	<u>1657.02</u>

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 Corporation of India (LIC) for future payments of gratuities. The gratuity liability is determined based on an actuarial valuation performed by LIC.
Liability towards Superannuation is funded @ 15% of basic salary.
Provision for leave encashment, which is defined benefit, is made based on an actuarial valuation carried out by an independent actuary at 31 st March 2010.



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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.

M2. NOTES TO ACCOUNTS

- Estimated amount of contracts to be executed on capital account and not provided for **Rs. 33.77 lacs** (Net of advances) [Previous Year Rs. 13.73 lacs (Net of Advances)].
- Contingent Liabilities:
Claims against the Company not acknowledged as debts [Gross] **Rs. 589.42 lacs** (Previous Year Rs. 582.26 Lacs).

(Rs. In Lacs)

Particulars	F.Y 2009-10	F.Y 2008-09
Direct Tax Matters	63.67	56.51
Excise & Custom	525.75	525.75

- In addition to Audit Fees, reimbursement of expenses **Rs.0.10 lacs** (Previous Year Rs. 0.10 lacs), **Rs. 0.54** towards other services (Previous Year Rs. 0.40 lacs) and **Rs.0.10 lacs** has been paid towards attending audit committee (Previous year Rs. 0.10 lacs). **Rs.0.50** Lacs towards Tax Audit (Previous year Rs. 0.25 Lacs)
- Managerial remuneration under Section 198 of the Companies Act, 1956, read with schedule XIII (Minimum applicable)

(Rs. In Lacs)

	31 st March, 2010	31 st March, 2009
Salaries	11.15	10.47
Allowances	21.73	19.63
Contribution to Provident & Superannuation Funds	3.08	2.92
Perquisites	3.15	3.11
Directors' sitting fee	3.66	2.82
Commission to Non-executive Directors	12.86	7.65
Total	55.63	46.60

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:

(Rs. In Lacs)

Net Profit as per Profit and Loss Account	832.79
Add: Depreciation charged in Accounts	198.95
Provision for Taxation	424.47
Managerial Remuneration	55.63
Prior year adjustments (net)	(50.73)
Loss on sale of Investments & Assets	24.09
Sub Total	1485.20
Less: Depreciation charged u/s. 350	198.95
Profit as per Section 349 of the Companies Act, 1956	1286.25
Commission to NON-EXECUTIVE DIRECTORS @ 1% of net	12.86

5. At the time of commencement of buyback of equity shares, the paid-up Share Capital of the Company consisted of 55,27,352 Equity Shares of Rs. 10/- each fully paid. Pursuant to Scheme of Buyback approved by Board, the Company had purchased & extinguished 3,42,856 equity shares as on the date of Balance Sheet, hence 51,84,496 equity shares were outstanding as on that date. The Company had utilized the Balance amount in Share Premium Account for creating the Capital Reserve Account and for payment of the premium for buyback of shares.

6. Installed Capacity:

	Unit	Installed Capacity*	
		As at 31 st March, 2010	As at 31 st March, 2009
Synthetic Rubber & Latices	MT#	21000	21000

* As per certificate given by the Works Manager on which the Auditors have relied since it is a Technical matter.

Installed capacity is on dry basis.

7. Production, Stocks and Turnover:

	Unit	Production Quantity	31st March 2010					
			Opening Stock		Closing Stock		Turnover	
			Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)
Synthetic Rubber including Latices	MT	23957.11 (13972.87)	352.58 (489.97)	64.16 (208.64)	865.29 (352.58)	312.36 (64.16)	23428.03 (14086.17)	15681.96 (11410.11)

- Bad stock destroyed / reprocess loss during the year Nil MT (Previous Year Nil M.T.).
- Free Sample 6.07 M.T.
- Received after Reprocessing. 10.30 M.T. (Previous year Issued for Reprocess 9.98 M.T.)

8. Raw Materials Consumed:

	Unit	2009-2010		2008-2009	
		Quantity	Value (Rs. In lacs)	Quantity	Value (Rs. In lacs)
Monomers	MT	13363.88	9014.77	8408.65	5640.58
Others	MT	1562.39	1024.07	1166.18	741.45
			10038.84		6382.03

9. CIF value of direct imports:

	2009-2010 (Rs. In lacs)	2008-2009 (Rs. In lacs)
Raw materials	1234.13	350.51
Stores and spares	22.00	74.56



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

	2009-2010 (Rs. in lacs)	% To Total	2008-2009 (Rs. in lacs)	% To Total
Raw Materials:				
Direct Imports	1187.42	11.83	489.99	7.68
Others {including value of consumption of imported raw materials purchased through indigenous sources Rs.4255.61 Lacs} (Previous Year Rs. 3190.58 lacs)	8851.41	88.17	5892.04	92.32
	10038.83	100.00	6382.03	100.00
Stores and Spares:				
Direct Imports	17.24	13.26	74.58	31.55
Indigenous	112.76	86.74	161.77	68.45
	130.00	100.00	236.35	100.00

11. Earnings in foreign currency:

	2009-2010 (Rs. In lacs)	2008-2009 (Rs. In lacs)
F.O.B. value of Exports	879.73	337.61

12. Expenditure in foreign Currency:

	2009-2010 (Rs. In lacs)	2008-2009 (Rs. In lacs)
a. Books and periodicals & other memberships	6.47	0.61
b. Foreign Travel	29.40	8.15
c. Professional fees	27.22	18.97
d. Sales Commission	4.02	2.92

13. Revenue expenses amounting to **Rs. 90.10 lacs** on Research and Development have been included under the respective heads of expense accounts (Previous Year Rs. 42.55 lacs).

14. 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	Rs. In lacs
AVA CHEMICALS PVT LTD.	7.35
K.T. PLASTIC INDUSTRIES LIMITED.	9.51
PAR SPECIALITY POLYMERS PVT LTD.	2.76
TYTAN ORGANICS PVT. LTD.	0.75
TOTAL	20.37

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.

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

16. 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 st March 2010		
	31 st March 2010	31 st March 2009
Present Value of Obligation of the year	57.98	44.09
Interest Cost	4.64	3.53
Current service Cost	4.27	4.27
Benefits paid	(3.28)	(1.29)
Actuarial Loss on obligations	5.97	7.39
Present Value of obligations as at the end of the year	69.58	57.99

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Table showing changes in the fair value of plan asset as on 31st March 2010		
Fair value of plan assets	70.44	65.82
Expected Return on plan Assets	6.30	Nil
Contributions	0.00	Nil
Benefits Paid	(3.28)	(1.29)
Actuarial Gain / Loss on plan asset	Nil	Nil
Fair Value of Plan Asset as the end of the year	73.47	70.44
Actuarial Gain / Loss recognized as on 31 st March, 2010		
Actuarial Loss for the year – Obligation	5.98	7.39
Actuarial Gain / Loss for the year – plan asset	Nil	Nil
Total Loss for the year	5.98	7.39
Actuarial Loss recognized in the year	5.98	7.39
Expenses Recognised in the Statement of Profit & Loss A/c		
Current Service Cost	4.27	4.27
Interest Cost	4.64	3.53
Expected Return on Plan assets	(6.30)	(5.91)
Net Actuarial Loss Recognised in the year	5.98	7.39
Expenses Recognised in the Statement of Profit & Loss A/c.	8.58	9.27
Amount to be recognized in the Balance Sheet		
Present Value of Obligation as at the end of the year	69.58	57.98
Fair value of plan asset as at the end of the year	73.47	70.44
Net Asset recognize in the Balance sheet	(3.88)	12.46
Actuarial Assumptions		
Discount Rate	8%	8 %
Salary Escalation	5%	4 %
Investment details		
Central & State Govt. Securities	71.00%	56.00%
Bonds / Debentures	22.00%	36.00%
Equity Shares	5.00%	6.00%
Money Market Instrument / FD	2.00%	2.00%
Total	100.00%	100.00%

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

Related Party Disclosure

Transactions with Related Parties

Rs. 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, Traveling, Rent and Other expenses	-	-	26.04	-	26.04
2	Remuneration	-	-	-	39.10	39.10
3	Directors sitting fees	0.36	3.30	-	-	3.66
4	Commission to Non – Executive Directors	5.15	2.50	-	-	7.65



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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. Ashvinaben C. Choksey Smt. Parul Choksey Smt. Devanshi Jalan Shri. Anantveer Jalan Smt. Rita Ashok Parekh Smt. Biyash Choksey Baby. Alekha 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
4	Apcon Enterprises Limited Shyamal Finvest (India) Limited Trivikram Investments & Trading Company Limited Dhumraketu Investments & Trading Company Pvt. Limited Laxmanjhula Trading & Investments Pvt. Limited Propycon Trading & Investments Private Limited Saldhar Investments & Trading Company Pvt. Limited Titan Trading & Agencies Limited Aquamarine Trading & Investments Pvt. Limited Bhuvantray Investments & Trading Co. Pvt. Limited Choksey Chemical Pvt. Limited Gauriputra Investments & Trading Co. Pvt. Limited Joshimath Trading & Investments Pvt. Limited The Hindustan Mineral Products Co. Limited Mazda Colours Limited Sunshield chemicals limited Abhiraj Trading & Investments Pvt. Limited Aeonian Investments Compnay Limited Amisha Credit & Capital Pvt. Limited Balasesh Leafin Limited Cons Holdings Limited HMP Mineral Pvt. Limited Mustang Investments Pvt. Limited Sammelan Investment & Trading Limited Forest Hills Trading & Investments Pvt. Limited Haridwar Trading & Investments Pvt. Limited Belt Trading & Investments Pvt. Limited Dhumravarma Trading & Investments Pvt. Limited Casabella Interior Pvt. Limited Cybele Paradise Pvt Ltd	Associates (Common Control)
5	Shri. S.K. Lahiri - Key Management Personnel Shri Abhiraj A. Choksey - Key Management Personnel	Director & C.E.O. Executive Director

18. Earning per Share:

		2009-10	2008-09
1.	Profits/(Loss) after Tax – Rs. In lacs	832.79	448.39
2.	Number of Shares	5184496	55,27,352
3.	Earning per Share – Rs.	15.26	8.11

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19. Deferred Tax

		As at 31-03-2010 (Rs. In lacs)	As at 31-03-2009 (Rs. In lacs)
Deferred Tax Assets on account of:			
	Provision for Leave Encashment / Superannuation / Bonus	6.33	2.96
	(A)	6.33	2.96
Deferred Tax Liability on account of:			
	Difference between Book & Tax Depreciation	124.68	12.53
	Capital Expenditure on Scientific Research	10.62	2.53
	(B)	135.30	15.06
	(B-A)	128.97	12.10

20. As per requirements of Accounting Standard for the Contingent liabilities & Provisions (AS 29) issued by ICAI.

Particulars	Opening Balance	Additions	Adjustments/ Payments	Closing Balance
Provision for Privilege Leave liability – The Provision is made as per the actuarial Valuation of the Estimated Liability for Encashment of the Privilege Liability of the Employees as on 31 st March 2008.	47.18	1.00	-	48.18
Provision for Income Tax – The addition is towards the Income Tax Payable on the current years profit.	700.44	295.50	-	995.94

21. 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
S. K. LAHIRI	Director & C.E.O.
MANUBHAI G. PATEL	}
BIPIN V. JHAVERI	
Dr. S. RENGACHARY	
Dr. S. SIVARAM	
ABHIRAJ A. CHOKSEY	Executive Director
ANAND V. KUMASHI	GM – Accounts, Finance & Company Secretary
Mumbai : 27 th April 2010	

For SHAH & CO.
Chartered Accountants
H.N. SHAH
Partner
Mumbai : 27th April 2010



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CASH FLOW STATEMENT FOR THE F.Y. 2009-2010

	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit / (loss) before tax and extraordinary items	1,257.26	713.74
Adjustments for :		
- Depreciation	198.95	219.91
- Interest Paid	48.47	14.85
- Retirement benefit plan	8.57	
- Prior year adjustments	(50.73)	
- Loss on sale of Asset and spares	2.09	74.47
- Loss on sale of investment	24.09	
- Interest/dividend/Other Income	(120.90)	(65.13)
Operating profit before working capital changes	1,367.80	957.84
Adjustments for :		
- Trade and other receivables	(1,484.05)	404.58
- Inventories	(627.24)	521.71
- Trade and other payables	583.02	186.98
Cash (used) / generated from operations	(160.47)	2,071.11
Interest paid	(50.81)	(14.85)
Direct taxes paid	(439.77)	(221.14)
Net Cash Flow from operating activities (a)	(651.05)	1,835.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,303.97)	(163.57)
Sale of fixed assets	1.08	3.16
Purchase of investments	(2,579.67)	(2,116.88)
Sale of investments	3,518.60	529.57
Interest received	5.35	11.78
Dividend received	64.84	51.94
Other Income	50.65	11.78
Net cash generated / (used) in investing activities (b)	(243.12)	(1,672.22)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buy back of shares	(339.07)	
- Proceeds from long term borrowings	1,478.12	-
- Repayment of long term borrowings	-	(10.25)
- Dividends paid	(219.61)	(162.49)
Net cash used in financing activities (c)	919.44	(172.74)
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	25.27	(9.84)
Cash and cash equivalents as at 1st April 2009	149.15	169.37
Cash and cash equivalents as at 31st March 2010	174.42	149.15

As per our Report of even date

ATUL C. CHOKSEY

Chairman

S. K. LAHIRI

Director & C.E.O.

MANUBHAI G. PATEL

BIPIN V. JHAVERI

Dr. S. RENGACHARY

Dr. S. SIVARAM

Directors

For SHAH & CO.

Chartered Accountants

H.N. SHAH

Partner

Mumbai : 27th April 2010

ABHIRAJ A. CHOKSEY

Executive Director

ANAND V. KUMASHI

Mumbai : 27th April 2010

GM – Accounts, Finance &
Company Secretary

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 Rs. in thousands)

Public Issue Rights Issue
 Bonus Issue Private Placement

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount Rs. 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 Rs. 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 Rs. Dividend Rate (%)

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

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apcotex industries limited

PERFORMANCE SUMMARY OF FIVE YEARS:

Rs. in lacs

PARTICULARS	Growth in comparison to previous year	2009-10	2008-09	2007-08	2006-07	2005-06
Volume Sales in M.T.	66.32%	23428.03	14086.17	17137.86	13838.55	13182.00
Revenues						
Gross Sales	38.63%	15465.40	11155.81	11774.08	8926.59	8587.32
Net Sales	43.46%	14307.57	9972.90	10156.96	7764.83	7398.79
Other Income	48.65%	96.80	65.12	309.15	216.03	301.42
Cost						
Material Consumed		10229.49	6921.79	7675.17	6205.80	5699.98
Employee's Remuneration and Benefits		636.60	529.73	443.47	354.67	335.32
Distribution Expenses		2132.80	1657.02	1477.88	1207.89	1165.79
Gross Profit (Cash profit)	51.21%	1405.48	929.48	869.59	212.50	499.12
Depreciation		198.95	219.91	211.71	319.48	327.79
Earlier year adjustments		50.73	4.17	-6.32	47.15	5.98
Profit before tax	76.15%	1257.26	713.74	651.56	-59.83	177.31
Profit after tax	85.73%	832.79	448.39	487.24	1.33	152.01
Earning Per Shares		15.26	8.11	8.82	0.02	2.75
Capital Accounts						
Share Capital		522.35	556.64	556.64	556.64	556.64
Reserves and Surplus		5247.88	4988.88	4799.15	4484.18	4482.86
Gross Block		6912.2	5852.71	5724.85	5866.90	5506.17
Total Investments		1938.39	2827.57	1476.94	2121.28	2077.50
Net Current Assets		2644.63	1025.50	2360.56	2598.62	2229.79