

GUJARAT PETROSYNTHESE LIMITED



ISO COMPANY

THIRTY FIFTH ANNUAL REPORT 2011 - 2012

GO PAPERLESS

With reference to the Green Initiative in Corporate Governance in order to reduce paper consumption and to contribute towards a green environment, companies are permitted to send notices/documents through electronic mode. We once again request you to kindly send us your e-mail address as mentioned in page No 1 of this booklet, if you have not yet registered with us. We are sure as a responsible citizen you will support this initiative.



Gujarat PetroSynthese Limited

BOARD OF DIRECTORS	Dr. R.M. THAKKAR Ms. URMI N. PRASAD Ms. URSULA THAKKAR Ms. CHARITA THAKKAR Mr. T.N.R. RAO Mr. V.H. PANDYA Dr. (Mrs.) M.H. MEHTA Mr. ADHIK SHIRODKAR Mr. M.D. GARDE	Chairman and Managing Director Executive Director Executive Director
BANKERS	AXIS BANK LTD.	
LEGAL ADVISOR	KANGA & CO	
AUDITORS	SARJBA & CO.,	
REGD. OFFICE & WORKS	NO. 24, II MAIN PHASE I, DODDANEKUNDI INDUSTRIAL AREA, MAHADEVPURA POST, BANGALORE - 560 048	



Gujarat Petrosynthese Limited

Dear Shareholder,

Re: Updating of Shareholders' records

You are one of valued shareholders of our Company. To serve you efficiently, the Company must have the correct and updated details of the shareholders.

You are therefore requested to provide the following information in the table given below for updating our records and to render you quick & efficient service.

Sr. No.	Particulars	Information required
1.	PAN Number	:
2.	Contact details - Phone/ Mobile	:
3.	Email Id	:
4.	Details of Bank Account	:

Kindly return this letter to us after filling in the above details. You may also email your particulars on Email Id – secretarial@gujaratpetrosynthese.com

Thank you,

R.M. Thakkar

Chairman & Managing Director



NOTICE

NOTICE IS HEREBY given that the 35th ANNUAL GENERAL MEETING of the Members of Gujarat Petrosynthese Limited will be held at the Registered office of the Company at 24, II main, Doddanekkundi Industrial Area, Bangalore 560048 on Monday the 13th August, 2012 at 3.00 PM to transact the following business;

ORDINARY BUSINESS

1. To receive consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. V H Pandya, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. M H Mehta, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Ms. Ursula Thakkar as Wholetime Director of the Company designated as an Executive Director for a further period of three years with effect from 1st April, 2012 upon terms and conditions as approved by the Board of Directors at its meeting held on 30th May, 2012 and as set out in the draft agreement to be entered into by the Company with Ms. Ursula Thakkar, and submitted to this meeting is hereby specifically approved and sanctioned with a liberty to the Board of Directors, to grant increments and to alter and vary the terms and conditions of the said appointment and / or remuneration and perquisites so as not to exceed the limits of remuneration as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Ms. Ursula Thakkar.
6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 consent be and is hereby given to pay to all Non Executive Directors of the Company, in addition to the sitting fees, a commission at a rate not exceeding 1 (one) percent of the net profits of the Company, in each year calculated in accordance with the relevant provisions of the said act, subject to such ceiling, if any, per annum as the Board may fix from time to time in that behalf and the same to be divided among all Non Executive Directors of the Company in such manner as the Board may determine from time to time.

Regd. Office:
24, II main, Doddanekkundi Industrial Area,
Bangalore - 560 048.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited.**

Place : Mumbai
Date : 30th May, 2012

(R. M. Thakkar)
Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members desirous of getting any information about the accounts and operations of the company are requested to send their query addressed to the Compliance Officer at the Registered Office at least 7 days before the date of the meeting to enable the Management to keep the information readily available at the meeting.



Gujarat Petrosynthese Limited

4. As per the requirement of the clause 54 of the Listing Agreement the Company is updating information on its website www. Gpl.in. This portal contains along with business information, quarterly unaudited results, Annual Report containing Notice, Directors Report, Auditors Report, Balance sheet and Profit & Loss Account, quarterly shareholding pattern and contact details of the Compliance Officer for communicating investor grievances.
5. Member are requested to :
 - a) Notify immediately any change in their residential address.
 - b) Quote the Registered Folio Number in every correspondence with the Company.
 - c) Bring their copies of the Annual Reports along with the duly filled in attendance slip at the meeting.
6. The Register of Members and share transfer books of the Company will remain closed from 4th August, 2012 to 13th Aug., 2012 (both days inclusive) for the purpose of the Annual General Meeting.
7. As per the Circular of the Ministry of Corporate Affairs of "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21-04-2011 and Circular No. 18/2011 dated 29/04/2011) allowing paperless compliances by Companies through electronic mode, companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. Members are requested to register their email id with the Company.

Regd. Office:
24, II main, Doddanekkundi Industrial Area,
Bangalore - 560 048.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited.**

Place : Mumbai
Date : 30th May, 2012

(R. M. Thakkar)
Chairman & Managing Director

ANNEXURE TO NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956.

Item No. 5

The term of office of Ms. Ursula Thakkar as an Executive Director ended on 31st March, 2012. The Remuneration Committee in the meeting held on 30th May, 2012 approved the remuneration payable to Ms. Ursula Thakkar. Subject to the approval of the Share holders of the Company, the Board of Directors of the Company at its meeting held on 30th May, 2012 reappointed Ms. Ursula Thakkar as Whole Time Director designated as an Executive Director of the Company for a period of three years with effect from 1st April, 2012.

The draft of the Agreement to be entered into between the Company and Ms. Ursula Thakkar, is placed before the meeting and is available for inspection by the shareholders of the Company and contains inter-alia the following main terms and conditions:

TERMS OF APPOINTMENT

Period of Appointment: Three years with effect from 1st April, 2012.

Salary: Rs. 1,25,000/- (Rupees one lac twenty five thousand only) per month.

Commission: 1% on the net profits of the company computed in the manner laid down in Section 309(5) of the Companies Act, 1956.

Perquisites:

i) Housing I: The expenditure incurred by the company on hiring unfurnished accommodation for the Executive Director will be subject to a ceiling of sixty percent of the salary, over and above ten percent payable by the Executive Director.

Housing II: If accommodation in the company owned house is provided, ten percent of salary of the Executive Director shall be deducted by the company.

Housing III: If the company does not provide accommodation, the Executive Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing I.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director.



Gujarat Petrosynthese Limited

- ii) The Company shall pay as per the company's policy, the Medical Expenses including such expenses as shall relate to the surgical, optical and dental treatment incurred by Ms Ursula Thakkar for herself and her family.
- iii) Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- iv) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v) The Company shall pay the annual premium towards personal accident insurance as per the Rules of the company.
- vi) Ms Ursula Thakkar and family shall be covered under the Mediclaim Insurance Schemes as per the rules of the company.
- vii) Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every twelve months of service.
- viii) Such other benefits in accordance with the schemes and rules applicable to the members of the company from time to time.

(Family includes dependent parents, spouse and children who are dependent on her)

For the purpose of calculating the above ceilings, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of such Rules, perquisites shall be evaluated at actual costs. The Company will pay tax on non monetary perquisites to the appointee as per amended section 10CC of the Income Tax Act, 1961.

The following shall not be included for the purposes of computation for the Wholetime Director's remuneration or perquisites as aforesaid:

- i) The Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act.
- ii) Gratuity payable to the Wholetime Director at the rate of half month's salary for each completed year of service.
- iii) Encashment of leave at the end of tenure.
- iv) Chauffeur driven company maintained car for use on Company's business and telephones facility at the residence of Wholetime Director, and reimbursement of expenses including entertainment expenses will not be considered as perquisites.

Minimum Remuneration : Subject to the ceiling specified in Section II of Part-II of Schedule XIII to the Companies Act, 1956, the Wholetime Director shall be paid remuneration by way of salary and perquisites (except commission specified above) notwithstanding that in the Financial Year during the currency of tenure of the Wholetime director, the Company has no profits or its profits are inadequate.

Compensation : If before the expiry of the Agreement, the tenure of her office as Wholetime Director is terminated, she shall be entitled to compensation for the loss of office subject to the provisions of section 318 of the Companies Act, 1956.

The Executive Director shall be entitled to the reimbursement of expenses actually and properly incurred by her for the business of the Company.

The particulars set out above, may be treated as an abstract of the terms of contract for the remuneration/reappointment of Ms. Ursula Thakkar as Wholetime Director of the Company, which is required to be given to every member under the provisions of section 302(2) of the Companies Act, 1956.

The draft of the Agreement referred to above is open for inspection by the Members at the Registered Office of the Company between 10.00 a.m. to 12.00 noon on any working day upto the date of the Annual General Meeting.

The Board recommends the Resolution for your approval.

Ms. Ursula Thakkar is considered interested in the resolution as it relates to her own re-appointment. Ms. Urmi N Prasad, Dr. R M Thakkar and Ms. Charita Thakkar are considered interested in the resolution as they are relatives of Ms. Ursula Thakkar.

None of the other Directors is in any way concerned or interested in the said Resolution.

Item No. 6

The proposed resolution authorizes the Company to pay commission upto 1% of the Net Profits of the Company to all Non-Executive Directors of the Company for a period of five financial years commencing from 2011-12.



Gujarat Petrosynthese Limited

Since the commencement of the Company's operations, the Non wholetime Directors have made significant contributions to the progress of the Company. They bring in external and wider perspective to the decision making by the Board. They also play a crucial role in the independent functioning of the Board. These Directors who also occupy prominent positions in their respective fields, deserve to be adequately compensated.

The proposed resolution is in conformity with the provisions of Section 309 of the Companies Act, 1956 and requires to be approved by Shareholders.

The Board recommends the resolution for approval of shareholders.

All non-whole time directors, viz. Mr. Adhik Shirodkar, Mr. V. H. Pandya, Mr. M. D. Garde, Mr. T N R Rao, Ms. Charita Thakkar and Dr. (Mrs.) M. H. Mehta are deemed to be concerned and interested in the resolution.

Dr. R. M. Thakkar, Ms Urmi N Prasad and Ms Ursula Thakkar may be deemed to be concerned and interested in the resolution as they are relatives of Dr. (Mrs.) M. H. Mehta and Ms. Charita Thakkar, Non Executive Directors of the Company.

Regd. Office:
24, II main, Doddanekkundi Industrial Area,
Bangalore - 560 048.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited.**

Place : Mumbai
Date : 30th May, 2012

(R. M. Thakkar)
Chairman & Managing Director

Details of Directors seeking reappointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement)

Name of Directors	Mr. V H Pandya	Mrs. M H Mehta	Ms. Ursula Thakkar
Date of Birth	26/09/1926	28/03/1934	24/09/1967
Date of Appointment	16/03/1982	29/05/1993	27/09/1996
Expertise in specific functional areas	Chemical Engineering	Consultant Ophthalmic Surgeon	Joined as ED in 1996. During 1994-96 worked as consultant with William Kent Intenl. USA, Washington
Qualifications	BSC (Honors)	MRCOG, DO	BE (Honors) MBA (Harvard)
Directorship held in other companies (excluding foreign companies)	NIL	NIL	1. Gujarat Polybutenes Pvt. Ltd. 2. GPL Finance and Investments Ltd. 3. Multichem Pvt. Ltd. 4. Guardian Finance Ltd. 5. Seagull Travels and Tours Pvt. Ltd.
Committee Positions held in other Companies	NIL	NIL	NIL



DIRECTORS' REPORT

To the Members of,
Gujarat Petrosynthese Limited

The Directors have pleasure in presenting the 35th ANNUAL REPORT of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2012.

Financial Results	(₹ in Lacs)	
Particulars	2011-12	2010-11
Sales Turnover	1359.10	1275.45
Expenses other than Finance Cost and Dep.	1200.99	1168.31
Operating Profit	158.11	107.14
Less : Finance Cost	-	-
Depreciation	36.47	34.10
Profit before Tax	121.64	73.04
Less : Provision for Tax	43.14	22.00
Profit After Tax	78.50	51.04
Add : Prior Period Adjustment	-	2.80
Add: Balance Brought forward from earlier period	729.30	675.46
Balance available for appropriations	807.80	729.30
Balance carried to Balance sheet	807.80	729.30

Dividend

As per prudent financial measures, considering the need to conserve financial resources and to make necessary investments for the growth of the business, your Directors do not recommend any dividend.

Performance & Future outlook

During the last year, the Company registered a growth of 13% in volume. However, due to the highly competitive environment the sales revenue could rise by 8% in terms of value. Considering the overall growth of the industry, the Company is planning to expand the capacity of the plant by about 1000 TPA during the current year. With our continued emphasis on developing and producing products to suit the customers' requirements and increasing our customers base, the Company expects to increase its market share in the Polymer industry.

Working of 100% subsidiary — GPPL

The polybutene unit continues to face the issue of managing feedstock/raw material costs at a time when the oil industry faces many challenges. Not only is there increased volatility in oil product prices and a concern on the depreciation of the Indian rupee, but the immediate economic outlook going forward suggests the possibility of a synchronized global recession. In such a situation, there is limited room for manoeuvre. However the Company is continuing to focus on decreasing costs and exploring alternative feedstocks. Furthermore, there is a consistent effort to look at other options to add value.

Human Resource Management

The Company considers Human Resources as an invaluable asset. Your Directors place on record their appreciation of the hard work, dedication and commitment of the employees of the Company at all levels. The effort of the employees makes it possible for the Company to face challenges and competition.

Particulars of Employees

As required by provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended the names and other particulars who are drawing remuneration of Rs. 60.00 lacs per annum or more or Rs. 5.00 lacs p.m. or more are NIL.

Industrial Relations

Relations between the employees at all levels with the management continue to remain cordial.

Health, Safety & Environment

Occupational safety and environment continue to be an important area for your Company and receive proper attention throughout the year. Necessary steps are regularly undertaken to ensure the Safety of personnel and equipment.



Internal Control System

Your Company has adopted an internal control system, commensurate with its size. The external auditors and high powered audit committee supplement the Company's internal control system. Your Company ensures its implementation and compliance so that the assets and business interests of your Company are adequately safeguarded.

Cautionary Statement

Statement in this report on Management discussion and analysis describing the company's objectives, projections, estimates, expectation may be "forward looking statements" within the meaning of applicable securities Laws or Regulations. These statements are based on certain assumptions and expectation of future events. However, actual results could differ materially from those express or implied. The Company assumes no responsibility in respect of forward looking statements, which may undergo changes in the future on the basis of subsequent development, information or events.

Deposits

Your Company has not accepted any Deposits to which the provisions of section 58A of the Companies Act, 1956 are applicable.

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo are as per attached Annexure.

Corporate Governance

A Compliance Report on Corporate Governance is annexed to this report. The Auditors' Certificate on compliance with the conditions of corporate governance under clause 49 of the Listing Agreement is also annexed to this report.

Director's Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, the Board of Directors hereby confirm that :

1. in the preparation of annual accounts, the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
3. proper and sufficient care has been taken 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;
4. the annual accounts have been prepared on a going concern basis.

Directors

At the forthcoming Annual General Meeting, Mr. V H Pandya and Mrs. M. H. Mehta retire by rotation as per the provisions of the Companies Act, 1956, and the Articles of Association of the Company, and being eligible, offer themselves for reappointment.

The Board deeply regrets the passing away of Dr. A C Shah on 16th Jan., 2012. He had been associated with the Company since 2nd Dec., 2002. As a member of the Board and the Chairman of the Audit Committee he lent his vast knowledge and experience to the Company. His presence will be greatly missed.

The term of appointment of Ms. Ursula Thakkar as an Executive Director has ended on 31st March, 2012. The Board of Directors at its meeting held on 30th May, 2012 reappointed her as Executive Director for a further period of 3 years with effect from 1st April, 2012.

Auditors

M/s SARJBA & Co., Chartered Accountants, Bangalore, the statutory Auditors of the Company, retire at the ensuing Annual General Meeting of the Company but are eligible for reappointment. The Board recommends the reappointment.



Gujarat Petrosynthese Limited

The shareholders are requested to reappoint the Auditors for the current financial year and authorize the Board to fix their remuneration.

As per Section 217(3) of the Companies Act, 1956, the notes/ comments of Auditors referred to in the Auditors' Report are self explanatory and give complete information.

Acknowledgments

The Board of Directors wish to place on record their appreciation for the continuous support of Bankers, vendors and buyers in the performance of the Company.

By order of the Board of Directors
For **Gujarat Petrosynthese Limited.**

Place : Mumbai
Date : 30th May, 2012

Sd/-
(R. M. Thakkar)
Chairman & Managing Director

ANNEXURE 1 TO THE DIRECTOR'S REPORT

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year 2011-12

I. Conservation of Energy	: Use of standard quality equipments
II. Additional Investment and proposals if any being implemented for the reduction of energy	: Proposals are under consideration
III. Impact of measures (I) and (II) above for the reduction of energy consumption and consequent impact on cost of production of goods	: Reduction in usage of electricity

FORM A

A. POWER AND FUEL CONSUMPTION

1) Electricity		2011-12	2010-11
a) Purchased			
Unit	KWH	753980	660736
Total amount	Rs	4,131	3,424
Rate / Unit	Rs	5.48	5.18
b) Own Generator			
Through Diesel Generator			
Units	KWH	96,560	148,468
Unit Per Ltr	KWH	8.39	8.47
Rate / Unit	Rs	5.37	4.84
Furnace Oil			
Quantity	KL	NIL	NIL
Other / Internal Generator	Rs	NIL	NIL
Average Rate	Rs	NIL	NIL

B. CONSUMPTION PER UNIT PRODUCTION

Standards (If any)		2011-12	2010-11
Product/Unit : Polymer / Kg			
Electricity	KWH	0.63	0.60
Furnace Oil	N.A	NIL	NIL
Coal	N.A	NIL	NIL
Others	N.A	NIL	NIL



Gujarat Petrosynthese Limited

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per FORM B Research and Development (R & D)

1.	Specific area in which R & D was carried out by the Company	To produce high grade of polymers
2	Benefit derived as a result of R & D	Manufacture of new products and existing products at lower cost.
3	Future plan of action	Manufacture variety of PAB
4	Expenditure on R & D a) Capital b) Recurring c) Total d) Total R & D Expenditure as a percentage of Total Turnover	₹ - - - 0.00%

Technology absorption, adoption and innovation.

1	Efforts in brief, made towards technology absorption and innovation.	Technology obtained from our collaborators has been fully absorbed. Improvements are being continuously made and have resulted in improved efficiency of operation.
2	Benefits derived as a result of above efforts	N.A.
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. a) Technology Furnished b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has consequent impact on cost of production of goods further plans of action.	N.A.

III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the Foreign Exchange outgo was Rs. Nil. The Company has earned Foreign Exchange of Rs. Nil During the year.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 30th May, 2012

R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR



Gujarat Petrosynthese Limited

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956 RELATING TO SUBSIDIARY COMPANIES

Name of Subsidiary	GPL Finance and Investments Limited	Gujarat Polybutenes Private Limited
1. The financial year of the subsidiary ended on	March 31,2012	March 31,2012
	₹ in thousands	₹ in thousands
2. Shares in the Subsidiary held by the Holding Company as at the above date		
(a) Number of Shares	999	2,240
(b) Extent of Holding	99.99%	99.99%
3. Net aggregate amount of profit / (loss) of the Subsidiary Company so for as they concern the member of the Holding Company and		
(a) Not dealt within the Holding Company's Account for the year ended March 31, 2011		
(I) For the Subsidiary's financial year ended as aforesaid	619	1,031
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	2,961	63,709
(b) Dealt within the Holding Company's Account for the year ended March 31, 2010		
(I) For the Subsidiary's financial year ended as aforesaid	494	1,416
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	2,481	31,057
4. (a) Change in the interest of the Holding Company between the end of the last financial year and March 31,2006	NIL	NIL
(b) Material changes occurred between end of the financial year of the Subsidiary and March 31, 2006	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

R. M. THAKKAR

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 30th May, 2012

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy on Corporate Governance

The company's philosophy on corporate governance looks at the high level of transparency, accountability and integrity, in all the operations and actions with its stakeholders including shareholders, customers, employees, government and lenders.

The company believes that its philosophy of corporate governance must succeed in achieving the desired goal of strengthening shareholders values over a sustained period of time.

Your company has complied with the requirements of the Corporate Governance Code, and under noted are the required disclosures.

2. Board of Directors

The Board of Directors consists of 5 promoter directors (one executive chairman, two executive directors and two non executive directors), and 4 independent non executive directors.

During the year 2011-12, the Board met 4 times on 29/04/2011, 01/08/2011, 05/11/2011, and 04/02/2012.

The attendance of the Directors in the Board meeting and Annual General Meeting and category and also the number of other directorships and Committee Member/ Chairmanship was as follows:

Name	Category	No. of Other Directorship (Other than GPL)	Committee Membership (Other than GPL)	Committee Chairmanship (Other than GPL)	No of Board Meetings attended	Last AGM attended
Dr. R.M. Thakkar	Promoter Executive Chairman	5	0	0	4	Yes
Ms. Urmi N. Prasad	Executive Director	5	0	0	4	Yes
Ms. Ursula R. Thakkar	Executive Director	5	0	0	2	Yes
Ms. Charita R. Thakkar	Non Executive Director	5	0	0	1	Yes
T N R Rao	Independent Non Executive Director	2	1	1	4	Yes
Dr. A.C. Shah (Expired on 16.01.12)	Independent Non Executive Director	7	0	0	2	No
Mr. A.N. Shirodkar	Independent Non Executive Director	0	0	0	3	No
Mr. V.H. Pandya	Independent Non Executive Director	0	0	0	2	Yes
Mr. M.D. Garde	Independent Non Executive Director	1	1	1	4	Yes
Dr.(Mrs) M.H. Mehta	Independent Non Executive Director	0	0	0	0	No

3. Audit Committee

The Audit Committee consists of 3 Directors, namely Mr. M D Garde, Dr. R. M. Thakkar and Mr. Adhik Shirodkar. Mr. M D Garde is the Chairman of the Committee. The terms of reference specified by the Board are to review before submitting to the Board, the Quarterly Results, Half Yearly Results and the Annual Financial Statements, to determine the scope of the audit, to ensure the compliance of internal control systems, and the items specified in clause 49 of the listing agreement.

During the financial year 2011-12 four meetings of the audit committee were held and all the meetings were attended by all the members of the audit committee.

4. Remuneration Committee

The Remuneration Committee consists of Dr. A. C. Shah, Dr. R. M. Thakkar, Ms. Urmi N. Prasad, Mr. Adhik Shirodkar, Mr. M. D. Garde and Mr. V. H. Pandya,

The remuneration of the Directors are decided by the Board of Directors/ Remuneration Committee, keeping in view the provisions of The Companies Act, 1956.

Gujarat Petrosynthese Limited

The details of the shareholding and salary/ perquisites paid to the Managing/ Executive Directors and non executive directors for the financial year ended March, 2012 are as under:

Name	Salary	Perquisites	Cont. to Pension/ Gratuity/ Super	Cont. To leave Salary	Commission	Other	Total	No. of Equity Shares held
Dr. R. M. Thakkar	2250000	373162	225000		331000	125000	3304162	301916
Ms. Urmi N. Prasad	2250000	93573	405000		220500	125000	3094073	161189
Ms. Ursula Thakkar	2250000	187735	405000		220500	125000	3188235	180700
Ms. Charita Thakkar.					36835		36835	159016
Mr. T.N.R.Rao					36833		36833	0
Mr. A. N. Shirokar					36833		36833	2116
Mr. V. H. Pandya					36833		36833	196
Mr. M. D. Garde					36833		36833	0
Dr. (Mrs.) M. H. Hehta					36833		36833	94241

At present, the Company has not formulated any stock option plan.

The Members other than the Managing Director and the Executive Directors are paid sitting fees of Rs. 5000/- per each meeting of the Board and Rs. 1500/- per each meeting of Committee attended by them.

The Sitting fees paid for the year 2011-12 to the Directors for Board, Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee are as under;

Name	Sitting Fees ₹	Name	Sitting Fees ₹
Mr. T N R Rao	20000	Dr. A. C. Shah	11500
Mr. V. H. Pnadya	13000	Mr. Adhik Shirodkar	24000
Mr. M. D. Garde	26000		

5.1 Shareholder/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee is constituted as per the Corporate Governance Code and consist of 3 Members, namely Mr. Adhik Shirodkar and Mr. V. H. Pandya Directors of the Company and Dr. (Mrs) S. R. Thakkar a major shareholder of the Company to review the status of the investor's grievances and its speedy and satisfactory redressal to the satisfaction of complainant. During the financial year 2011-12, four meetings of the Shareholders/ Investors Grievance Committee were held.

5.2 Share Transfer Committee

A Share Transfer Committee was constituted consisting of Dr. R. M. Thakkar, Ms. Urmi N. Prasad and Ms. Ursula R. Thakkar. The committee meets periodically to look into and approve the share transfer requests.

6. General Body Meetings

The last three Annual General Meetings were held as under;

Year	Place of AGM	Date	Time
2008-09	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	04.09.09	3.00 PM
2009-10	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	07.09.10	3.00 PM
2010-11	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	30.09.11	3.00 PM

At last Annual General Meeting held on 30.09.11 no item was transacted through postal ballots.



7. Disclosure

- (a) Disclosure on materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the interests of the company. Significant related party transactions are described at Note No. 21 of the Accounts.

- (b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no instances of non-compliance of any matter related to the capital markets during last three years.

- (c) Compliance of Code of Conduct: All members of the Board and senior management personnel have complied with the provisions of the code of conduct.

- (d) Subsidiary Companies: The Company does not have any material non-listed Indian subsidiary Company within the meaning specified in clause 49.

8. Means of Communications

The Company published its quarterly results in Financial Express (English), and the Samyukta (Kannada Language) newspaper.

9. General Shareholders Information

- 9.1 Annual General Meeting Date : 13th Aug., 2012
 Annual General Meeting Venue : No. 24, II Main Phase I,
 Doddanekkundi Industrial Area,
 Mahadevpura Post, Bangalore 560048

- 9.2 Financial Calendar for the year 2012-13 (Tentative)
 Results for the quarter ending 30th June, 2012 – First week of Aug., 2012
 Results for the quarter ending 30th Sept., 2012 – First week of Nov., 2012
 Results for the quarter ending 31st Dec., 2012 – First week of Feb., 2013
 Results for the quarter ending 31st March, 2013 – Last week of May, 2013
 Results for the year ending March 31, 2013 – Last week of May, 2013
 Annual General Meeting (Next year) – September 2013

- 9.3 Book Closure Date: 4th Aug., 2012 to 13th Aug., 2012.

- 9.4 Dividend Payment Date : Not Applicable

- 9.5 Listing of Equity Shares on Stock Exchanges at :
 The Stock Exchange, Mumbai P. J. Tower, Dalal Street, Mumbai

- 9.6 Stock Code:
 Trading Code at The Sock Exchange, Mumbai is 506858-GUJ. PETRO

- 9.7 Stock Market Data: At the Stock Exchange, Mumbai

Month	Month's High Price	Month's Low Price	Month	Month's High Price	Month's Low Price
April 2011	—	—	Oct., 2011	—	—
May 2011	32.65	32.65	Nov., 2011	—	—
June 2011	—	—	Dec., 2011	—	—
July 2011	—	—	Jan., 2012	—	—
Aug., 2011	—	—	Feb., 2012	—	—
Sep., 2011	—	—	March 2012	—	—



Gujarat Petrosynthese Limited

- 9.8 Share Transfer Centre: The Company has in-house share transfer facilities located at its office situated at Plot No. 1, Compartment No. 2, Marol Co-operative Industrial Estate, M.V. Road, J. B. Nagar Post, Andheri (E), Mumbai 400059.
- 9.9 Share Transfer System: Presently the share transfers received are processed and the share certificates are returned within a period of 20 days from the date of receipt, subject to receipt of valid and complete documents in all respects.
- 9.10 Distribution schedule as on 31.03.2012

Range	No of Shares Held Rs.	% to Capital	No of Shareholders	% to total holders
1 – 5000	14773910	28.58	18741	96.73
5001 – 10000	2912950	5.64	418	2.16
10001 – 20000	2011860	3.89	142	0.73
20001 – 30000	569600	1.10	24	0.13
30001 – 40000	457510	0.89	14	0.07
40001 – 50000	262860	0.51	6	0.03
50001 – 100000	543920	1.05	8	0.04
100001 & above	30159050	58.34	22	0.11
Total	51691660	100	19375	100

Particulars	No. of shares held	% to total
FI/ Mutual Funds/ Banks/ Insurance Companies	921619	17.83
Bodies Corporate	411045	7.95
Individuals	3890035	74.22
Total	5169166	100%

- 9.11 The Company's shares have not been dematerialized.
- 9.12 The Company doesn't have outstanding GDR/ ADRs/ Warrants or Convertible Debentures.
- 9.13 Plant Locations:
- | | |
|--|---|
| Bangalore Unit
No. 24, II Main Phase I,
Doddanekkundi Industrial Area,
Mahadevpura Post, Bangalore 560048 | Waghodia Unit
Plot No. 242/8,
GIDC Estate, Waghodia,
Dist. Vadodara 391760 |
|--|---|
- 9.14 Address for correspondence: Gujarat Petrosynthese Ltd, Secretarial Dept. Plot No. 1, Compartment No. 2, Marol Co-operative Industrial Estate, M.V. Road, J. B. Nagar Post, Andheri (E), Mumbai 400059.
Email Id – secretarial@gujaratpetrosynthese.com

For and on behalf of the Board of Directors

Sd/-

R. M. THAKKAR

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 30th May, 2012



Auditors' Certificate on Corporate Governance

To
The Members of Gujarat Petrosynthese Limited

We have examined the compliance of conditions of corporate governance by Gujarat Petrosynthese Limited for the year ended on 31st March, 2012, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder/investor Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

PLACE : BANGALORE
DATE : 30th May, 2012

For **SARJBA & CO.**,
Chartered Accountants
Firm Regn. No. 012106S
(A. Jagannath Babu)
Chartered Accountant
M.No. 20115

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Gujarat Petrosynthese Ltd, as at 31st March, 2012 and also the Profit and Loss Account and cash flow statement of the Company for the year ended on that date annexed there to, in which are incorporated the Balance Sheet and the Profit and Loss account of Bangalore Unit of the Company audited by us separately and the same have been appropriately dealt with. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required 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 the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered necessary and information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purposes 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 the books.
 - c. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors, as on 31.03.2012, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information & according to the explanations given to us, the said accounts subject to and read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true & 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 at 31st March, 2012,
 - ii) In the case of the profit and loss account of the profit 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.

PLACE : BANGALORE
DATE : 30th May, 2012

For **SARJBA & CO.**,
Chartered Accountants
Firm Regn. No. 012106S
(A. Jagannath Babu)
Chartered Accountant
M.No. 20115



ANNEXURE - A TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

Re. : Gujarat Petrosynthese Limited

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the management has physically verified assets during the year, in accordance with the programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion, substantial part of fixed assets of the Company has not been disposed off during the year and as such the "going concern status" of the Company is not affected.

2. In respect of its inventories:

- (a) As explained to us, inventories were physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In respect of Loans granted & taken:

The Company has not granted any loans, secured or unsecured to/ from Companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii.b), (iii.c) and (iii.d) of paragraph 4 of the order are not applicable.

4. Internal Control:

In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchases of inventory and fixed assets and for the sale of goods.

5. Specified Transactions U/s. 301:

According to the information and explanations given to us, we are of the opinion that no transactions need to be entered in the register maintained under section 301 of the Act. Consequently requirement of clause (v)(b) of paragraph 4 of the order is not applicable.

6. Deposits from public:

In our opinion and according to the information and explanations given to us, the Company has not taken any deposit from the public. Hence provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public do not apply.

7. Internal Audit System:

In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

8. Maintenance of Cost Records:

According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.

9. Statutory Dues:

According to the information and explanations given to us in respect of Statutory and other dues:

- a) The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and any other statutory dues with appropriate authorities during the year.



Gujarat Petrosynthese Limited

b) Though there are disputed dues, the same are already paid. No disputed dues are pending at the end of the year.

10. Accumulated Losses & Cash Losses:

The Company neither has accumulated losses at the end of the year, nor incurred cash losses during the current year and in the immediately preceding financial year.

11. Payments to the financial Institutions, Bank etc.:

Based on our audit and information given by the management, the company has not taken any loan from the Financial Institutions. Hence, clause (xi) of paragraph 4 is not applicable.

12. Loans against Shares:

According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. Chit Fund or a Nidhi/Mutual benefits fund / Society:

The Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4(xiii) of paragraph 4 of the order is not applicable.

14. Trading in Securities etc.:

The Company has maintained proper records of transactions and contracts in respect of trading in securities and other investments and timely entries have been made therein.

The Company holds all investments in its own name.

15. Guarantees for loan to third parties:

In our opinion and according to the information and explanations given to us, no guarantees are given by the Company for loans taken by others from banks and financial institutions.

16. Application of Term Loans:

To the best of our knowledge and belief and according to the information and explanations given to us, there are no outstanding term loans and the Company has not raised any term loan during the year.

17. Application of Short Term Loans:

According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not being used during the year for long term investment (fixed assets etc.), and vice versa.

18. Preferential Allotments:

The Company has not made preferential allotment during the year.

19. Issue of Secured Debentures:

According to the information and explanations given to us, the Company has not issued any secured debentures during the year.

20. Money from Public:

The Company has not raised any money by public issue during the year.

21. Fraud:

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **SARJBA & CO.,**
Chartered Accountants
Firm Regn. No. 012106S

Sd/-

(A. Jagannath Babu)
Chartered Accountant
M.No. 20115

PLACE : BANGALORE
DATE : 30th May, 2012



BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in thousands)

	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	51,692	51,692
(b) Reserves and Surplus	2	128,418	120,567
(c) Money received against share warrants		180,110	172,259
2 Share application money pending allotments			
3 Non-current liabilities			
a) Long-term borrowings		—	—
b) Deferred tax liabilities (Net)	3	5,638	5,474
c) Other Long-term liabilities		—	—
d) Long-term provisions		—	—
		5,638	5,474
4 Current Liabilities			
a) Short-term borrowings		—	—
b) Trade payables	4	15,343	16,923
c) Other current liabilities	5	30	—
d) Short term provisions	6	11,774	7,601
		27,147	24,524
Total		212,895	202,257
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	53,998	55,029
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments	8	40,516	39,422
(c) Deferred tax assets (net)	3	—	—
(d) Long-term loans and advances		—	—
(e) Other non-current assets		—	—
		94,514	94,451
2 Current assets			
(a) Inventories	9	4,089	3,088
(b) Trade receivables	10	19,639	19,418
(c) Cash and Cash equivalents	11	11,877	8,067
(d) Short-term loans and advances	12	80,705	74,325
(e) Other current assets	13	2,071	2,908
		118,381	107,806
Total		212,895	202,257
Explanatory & Significant accounting policies	21		
Notes to the financial statements	1-21		

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 012106S
 Sd/-
(A. JAGANNATH BABU)
 PARTNER
 Membership No.020115

Sd/-
R. M. THAKKAR
 CHAIRMAN & MANAGING DIRECTOR

Sd/-
URMI N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : BANGALORE
 DATE : 30th May, 2012



PROFIT AND LOSS ACCOUNT AS AT 31.03.2012

(₹ in thousands)

	Note No.	As at 31.03.2012	As at 31.03.2011
I Revenue from operations	14	109,734	101,175
II Other Income	15	26,176	26,370
III Total Revenue (I + II)		135,910	127,545
IV Expenses:			
Cost of material consumed	16	86,159	81,453
Purchase of Stock-in trade			
Changes in inventories of finished goods, work in progress and Stock-in-trade	17	(67)	(363)
Employee benefits expense	18	15,909	15,084
Finance Costs	19	-	-
Depreciation and amortization expense	7	3,646	3,410
Other Expenses	20	18,098	20,658
Total Expense		123,745	120,242
V Profit before exceptional and extraordinary items and tax (III - IV)		12,165	7,303
VI Exceptional Items			
VII Profit before extraordinary items and tax (V - VI)		12,165	7,303
VIII Extraordinary items			
IX Profit before tax (VII - VIII)		12,165	7,303
X Tax expense			
(1) Current tax		4,150	2,200
(2) Deferred tax		164	-
		4,314	2,200
XI Profit/(Loss) for the period from continuing operations (after tax) (IX - X)		7,851	5,103
XII Profit/(Loss) for the period from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(Loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit/(Loss) for the period (XI - XIV)		7,851	5,103
XVI Earnings per equity share:			
(1) Basic		1.52	0.99
(2) Diluted			

See accompanying notes to the financial statements

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 012106S
 Sd/-
(A. JAGANNATH BABU)
 PARTNER
 Membership No.020115

Sd/-
R. M. THAKKAR
 CHAIRMAN & MANAGING DIRECTOR

Sd/-
URMI N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : BANGALORE
 DATE : 30th May, 2012



Gujarat Petrosynthese Limited

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 1 : SHARE CAPITAL		
Authorized		
80,00,000 equity shares of Rs.10/- each	<u>80,000</u>	<u>80,000</u>
Issued, Subscribed and Paid-up		
51,69,166 Equity shares of Rs.10/- each fully paid up	<u>51,692</u>	<u>51,692</u>
Total	<u>51,692</u>	<u>51,692</u>
Details of shareholders holding more than 5% in Company		
Ramesh .M. Thakkar - holds 522992 eq.shares - 10.12%		
Sharayu .R.Thakkar-holds 301916 eq.shares - 5.84%		
General Insurance Corpn of India-holds 276468 eq.shares-5.35%		
LIC of India - holds 538557 eq.shares-10.42%		
NOTE 2 :RESERVES & SURPLUS		
Capital Reserves	-	-
General Reserve	47,637	47,637
Surplus in Profit/Loss account		
Balance brought forward from earlier period	72,930	67,546
Prior period expenses	-	280
Surplus in Profit/Loss account for the period	<u>7,851</u>	<u>5,104</u>
Total	<u>128,418</u>	<u>120,567</u>
NOTE 3 : NON-CURRENT LIABILITIES		
a) Long-term borrowings	-	-
b) Deferred tax liabilities (Net) - Fixed assets diffrencial	5,638	5,474
c) Other Long-term liabilities	-	-
d) Long-term provisions	-	-
Total	<u>5,638</u>	<u>5,474</u>
NOTE 4 : TRADE PAYABLES		
Creditors for Expenses	2,630	1,985
Creditors for Goods	12,713	14,938
Creditors for Others	-	-
Total	<u>15,343</u>	<u>16,923</u>
NOTE 5: OTHER CURRENT LIABILITIES		
Advance Received from Customers	30	-
Total	<u>30</u>	<u>-</u>
NOTE 6: SHORT-TERM PROVISIONS		
Provision for employee benefits	23	-
Others		
Provision for Taxation	7,601	5,401
Provision for Taxation FY:2011-12	4,150	2,200
Total	<u>11,774</u>	<u>7,601</u>

NOTE 7 - DETAILS OF FIXED ASSETS FOR THE FINANCIAL YEAR 2011-2012

(₹ in thousands)

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK				
	As at 01.04.2011	Additions before 30th Sep	Additions After 1st Oct	Additions	TOTAL AS AT 31.03.2012	Rate	AS AT 01.04.2011	For the Year ended 31.03.2012	Deduc- tions	Total Depn.	AS AT 31.03.2012	AS AT 31.03.2011
Leasehold Land	15,734	-	-	-	15,734	0.00%	-	-	-	-	15,734	15,734
Freehold Land	4,419	-	-	-	4,419	0.00%	-	-	-	-	4,419	4,419
Factory Building/ Building	17,563	68	-	68	17,631	3.34%	6,943	589	-	7,532	10,099	10,620
Plant & Machinery	37,420	235	-	235	37,655	4.75%	20,183	1,789	-	21,972	15,683	17,237
Electrical Installation	2,422	-	-	-	2,422	4.75%	1,655	115	-	1,770	652	767
Vehicles	3,703	2,071	-	2,071	5,774	9.50%	1,403	549	-	1,952	3,822	2,300
Laboratory Equipment	2,303	-	-	-	2,303	4.75%	1,556	109	-	1,665	638	747
Furniture & Fixtures	2,010	99	-	99	2,109	6.33%	819	132	-	951	1,158	1,191
Jigs & Moulds	262	-	-	-	262	-	157	-	-	157	105	105
Office Equipments	1,949	73	-	73	2,022	4.75%	634	96	-	730	1,292	1,315
Computer	1,509	7	18	25	1,534	16.21%	1,015	238	-	1,253	281	494
Mobile	163	27	16	43	206	16.21%	62	29	-	91	115	101
Subtotal-A	89,457	2,560	34	2,614	92,071		34,423	3,646		38,073	53,998	55,029
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal-B	-	-	-	-	-	-	-	-	-	-	-	-
Total A+ B	89,457	-	-	2,614	92,071	-	34,423	3,646	-	38,073	53,998	55,029
Previous Year	87,052	-	-	2,406	89,458	31,019	3,410	-	-	34,429	55,029	-



Gujarat Petrosynthese Limited

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 8: NON CURRENT INVESTMENTS		
Investment in Equity Capital of 100% Subsidiary Companies (Un-Listed & Not traded)		
1. In GPL Finance and Investment Ltd 9,99,400 (Previous year 4,99,940) Fully paid Equity Shares of Rs. 10/- each	9,999	9,999
2. In Gujarat Polybutene Pvt. Ltd 22,39,995 (P.Y. Nil) Fully paid up equity shares of Rs. 10 each	22,400	22,400
3 (Listed but not traded) ₹1,50,450 fully paid Equity Shares of Rs. 10/- each Southern Agrosynthese Ltd. (See Note 7)	-	-
Investment in Mutual Funds		
Templeton India Equity Income Fund 1,46,627.566 Units of Templeton India Income Fund Market Value Rs.18,08,211/- (P.Y.Rs.15,59,971)	1,500	1,500
Optimix Star Multi Manager 97,560.9756 Units of Optimix Star Multi Manager Market Value Rs.12,27,024/- (P.Y.Rs.6,32,585)	1,000	1,000
Reliance Vision Fund 31,023.785 Units of Reliance Vision Fund Market Value Rs.11,11,923/- (P.Y.Rs.8,04,788)	1,500	1,500
Fixed Deposit with SBI & SBM	4,117	3,023
Total	40,516	39,422
NOTE 9: INVENTORIES		
(As Taken, Valued And Certified By The Management)		
Raw Material & Consumables	3,244	2,310
Finished Goods	845	778
Total	4,089	3,088
NOTE 10: TRADE RECEIVABLES		
Debtors Outstanding for more than Six Months	15	185
Debtors - Others	19,624	19,233
Total	19,639	19,418



NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 11: CASH AND CASH EQUIVALANTS		
Cash on Hand	187	127
(I) State Bank of India	17	-
(I) Bank of Baroda (Baroda)	121	855
(II) Bank of Baroda (Saki Naka)	47	146
(III) State Bank of India (Mumbai)	677	1,312
(IV) HDFC Bank (Mumbai)	235	1,606
(V) UTI Bank (Mumbai)	3,917	1,152
(VI) HDFC Escrow Account	-	129
(VII) In Current Accounts	4,102	2,740
(VIII) FD with BOB	2,574	-
Total	11,877	8,067
NOTE 12: SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received	64,445	63,211
Tax Deducted At Source	11,167	7,093
Advance Tax Paid F.Y.2011-12	2,165	935
Tax Deducted At Source F.Y.2011-12	2,928	2,847
Fringe Benefit Tax paid	-	239
Total	80,705	74,325
NOTE 13 : OTHER CURRENT ASSETS		
Trade Deposits	457	1,555
Other Deposits	664	-
Cenvat Credit	221	-
PrepaidExpenses	357	174
Prepaid Expenses-Buy Back	372	1,179
Total	2,071	2,908

NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 14 : REVENUE FROM OPERATIONS		
Sales (Net)	98,901	92,657
Job Work Charges	10,833	8,518
Total	109,734	101,175
NOTE 15: OTHER INCOME		
Interest on Loans	6,167	6,215
Interest on Deposit with BOB	1,614	1,470
Miscellaneous Income	120	335
Service Charges	18,000	18,000
Dividends Received from Mutual Funds	252	329
Speciman Testing Charges	23	-
Reversal of provision no longer required	-	21
Total	26,176	26,370



NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 16: COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock of Materials	2,310	2,478
Add: Purchases	86,083	80,559
Less: Closing Stock	3,244	2,310
Add : Pur of Packing Materials	1,010	726
Total	86,159	81,453
NOTE 17: INCREASE/DECREASE IN FINISHED GOODS		
Opening Inventories (Finished Goods)	778	415
Closing Inventories (Finished Goods)	845	778
Total	(67)	(363)
NOTE 18: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	6,444	5,608
Contribution to Provident and Other Funds	387	381
Staff Welfare Expenses	264	297
Managerial Remuneraion & Perks	8,814	8,798
Total	15,909	15,084
NOTE 19: FINANCE COSTS		
Total	-	-
NOTE 20 : OTHER EXPENSES		
Excise Duty	235	121
Bank charges	18	22
Power and Fuel	4,671	4,151
Repairs & Maintenance	1,584	2,437
Rates and Taxes	264	199
Insurance	313	301
Auditors Remuneration & Perks	160	120
Directors commission	993	794
Travelling Expenses	855	793
Directors Sitting Fees	98	124
Donations	212	42
General Expenses	7,268	7,777
Transportation, Freight and Octroi	724	587
Speciman Charges	-	16
Retainers Fees	187	144
Research and Development Charges	-	2,631
Vehicle Expenses	516	399
Total	18,098	20,658

NOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES****i) Basis of Accounting:**

- a) Financial statements are based on historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. These historical costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- b) The Company generally follows the Mercantile System of accounting and recognizes significant items of the income and expenditure on accrual basis except insurance claims and refunds from Government authorities.

ii) Fixed Assets: Fixed Assets are stated at cost of acquisition including incidental expenses related to acquisition and installation.**iii) Depreciation:**

- a) The Company follows the Straight Line Method of depreciation.
- b) Depreciation on assets is provided at the rates as specified in Schedule XIV of the Companies Act, 1956. Jigs and moulds are charged off over a period of 3 years
- c) The revised rates specified in Schedule XIV of the Companies Act, 1956 vide notification No. GSR 756 (E) dated 16-12-1993 of the Department of Company Affairs, Government Of India, New Delhi are adopted only for the additions made from 16-12-1993
- d) Leasehold land is not amortized over the period of lease.

iv) Valuation Of Inventories:

- i) Raw materials and consumables are valued at lower of cost or realizable value.
- ii) Processed stock is valued at estimated cost.
- iii) Finished goods
 - a) Manufactured Goods: Manufactured finished goods are valued at lower of absorption cost or Market Value.
 - b) Trading Goods: Finished goods purchased for re-sale is valued at cost of purchase.

v) Investments: Investments which are Long Term in nature are stated at the Cost of acquisition with provision where necessary for diminution, other than temporary in the value of investments.**vi) Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of such transactions.

vii) Retirement benefits:

- a) The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual premium is debited to Profit and Loss Account.
- b) The liability of superannuation benefit to the Chairman & Managing Director and the Executive Directors is covered under the Superannuation Scheme with the Life Insurance Corporation of India. The amount paid is debited to the Profit and Loss Account.
- c) The liability of leave encashment of employees is covered with LIC. The Premium paid is debited to Profit & Loss Account.

ix) Taxes on Income:

- a) Current Tax: Provision for Income Tax is determined in accordance with Provisions of Income Tax Act, 1961.
- b) Deferred Tax Provision: Deferred Tax is recognized on timing difference being difference between taxable incomes and accounting income that originated in one period and are capable of reversal in one or more subsequent period(s).

x) Insurance: Insurance claims are accounted on cash basis.**xi) Stores, spares & Consumables:**

- i) Stores and spares are charged to revenue in the year of purchase.
- ii) Consumables are charged to revenue on actual consumption basis.



Gujarat Petrosynthese Limited

xii) Research and Development: Research and Development Costs (other than cost of fixed assets acquired) are charged as expenses in the year in which they are incurred.

xiv) Cenvat Benefit: Cenvat benefit is accounted on duty paid materials when credit is given in excise records by debit to Excise Duty Deposit Account. The amount of Cenvat benefit availed is treated as Deposit of Excise Duty and appropriated against excise duty payment.

xv) Miscellaneous Expenditure:

Preliminary and Public issue expenses are written off over a period of ten years and are charged on a pro-rata basis for the period of operation.

2. Contingent Liabilities not provided in respect of:

All known liabilities are provided for in accounts except liability of a contingent nature in respect of Sales tax demand of Rs.44.19 lacs. The Company has obtained a Stay from Gujarat High Court.

3. In the opinion of the Management:

- All the current assets, loans and advances have a value on realization at least equal to the amount at which they are stated in the accounts.
- All the known liabilities have been provided no liability, contingent or otherwise, except those which are stated in the accounts.

4. Managerial Remuneration under Section 198 of the Companies Act, 1956 payable to:

	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I. The Managing Director		
Salary	22.50	22.50
Commission	3.31	2.65
Contribution to Provident and Other Funds	2.25	2.25
Perquisites in cash or kind	4.98	5.39
	<u>33.04</u>	<u>32.79</u>
II. The Executive Directors		
Salary	45.00	45.00
Commission	4.41	3.53
Contribution to Provident and Other Funds	8.10	8.10
Perquisites in cash or kind	5.31	4.74
	<u>62.82</u>	<u>61.37</u>
III. Non Whole-Time Directors		
Commission	2.21	1.50
	<u>2.21</u>	<u>1.50</u>

5. Computation of Net Profit as per Section 349 r.w.s. 309 (5) and Section 198 of the Companies Act, 1956.

	₹ in Lacs
Net Profit as per Profit & Loss Account	121.64
Add : Directors Sitting Fees	0.98
Commission to Non-Whole Time Directors	2.21
Managing Directors Remuneration	33.04
Executive Directors Remuneration	62.82
Diminution in value of assets	-
	<u>99.05</u>
	220.69
Less: Profits sale of Investments and non-operating income	0.00
Net Profit / (Loss)	<u>220.69</u>
Commission Payable to:	
(i) Managing Director @ 1.5%	3.31
(ii) Two Executive Directors @ 1.0% each	4.41
(iii) Non-Whole Time Directors 1.0%	2.21

As per special resolution passed by the members at the Annual general Meeting held on 23.09.1998, 29.09.1999 and 31.12.2004.



Gujarat Petrosynthese Limited

6. The investment in the Equity Shares of Southern Agrosynthese Limited amounting to Rs.21,14,549/- is valued at Rs.1/- as the net worth of the said Company is negative.
7. Based on the information received by the Company from the creditors in regard to their S. S. I. Status, there are no amounts due to such creditors outstanding for over 30 days exceeding Rs. One lakh as on 31st March, 2012. Based on such information, there is no liability for interest on delayed payments which would be payable under "The Interest on Delayed Payments to Small Scale and Ancillary Industrial undertakings ordinance, 1992". Moreover, the Company has not received any claims in respect of interest.

8. Remuneration to Auditors :

	31st March 2012 ₹ in thousands	31st March 2011 ₹ in thousands
(Exclusive of Service Tax)		
Audit Fees	100.00	85.00
Tax Audit Fees	40.00	35.00
Total	140.00	120.00

9. The Additional Information pursuant to provisions of paragraphs 3, 4C & 4D of Part II of the Schedule VI to the Companies Act 1956 are given to the extent as applicable to the Company.

	31st March 2012		31st March 2011	
	Qty (M.T.)	₹ in thousands	Qty (M.T.)	₹ in thousands
a) Turnover				
Alloys & Blends Sales	647	98,900	721	92,657
Job work Charges	880	10,833	633	8,518
		<u>1,09,733</u>		<u>1,01,175</u>

Turnover of Polymers includes 229 Kgs (Previous year 86 Kgs) given as free sample.

b) Consumption of Raw Materials

	31st March 2012		31st March 2011	
	Qty (M.T.)	₹ in thousands	Qty (M.T.)	₹ in thousands
Commodity & Engineering Products/Plastics of Different Types	661	85,149	643	80,727

c) Value of Imported and Indigenous Raw Material Consumed during the Year

	31st March 2012		31st March 2011	
	₹ in thousands	%	₹ in thousands	%
Imported	-	-	-	-
Indigenous	85,149	100%	80,727	100%
	<u>85,149</u>	<u>100%</u>	<u>80,727</u>	<u>100%</u>

d) Opening and Closing Stock of Goods

	31st March 2012		31st March 2011	
	Qty (M.T.)	₹ in thousands	Qty (M.T.)	₹ in thousands
Alloys & Blends	6,028	845	5,668	778
Job work Charges				

e) C.I.F. Value of Imports

	31st March 2012	31st March 2011
Raw Materials (Banalore Unit)	Nil	Nil
Spares	Nil	122

f) Expenditure in Foreign Currency

	31st March 2012	31st March 2011
i) Travelling	Nil	Nil
ii) Others	Nil	Nil

g) Earning in Foreign Exchange

	31st March 2012	31st March 2011
Amount remitted in Foreign Currencies towards dividend (Net Of Tax).	854	858
i) Number of Non-resident Equity Shareholders	9,02,800	9,64,855
ii) Number of Equity Shares	NIL	NIL
iii) Amount Remitted	NIL	NIL



Gujarat Petrosynthese Limited

10. The Company has written off old debit and credit balances of various parties during the year, net debit on this account is ₹ 27,290 (Previous Year ₹ 2,20,630/- net Debit)
11. Prior Period income of ₹ NIL/- (Previous Year ₹ NIL/-)
12. Future lease obligations on assets taken on Finance Lease, over remaining period amounts to ₹ NIL (Previous Year ₹ NIL)

13. Earning Per Share :	₹ in thousands	
	2011-2012	2010-2011
a) Net Profit available for equity shareholders (Numerator used for calculation)	7851	5104
b) Weighted Average No. of equity shares (Used as denominator for calculating EPS)	51,69,166	51,69,166
c) Basic and Diluted Earnings per share (Rs.) (Equity Share of face value of Rs. 10 each)	1.52	0.99

14. Transaction With Related Parties:				Rs.in Lacs
Related parties Particulars	Subsidiary Company	Relatives	Key Management Personnel	
Sales	-	-	-	
Expenses				
Remuneration	-	-	88.14	
Others	-	-	9.93	
Income				
Interest Received (GPPL)	61.67	-	-	
Income from Services (GPPL)	180.00	-	-	
Finance & Investments				
Advance Given	-	-	-	
Advance Received Back (GPL Finance)	-	-	-	
Outstanding				
Receivable	542.30	-	-	
Related Party Information (where transactions have taken place during the year)				
(a) Subsidiary Company				
GPL Finance And Investments Limited				
Gujarat Polybutenes Pvt.Ltd				
(b) Relatives				
Dr. (Ms.) S. R. Thakkar				
(c) Key Management Personnel				
Dr. R. M. Thakkar				
Ms. Urmi N. Prasad				
Ms. Ursula Thakkar				
15. Shares Bought Back	Years	No. of Shares		
Equity Shares	2010-11	8,49,635		

16. Balances of Debtors, Creditors and Other parties are subject to confirmations.
17. Previous year's figure have been re-grouped and re-arranged wherever necessary.
18. For the year ended 31.03.2012 the revised schedule VI that was notified under the Companies Act, 1956, has become applicable to the company, the companies reclassified the previous year figures to conform with the current year classification. The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for presentation of the financial statement. However, it significantly impacts the presentation and disclosures made in the financial statements, particularly the presentation of the Balance Sheet.

As per our report of even date
For SARJBA & CO.,
 CHARTERED ACCOUNTANTS
 Firm Regn. No. 012106S
 Sd/-
(A. JAGANNATH BABU)
 PARTNER

For and on behalf the Board of Directors

Sd/-
R. M. THAKKAR
 CHAIRMAN & MANAGING DIRECTOR

Sd/-
URMI N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : MUMBAI
 DATE : 30th May, 2012

PLACE : MUMBAI
 DATE : 30th May, 2012



Gujarat Petrosynthese Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

(Rs. in lacs)

Sl.No.	Particulars	2011-2012	2010-2011
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	121.64	73.03
	<i>Adjustments for :</i>		
	Prior period	-	-
	Depreciation	36.47	34.10
	Income Tax and FBT	(43.14)	(22.00)
	(Profit)/Loss on sale of fixed Assets	-	-
	(Profit)/Loss on Redemption of Investments	-	-
	Buyback expenses	-	-
	Dividend Received	(2.52)	(3.29)
	Interest Received	(77.81)	(76.85)
	Interest Paid		0
	Operating profits before working capital changes	34.64	4.99
	<i>Adjustments for:</i>		
	Decrease/(Increase) in Inventories	(10.01)	(1.95)
	Decrease/(Increase) in Trade & other receivables	(2.21)	(38.74)
	Decrease/(Increase) in Loans & Advances	(55.43)	(67.33)
	Increase/(Decrease) in Payables	27.87	50.94
	Cash Generated From Operations	(5.14)	(52.09)
	Interest paid	-	-
	Net Cash inflow/(outflow) from operating activities	(5.14)	(52.09)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(26.15)	(24.06)
	Sale of Fixed Assets (net)	-	0.00
	(Purchase)/Sale of Investments	(36.68)	-30.23
	Profit/(Loss) on sale of investments	-	-
	Interest Received	77.81	76.85
	Decrease/(Increase) in loans to Bodies Corporates & Others		
	Net Cash inflow / (outflow) from Investing Activities	14.98	22.56
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	-	-
	Repayment of Borrowings	-	-
	Buyback of Equity Shares	-	-339.85
	Buyback Expenses	-	-
	Dividends Paid	-	-
	Dividends Received	2.52	3.29
	Net Cash Inflow/(outflow) in cash from Financing Activities	2.52	(336.56)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	12.36	(366.09)
	Cash and cash equivalents at beginning of year	80.67	446.76
	Cash and cash equivalents at end of year	93.03	80.67

This is the Cash Flow Statement referred to in our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,

CHARTERED ACCOUNTANTS

Firm Regn. No. 012106S

Sd/-

(A. JAGANNATH BABU)
PARTNER

Sd/-

R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

Sd/-

URMI N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012

Directors' Report

The Directors have pleasure in presenting before you the 9th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	for the year ended on 31/03/2012	for the year ended on 31/03/2011
Sales	3929.46	4404.26
Operating Profit	263.33	637.73
Less : Interest	227.30	157.00
Depreciation	25.72	18.96
Profit before Tax	10.31	461.77
Less : Provision for Tax	5.95	156.00
Add: Provision for Deferred Tax	1.58	(1.16)
Less : Fringe Benefit Tax	(8.22)	0.97
Profit After Tax	14.16	305.59
Add: Brought Forward Profit	637.09	331.50
Profit available for appropriation	651.25	637.09
Transfer to General Reserve	0.00	0.00
Balance Carried to balance sheet	651.25	637.09

Dividend

As per prudent financial measures, considering the need to conserve the financial resources and to make necessary investments for the growth of the business, your Directors do not recommend any dividend.

Performance and future outlook

The polybutene unit continues to face the issue of managing feedstock/raw material costs at a time when the oil industry faces many challenges. Not only is there increased volatility in oil product prices and a concern on the depreciation of the Indian rupee, but the immediate economic outlook going forward suggests the possibility of a synchronized global recession. In such a situation, there is limited room for manoeuvre. However the Company is continuing to focus on decreasing costs and exploring alternative feedstocks. Furthermore, there is a consistent effort to look at other options to add value.

GPPL would continue its endeavor to grow by managing uncertainties through prudent proactive planning and bring value to its stakeholders.

Deposits

Your company has not accepted any Deposits to which the provisions of section 58A of the Companies Act, 1956 are applicable.

Conservation of energy, technology absorption, foreign exchange earnings and outgo.

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo are as per attached Annexure I.

Personnel

As required by provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended the names and other particulars who are drawing remuneration of Rs. 60.00 lacs p.a. or more or Rs. 5.00 lacs p.m. or more are NIL.



Gujarat Polybutenes Private Limited

Directors

During the year under review Dr. Ramesh M. Thakkar was appointed as an additional director on 21st May, 2011 and Ms. Sharayu R. Thakkar has resigned and retired on 30th July, 2011, intimation of which has been filed with the MCA portal.

Director's Responsibility Statement

Pursuant to provisions under section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed that :

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) That the Board had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period.
- c) That the Board had 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.
- d) That the Board had prepared the annual accounts on a going concern basis.

Secretarial Audit

A Compliance Certificate issued by the Practising Company Secretaries, pursuant to provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, is attached to this Report.

Auditors

M/s Suresh Thakkar & Co., Chartered Accountants, Vadodara, the statutory Auditors of the Company, retires at the ensuing Annual General Meeting of the Company but are eligible for reappointment. The Directors recommend their re-appointment. As per Section 217(3) of the Companies Act, 1956 the comments of Auditors in the Auditors' Report are self explanatory and do not call for further explanation.

Acknowledgments

Your Directors acknowledges with gratitude the cooperation and assistance received from Bankers, vendors, buyers and employees in the performance of the Company.

For and on behalf of the Board
Gujarat Polybutenes Private Limited

Sd/-
R. M. THAKKAR
Director

Place : Mumbai
Date : 30th May, 2012

ANNEXURE - I TO THE DIRECTOR'S REPORT

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year 2011-2012

I. Conservation of Energy	: Use of standard quality equipments
II. Additional Investment and proposals if any being implemented for the reduction of energy	: Proposals are under consideration
III. Impact of measures (a) and (b) above for the reduction of energy consumption and consequent impact on cost of production of goods	: Reduction in usage of electricity



FORM A

A. POWER AND FUEL CONSUMPTION

		2011-12	2010-11
1) Electricity			
a) Purchased			
Unit	KWH	1,882,994	3,029,196
Total amount	Rs	11,902,660	17,293,760
Rate / Unit	Rs	6.32	5.71
b) Own Generator through Diesal Generator			
Units	KWH	9,528	22,220
Unit Per Ltr	KWH	0.74	1.73
Rate / Unit	Rs	17.93	15.68
Furnace Oil			
Quantity	MT	-	-
Total amount	Rs	-	-
Average Rate	Rs	-	-
Natrual Gas			
Quantity	scm	1,274,252	2,050,347
Total amount	Rs	38,924,197	41,651,616
Average Rate	Rs	30.55	20.31

B. CONSUMPTION PER UNIT PER PRODUCTION

Standards (If any)		2011-12	2010-11
Product/Unit : Polymer / MT			
Electricity	KWH	588,707	457.304
Furnace Oil	N.A	-	-
Natrual Gas	scm	396,382	307.277

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per FORM B Research and Development (R & D)

1.	Specific area in which R & D was carried out by the Company	To produce high grade of polymers
2.	Benefit derived as a result of R & D	Manufacture of new products and existing products at lower cost.
3.	Future plan of action	Manufacture variety of PIB
4.	Expenditure on R & D	Rs.
	a) Capital	-
	b) Recurring	274,041.00
	c) Total	<u>274,041.00</u>
	d) Total R & D Expenditure as a percentage of Total Turnover	0.07%



Gujarat Polybutenes Private Limited

Technology absorption, adoption and innovation.

1	Efforts in brief, made towards technology absorption and innovation.	Technology obtained from our collaborators has been fully absorbed. Improvements are being continuously made and have resulted in improved efficiency of operation.
2	Benefits derived as a result of above efforts	N.A.
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished. a) Technology Furnished b) Year of Import c) Has technology been fully absorbed d) If not fully absorbed, areas where this has consequent impact on cost of production of goods further plans of action.	N.A.

III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the Foreign Exchange outgo was Rs. Nil/- During the year Company has earned Foreign Exchange of Rs.29,95,156/- During the year.

For and on behalf the Board of Directors
GUJARAT POLYBUTENES PRIVATE LIMITED

Sd/-
Urmi. N. Prasad
Director

Sd/-
Ursula Thakkar
Director

PLACE : MUMBAI
DATE : 30th May, 2012



Compliance Certificate

[as per rule 3 of the Companies (Compliance Certificate) Rules, 2001]

Registration No. of the Company: 04 - 045675

Nominal Capital: Rs. 5,00,00,000/-

To,
The Members,
Gujarat Polybutenes Pvt. Ltd.,
Petrochemicals Complex Area,
P.O. Petrochemical, Baroda 391346

We have examined the registers, records, books and papers of Gujarat Polybutenes Pvt. Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year beginning from 1st April, 2011 and ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year;

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies at the time stated in the above annexure.
3. The Company being private limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was 6 and the Company during the year under scrutiny;
 - i) has not invited public to subscribe for its shares or debentures; and
 - ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 6 times on 21st May, 2011, 20th June, 2011, 1st Aug., 2011, 5th Nov., 2011, 4th Feb., 2012 and 22nd March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required (and not opted) to close its Register of Members.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 27th Sept., 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year
8. The Company has not advanced any loan to its directors and/ or persons or firms or companies referred to in the section 295 of the Act. This provision is applicable being subsidiary of public company.
9. The Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - i) There was no allotment/ transfer/ transmission of securities during the financial year.
 - ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - iii) The Company was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
 - iv) The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - v) The Company has complied with the requirements of section 217 of the Act.



Gujarat Polybutenes Private Limited

14. The Board of Directors of the Company is duly constituted. There was no appointment of alternate directors and directors to fill casual vacancies during the financial year. Dr. R. M. Thakkar has appointed as an additional director on 21st May, 2011 and Ms. Sharyu R. Thakkar has resigned and retired on 30th July, 2011. Intimation of which have been filed with MCA Portal.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company does not have any redeemable preference shares or debentures and hence the question of redemption does not arise at all.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/ accepted any deposits including unsecured loans falling within the purview of sections 58A during the financial year.
24. The amount borrowed by the Company from holding Company during the financial year ending 31st March, 2012 is within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act, have been passed in duly convened Annual General Meeting. The provision is applicable being subsidiary of public company.
25. The company has not made any loans or investments, in other body corporate (not given guarantees or provided securities to other bodies corporate) within the meaning of 372A of the Act and consequently no entries required to be made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under review.
31. As per the information given by the management, no prosecution has been initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
32. The Company has not received any security deposits from its employees during the financial year.
33. The Company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of section 418 of the Act.

for J. J. Gandhi & Co.
Company Secretaries

Place : Vadodara
Date : 30th May, 2012

Sd/-
(J. J. Gandhi)
Proprietor

ANNEXURE 'A'

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Directors shareholding u/s 307
5. Register of contracts, companies and firms in which directors are interested u/s 301(3)
6. Register of charges u/s 143
7. Minutes of Meeting of Board of Directors u/s 193
8. Minutes of Meeting of General Meeting u/s 193
9. Register of Investments

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012.

Sr. No	Form No.	Filed under Section	For	SRN No.	Up loaded with MCA21
1.	Form 23AC	220	Balance sheet and its attachment	P83724492	26/12/2011
2.	Form 66	383A	Compliance Certificate	P75248211	24/10/2011
3.	Form 20B	159	Annual Return	P78874633	11/11/2011
4.	Form 32	303	For Appointment of Dr. R. M. Thakkar	B13529243	04/06/2011
5.	Form 32	303	For Resignation of Ms. Sharyu R. Thakkar	B18668293	22/08/2011



AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **GUJARAT POLYBUTENES PRIVATE LIMITED** as at 31st March, 2012 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered necessary and information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above ; we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, the proper books of account as required by the law have been kept by the Company so far appears from our examination of the books
 - c) The Balance Sheet and the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors, as on 31.03.2012, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - f) In our opinion and to the best of our information and according to explanations given to us, the said accounts subject to and read with significant accounting policies and other 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 at 31st March, 2012;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Suresh Thakkar & Co.
Chartered Accountants
Firm Regn. No. 110702W
Sd/-
(SURESH THAKKAR)
PROPRIETOR
M. No. 11650

PLACE : VADODARA
DATE : 30th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

Re : Gujarat Polybutenes Private Limited

1. In respect of its fixed assets :

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the management has physically verified assets during the year, in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable



Gujarat Polybutenes Private Limited

intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off substantial assets during the year and as such the "going concern status" of the Company is not affected.

2. In respect of its inventories :

- (a) As explained to us, inventories were physically verified during the year by the management at regular intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. In respect of Loans granted :

The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c) and (iii,d) of paragraph 3 of the order are not applicable.

4. In respect of loans taken

The company has taken unsecured loan from holding company viz. : Gujarat Petrosynthese Ltd., and its subsidiary GPL Finance & Investments Ltd and from a company and also from directors which are covered in the register maintained u/s 301 of the Companies Act, 1956.

Name of the Company / Party	Amount outstanding at the end of the year ₹ in thousands
Gujarat Petrosynthese Limited (Holding Co)	₹ 48300/-
GPL Finance & Investments Ltd (Subsidiary of holding co)	₹ 4500/-
Multichem Private Ltd (other co)	₹ 21430/-
S R Thakkar, (Prop. of Industrial And Allied Chemicals) (Relatives of Directors)	₹ 14425/-
Urmi N Prasad (Director)	₹ 2300/-
R M Thakkar (Director)	₹ 10000/-
Charita Thakkar (Director)	₹ 3300/-

The loans are unsecured and terms (not stipulated) are not prejudicial to the interest of the company. No terms are stipulated for interest and repayments of loans. (Interest paid at the end of the month on product basis).

5. Internal Control :

In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sales of goods.

6. Specified Transactions U/s.301:

According to the information and explanations given to us and to the best of our knowledge, the contracts and arrangement that need to be entered into the register maintained under the section 301 of the Act, have been entered in the said register. In our opinion and according to the information and explanations given to us, the transactions as made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

7. Deposits from public :

In our opinion and according to the information and explanations given to us, the Company has not taken any deposit from public; hence provisions of Section 58 and 58AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public do not apply.

8. Internal Audit System :

In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.



Gujarat Polybutenes Private Limited

9. Maintenance of Cost Records :

According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.

10. Statutory Dues :

According to the information and explanations given to us in respect of statutory and other dues:

- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Vat-tax, Central Sales Tax, Custom duty, Excise Duty, Cess and any other statutory dues with appropriate authorities during the year.
- (b) No disputed dues are pending at the end of the year.

11. Accumulated Losses & Cash Losses :

The Company neither has accumulated losses at the end of the year, nor incurred cash losses during the current year and in the immediately preceding financial year.

12. Payments to the financial Institutions, Bank etc. :

Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to banks.

13. Loans against Shares :

According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of share, debentures and other securities.

14. Chit Fund or a Nidhi/Mutual benefit fund/Society :

The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of paragraph 4 of the order are not applicable.

15. Trading in Securities etc :

The company is not trading in securities and other investments as its business activity.

16. Guarantees for loan to third parties :

In our opinion and according to the information and explanations given to us, no guarantees are given by the Company for loans taken by others from banks and financial institutions.

17. Application of Term Loans :

To the best of our knowledge and belief and according to the information and explanations given to us, there are no outstanding term loans. The Company has not raised any term loan during the year.

18. Application of Short Term Loans :

According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment (fixed assets, etc.) and vice versa.

19. Preferential Allotments :

The Company has not made preferential allotment during the year.

20. Issue of Secured Debentures :

According to the information and explanations given to us, the Company had not issued any secured debentures during the year.

21. Money from Public :

The Company has not raised any money by public issue during the year.

22. Fraud :

To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For Suresh Thakkar & Co.
Chartered Accountants
Firm Regn. No. 110702W
Sd/-

(SURESH THAKKAR)
PROPRIETOR
M. No. 11650

PLACE : VADODARA
DATE : 30th May, 2012

**BALANCE SHEET AS AT 31ST MARCH 2011**

(₹ in thousands)

	Notes	As at 31.03.2012	As at 31.03.2011
<u>EQUITY AND LIABILITIES :</u>			
SHAREHOLDERS' FUNDS :			
Share Capital	"1"	22,400	22,400
Reserves and Surplus	"2"	65,125	63,709
NON-CURRENT LIABILITIES :			
Long-term Borrowings	"3"	104,255	144,225
CURRENT LIABILITIES :			
Short-term Borrowings	"4"	34,266	7,533
Trade Payable	"5"	33,923	39,309
Short-term Provisions	"6"	8,289	24,794
TOTAL		268,258	301,970
<u>ASSETS :</u>			
NON-CURRENT ASSETS :			
Fixed Assets	"7"	35,290	27,824
Trade Deposits and Investments	"8"	108,682	60,987
Deferred Tax Assets (Net)		535	377
Preliminary Expenses		590	303
CURRENT ASSETS :			
Inventories	"9"	46,053	96,173
Trade Receivable	"10"	16,945	34,095
Cash and Cash Equivalents	"11"	31,590	3,027
Short-term Loans and Advances	"12"	28,573	79,184
TOTAL		268,258	301,970

Significant Accounting Policies and Notes to Financial Statements- Note "13"

As per our report of even date attached
for **SURESH THAKKAR & CO.**Chartered Accountants
Firm Regn. No. 110702WSd/-
SURESH THAKKAR
(PROPRIETOR)
MEM. No. 11650

For and on behalf of the Board of Director

Sd/-
Urmi. N. Prasad
(DIRECTOR)Sd/-
Ursula Thakkar
(DIRECTOR)Place : Vadodara
Date : 28th May, 2012Place : Mumbai
Date : 28th May, 2012Place : Mumbai
Date : 28th May, 2012



Gujarat Polybutenes Private Limited

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012 (₹ in thousands)

	Notes	31.03.2012	31.03.2011
REVENUE FROM OPERATIONS :			
Sales	"14"	392,946	440,426
Other Income	"15"	5,446	3,725
		<u>398,392</u>	<u>444,151</u>
EXPENDITURE :			
Cost of Raw Materials Consumed	"16"	190,362	322,172
Cost of Packing Materials Consumed	"17"	2,565	2,202
Changes in Inventories of Finished Goods and WIP	"18"	61,499	(69,088)
Cost of Manufacturing	"19"	60,474	70,406
Administrative & Other Expenses	"20"	28,992	29,711
Staff Costs	"21"	27,988	24,807
Cost of Selling and Distribution	"22"	179	168
Cost of Finance	"23"	22,730	15,701
		<u>394,789</u>	<u>396,079</u>
Profit Before Depreciation and Tax		<u>3,603</u>	<u>48,072</u>
Less: Depreciation and Amortization Expenses		2,572	1,896
Profit Before Exceptional & Extra Ordinary Items		<u>1,031</u>	<u>46,176</u>
Less : Exceptional and Extraordinary Items		-	-
Less: Prior Period Expenses		-	-
Profit Before Tax		1,031	46,176
Less : Provision for Income Tax		595	15,600
Add/Less : Deferred Tax Assets		158	(116)
Add: Excess Provision		822	98
Profit \ Loss After Tax		1,416	<u>30,558</u>
Balance brought forward from Previous Year		63,709	33,151
Balance carried to the Balance Sheet		65,125	<u>63,709</u>

Significant Accounting Policies and Notes to Financial Statements- Note "13"

As per our report of even date attached for **SURESH THAKKAR & CO.**

Chartered Accountants
Firm Regn. No. 110702W

Sd/-
SURESH THAKKAR
(PROPRIETOR)
MEM. No. 11650

For and on behalf of the Board of Director

Sd/-
Urmi. N. Prasad
(DIRECTOR)

Sd/-
Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : 28th May, 2012

Place : Mumbai
Date : 28th May, 2012

Place : Mumbai
Date : 28th May, 2012



Gujarat Polybutenes Private Limited

NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2012

(₹ in thousands)

	31.03.2012	31.03.2011
Note - '1' : SHARE CAPITAL		
Authorised		
5000000 Equity Shares of Rs.10/- each	50,000	50,000
Issued,Subscribed & Paid up		
2240000 Equity Shares of Rs.10/-each fully paid (Out of above 2230000 shares are issued to Gujarat Petrosytheses Limited a holding company without payment received in cash)	22,400	22,400
TOTAL	22,400	22,400
NOTE - '2' : RESERVES AND SURPLUS		
Profit and Loss Account	65,125	63,709
TOTAL	65,125	63,709
NOTE '3': LONG TERM BORROWINGS :		
(UNSECURED LOANS)		
Fixed Deposit from GPL (Holding Company-HO)	41,000	41,000
Fixed Deposit from GPL (Holding Company-Bgl)	7,300	11,500
Fixed Deposits from Directors and Shareholders From Other Companies:	30,025	51,125
GPL Finance and Investments Ltd.	4,500	3,100
Multichem Pvt. Ltd	21,430	37,500
TOTAL	104,255	144,225
Note '4': SHORT TERM BORROWINGS :		
(SECURED LOANS)		
Cash Credit Limit :		
From Axis Bank :		
Secured against the hypothecation of stocks and other Current Assets	34,266	7,533
TOTAL	34,266	7,533
NOTE '5': CURRENT LIABILITIES & PROVISIONS		
TRADE PAYABLE		
Sundry Creditors for Expences	4,604	6,379
Sundry Creditors for Goods	413	4,807
Outstanding Liabilities	23,416	25,553
From Holding Company	5,490	2,570
TOTAL	33,923	39,309
NOTE '6': SHORT TERM PROVISIONS		
Provision for Frindge Benefit Tax	451	451
Provision for Income Tax	7,838	24,343
TOTAL	8,289	24,794

NOTE -7 : FIXED ASSETS (₹ in thousands)

ASSETS	RATE	GROSS BLOCK						DEPRECIATION			NET BLOCK	
		As On 01.04.2011	Additions for the year		Subs Recd. Sales	As On 31.03.2012	As On 01.04.2011	For the Year	As On 31.03.2012	As On 31.03.2012	As On 31.03.2011	
			Apr-Sept	Oct-Mar								
Land	0%	15,018	9,415	0	0	24433	0	0	0	24433	15,018	
Building	10%	7,697	0	0	0	7697	3,602	409	4011	3686	4,095	
Furniture & Fixtures	10%	1,082	8	0	0	1090	745	63	808	282	337	
Plant & Machinery	15%	4,807	514	0	0	5321	3,016	503	3519	1802	1,791	
Lab Equipments	15%	2,865	0	0	0	2865	2,413	126	2539	326	452	
Office Equipments	15%	3,464	100	0	0	3564	1,973	212	2185	1379	1,491	
Vehicles	15%	5,245	0	0	0	5245	1,013	1,096	2109	3136	4,232	
Computers	60%	969	0	0	0	969	560	163	723	246	408	
TOTAL		41147	10037	0	0	51184	13322	2572	15894	35290	27824	
Previous Year :		23,757	17,389	0	0	41,146	11,427	1,896	13,322	27,824	12,330	



Gujarat Polybutenes Private Limited

NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2012

(₹ in thousands)

	31.03.2012	31.03.2011
NOTE '8': TRADE DEPOSIT AND INVESTMENTS		
Trade Deposits (Long Term)	1,068	1,091
Fixed Deposits with Banks	107,614	59,896
TOTAL	108,682	60,987
NOTES - '9' : INVENTORIES		
CURRENT ASSETS :		
INVENTORIES :		
(As taken, valued, & certified by Director)		
Raw materials (Including Stock in Transit)	24,338	12463
Packing Materials	9	422
Semi Finished Goods	2,674	2440
Finished Goods	17,933	79665
Furness Oil and Diesel	1,099	1183
TOTAL	46,053	96,173
NOTE '10' :SUNDRY DEBTORS		
(Unsecured, considered good)		
More than six months	0	0
Others	16,945	34,095
TOTAL	16,945	34,095
NOTE '11' :CASH & BANK BALANCES		
Cash-in-hand	50	78
Balance with Banks :	31,540	2,949
TOTAL	31,590	3,027
NOTE '12': LOANS AND ADVANCES		
Advance Income Tax and FBT	13,941	26,825
Advance to Suppliers	1,442	38,221
VAT Input Credit Receivable	9,357	10,856
Service Tax Credit Receivable	338	211
Prepaid Expences	1,277	359
Balance with Excise Authorities	2,218	2,712
TOTAL	28,573	79,184



Gujarat Polybutenes Private Limited

NOTES TO PROFIT & LOSS ACCOUNT AS ON 31st MARCH, 2012

(₹ in thousands)

	31.03.2012	31.03.2011
NOTES - '14' : SALES		
Domestic Sales	430,752	481,174
Less: Excise Duty	40,801	45,702
Net Sales	389,951	435,472
Export Sales	2,995	4,954
TOTAL	392,946	440,426
NOTES - '15': OTHER INCOME		
Excess Recovery of Freight Charges	356	0
Interest Income	4,863	3,054
Miscellaneous Income	179	508
Exchange Rate Flactuation (Profit)	13	32
Insurance Claim	35	131
TOTAL	5,446	3,725
NOTES - '16': COST OF RAW MATERIAL CONSUMED		
Opening Stock	12,463	11,538
Add : Purchases	202,237	323,097
	214,700	334,635
Less : Closing Stock	15,770	12,463
Less : Stock in Transit	8,568	0
TOTAL	190,362	322,172
NOTES - '17' : COST OF PACKING MATERIAL CONSUMED		
Opening Stock	422	108
Add : Purchases	2,152	2,516
	2,574	2,624
Less : Closing Stock	9	422
TOTAL	2,565	2,202
NOTES - '18': CHANGES IN INVENTORIES OF FINISHED GOODS AND WIP		
OPENING STOCK		
Finished Goods	79,666	10,843
Semi Finished Goods	2,440	2,175
	82,106	13,018
Less : CLOSING STOCK		
Finished Goods	17,933	79,666
Semi Finished Goods	2,674	2,440
	20,607	82,106
TOTAL	61,499	(69,088)
NOTES - '19': COST OF MANUFACTURING		
Power & Fuel Charges	50,911	59,401
Inward Freight & Cartages	1,480	116
Machinery Repirs and Maintenance	1,646	2,826
Stores and Spares	674	2,438
Processing Material	169	287
Water charges	1,181	1,623
Retainers Fees	4,139	3,304
R & D Expenses	274	411
TOTAL	60,474	70,406



Gujarat Polybutenes Private Limited

NOTES TO PROFIT & LOSS ACCOUNT AS ON 31st MARCH, 2012

(₹ in thousands)

	31.03.2012	31.03.2011
NOTES - '20': ADMINISTRATIVE AND OTHER EXPENSES		
Office Expenses	444	503
Printing & Stationery	92	258
Computer Expenses	178	226
Postage & Courier	24	81
Telephone Expenses	522	444
Conveyance Expenses	476	407
Travelling Expenses	1,458	1,001
Vehicle Expenses	1,714	1,398
Insurance Expenses	615	623
Security Expenses	1,145	971
Repairs and Maintenance Building	46	283
Repairs and Maintenance others	170	121
Management Services Fees	18,000	18,000
Rates and Taxes	482	185
Donations	211	1,005
Guest House	223	282
Miscellaneous Expenses	1,195	1,848
Legal Expenses	1,755	1,859
Pollution Control Expenses	217	191
Auditor's Remuneration :		
For Statutory Audit	25	25
TOTAL	28,992	29,711
NOTES - '21': STAFF COSTS		
Directors' Remuneration	1,906	1,951
Salary to Staff	21,520	16,949
Bonus Expenses	1,012	1,073
Provident Fund	1,185	1,102
Gratuity	118	563
Staff Welfare Expenses	2,247	3,169
TOTAL	27,988	24,807
NOTES - '22': COST OF SELLING AND DISTRIBUTION		
Sales Promotion Expenses	179	168
TOTAL	179	168
NOTES - '23': COST OF FINANCE		
Bank Charges & Commission	1,036	414
Bank Interest	704	388
Interest on Unsecured Loans-FD	20,974	14,868
Interest on Others	16	31
TOTAL	22,730	15,701

NOTE '13'- SIGNIFICANT ACCOUNTING POLICIES

- i) a) Financial statements are based on historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. These historical costs are not adjusted to reflect the impact of changing the value in the purchasing power of money.
- b) The Company generally follows the Mercantile System of accounting and recognizes significant items of the income and expenditure on accrual basis except insurance claims and refunds from Government authorities.
- ii) **Fixed Assets:** Fixed Assets are at the cost of acquisition including incidental expenses related to acquisition and installation.
- iii) **Depreciation:**
 - a) The company follows the Straight Line Method of Depreciation, as per the rates prescribed in the Schedule XIV of the Companies Act, 1956.
 - b) Leasehold land is not amortized over the period of lease.
- iv) **Valuation of Inventories:**
 - i) Raw materials and consumables - Valued at lower of cost or realizable value.
 - ii) Processed stock - Valued at estimated cost.
 - iii) Manufactured Finished Goods - Valued at lower of absorption cost or Market value.
 - iv) Obsolete, defective and unserviceable stocks are duly provided for.
- v) **Retirement benefits:**
 - a) The liability of gratuity to the employees is covered under the Group Scheme with the Life Insurance Corporation of India. The annual premium is debited to Profit and Loss Account.
 - b) The liability of leave encashment of employees of covered with LIC. The premium paid is debited to Profit & Loss Account.
- vi) **Taxes on Income :**
 - a) Current Tax: Provision for Income Tax is determined in accordance with the Provisions of Income Tax Act, 1961.
 - b) Deferred Tax Provision: Deferred Tax is recognized on timing difference being difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent period(s).
- vii) **Insurance:** Insurance claims are accounted on cash basis.
- viii) **Stores, spares & Consumable:**
 - i) Stores and spares are charged to revenue in the year of purchase.
 - ii) Consumables are charged to revenue on actual consumption basis.
- ix) **Research and Development:** Research and Development costs (other than cost of fixed assets acquired) are charged as expenses in the year in which they are incurred.
- x) **Cenvat Benefit :** Cenvat benefit is accounted on duty paid materials goods are received in factory premises or when credit is given in excise records by debit to excise duty deposit account. The amount of Cenvat Benefit availed is treated as Deposit of Excise Duty and appropriated against excise duty payment.
- xi) **Lease:**

Assets acquired under finance lease are recognized at the fair value of the leased assets at inception. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge as and when incurred to be debited to Profit and Loss Account.
- xii) **Miscellaneous Expenditure:** Preliminary expenses are written off over a period of five years and are charged on a pro-rata basis for the period of operation.
- xiii) **Investments:** Investments are valued at cost.



Gujarat Polybutenes Private Limited

24. Contingent Liabilities:

Contingent liability for letter of credit is of Rs. 0.22 crores.

25. Security Offered to Bank

Cash Credit from the bank is secured by the hypothecation of stocks of raw materials, stock in process, finished goods, stores and spares and books debts of the Company. The charge is further secured by FDR of Rs. 1.5 (1.5) crores.

26. Loans of Officers

Loans and Advances includes due from officers of the Company Rs. NIL.

27. Outstanding of M S M Enterprises

Based on the information received by the company, the company has not received any intimation from suppliers regarding for their status under Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

28. Turnover

	Year 2011-2012		Year 2010- 2011	
	Qty. (MT)	₹ in thousands	Qty. (MT)	₹ in thousands
Sales (Excl. Excise duty)	4267	3,75,620	5585	420,291
Sales Other	-	17,326	-	20,136

29. Consumption of Raw Material

Raw Materials Incl. LPG	-	1,90,362	-	322,172
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30. Value of Imported and Indigenous Raw Materials consumed during year

Imported	-	NIL	-	NIL
Indigenous	100	190362	100	322,172

31. Opening and Closing Stock of Goods

Polybutene	203.250	17,842	1255.099	79,101
Others	7.302	91	35.127	564

32. C I F Value of Imports

Raw Material	NIL
Capital Goods	NIL

33. Expenditure in Foreign Currency.

Traveling	₹ Nil	(₹ Nil)
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34. Earnings in Foreign Currency.

	₹ 2995/-	(₹ 4986/-)
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35. Amount remitted in Foreign Currency

	NIL
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36. Segment Reporting

The company is engaged in the business of manufacturing and selling Polybutenes and it's by products, which constitutes a single business segment and accordingly, disclosures are not being made as required Under Section AS-17 issued by the ICAI.

37. Deferred Tax Assets	As at	As at
	31 st March 2012	31 st March 2011
	₹ in thousands	₹ in thousands
Tax impact of differences between book depreciation in the Financial Statements and depreciation as per Income Tax	535	377



Gujarat Polybutenes Private Limited

	As at 31 st March 2012	As at 31 st March 2011
38. Earning Per Shares		
a) Net Profit available for equity shareholders (Numerator used for calculation)	₹14.16 lacs	₹ 305.58 lacs
b) Weighted Average No. of Equity Shares used as denominator for calculating EPS	2,240	2,240
c) Basic and Diluted Earnings per share (Rs.) (Equity shares of face value of Rs. 10 each)	₹ 0.63	₹ 13.64

10. Transactions with Related Parties.

In accordance with the Accounting Standard (AS-18) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below.

A. Relationship

I) Enterprises having significant control over the Company
Gujarat Petrosynthese Ltd.

II) Key Management Personnel

Name	Designation
S R Thakkar	Relative of Directors
Urmi Prasad	Director
Ursula Thakkar	Director
R M Thakkar	Director
Charita Thakkar	Director

B. Following transactions were carried out with related parties in the ordinary course of business.

(₹ in thousands)

Related Party Transactions	Enterprises having Significant control over the Company	Key Management Personnel	Total
(a) Transfer of Exp. From Holding Company	32562 (37174)	- -	32562 (31714)
(b) Loans (Net)	46490 (43571)	14425 (7725)	60915 (51296)
(c) Payment to S. R. Thakkar Executive Chairman	- -	1906 (1951)	1906 (1951)

- 40 (i) No adjustments of provision of Income Tax with advance I T & TDS paid for F Y 2005-06 is made even though I T Assessment order for Asst. Year 2006-07 is received by the company on account of non receipt of refund & pending application for rectification.
- (ii) No Assessment orders or intimations u/s 143 (1) are received for A Y 2007-08, hence no adjustments for provision of I Tax and advance tax of I Tax is made.
- (iii) No orders of F B T are received for A Y 2006-07 to 2008-09 hence no adjustments for provision of F B T and advance F B T is made.
- 41 The company has entered into an agreement with GIDC, Ankleshwar, for purchase of Plot No. CH/22, at Dahej – I, Industrial Estate valuing Rs. 3.10 crores, out of which sum of Rs. 0.94 crores is paid. Balance amount is to be paid in seven installments as specified by GIDC office Ankleshwar.



Gujarat Polybutenes Private Limited

- 42 (A) Balances of certain debtors, creditors, & loans & advances are subject to confirmations, reconciliation and adjustments, if any, having consequential impact on profits of the year, assets & liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect material difference affecting the current year's financial statements.
- (B) In the opinion of the Board, the current assets & loans & advances have a value on relation in ordinary course of business at least equal to the amounts at which they are stated. The provision for the depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 43 Previous year's figures have been re-grouped and re-arranged wherever necessary.
- 44 Figures have been rounded off to the nearest rupee.
- 45 Figures in bracket relate to the previous year and in case of non-existence of previous year's figures, the same are not given.

Signatures to Notes "1" to "45"

As per our report of even date attached
for **SURESH THAKKAR & CO.**
Chartered Accountants
Firm Regn. No. 110702W
Sd/-
SURESH THAKKAR
(PROPRIETOR)
MEM. No. 11650

For and on behalf of the Board of Director

Sd/-
Urmi. N. Prasad
(DIRECTOR)

Sd/-
Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : 28th May, 2012

Place : Mumbai
Date : 28th May, 2012

Place : Mumbai
Date : 28th May, 2012



Gujarat Polybutenes Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(₹ in Lacs)

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax :	10.32	461.77
Adjustments for :		
Depreciation	25.72	18.96
Dividend	-	-
Gain from Sale of Mutual Funds	-	-
Interest Income	(48.62)	(30.54)
Interest Paid	227.30	157.01
F B T Paid	-	-
Provision for Income Tax	(152.47)	(30.94)
Preliminary Expenses W/Off	-	-
Foreign Exchange Loss (Net)	-	-
Prior Period Exp	51.93	114.49
Operating Profit before Working Capital changes	62.25	576.26
Adjustments for :		
(Increase) / Decrease in Current Assets		
Trade & Other Receivable	161.17	222.64
Inventories	501.20	(704.42)
Loans & Advances / Others	506.10	(413.98)
	1,168.47	(895.76)
Increase / (Decrease) in Current Liabilities		
Trade Payables	(53.86)	69.85
Cash Generated from Operations	1,176.86	(249.65)
Interest Paid	(227.30)	(157.01)
Net Cash from Operating Activities	(A) 949.56	(406.66)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(100.37)	(173.89)
Decrease in Investment	0.23	-
Gain from Mutual fund investments	-	-
Dividend Received	-	-
Misc. Expenditure towards land at Dahej	(2.87)	(3.03)
Interest Received on Fixed Deposits	48.62	30.54
Net Cash generated/		
(used) in Investing Activities	(B) (54.39)	(146.38)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts		
Share Issued	-	-
Decrease in Long Term Borrowings	(399.70)	(124.35)
Increase in Short Term Borrowings	267.33	897.40
Net Cash from Financing Activities	(132.37)	773.05
NET (DECREASE)/INCREASE IN CASH &		
CASH EQUIVALENTS (A + B + C)	762.80	220.01
Cash and Cash Equivalents Opening Balance	629.23	409.22
Cash and Cash Equivalents Closing Balance	1,392.04	629.23

As per our report of even date attached
for **SURESH THAKKAR & CO.**

Chartered Accountants
Firm Regn. No. 110702W
Sd/-

SURESH THAKKAR
(PROPRIETOR)
MEM. No. 11650

Place : Vadodara
Date : 28th May, 2012

For and on behalf of the Board of Director

Sd/-
Urmi. N. Prasad
(DIRECTOR)

Place : Mumbai
Date : 28th May, 2012

Sd/-
Ursula Thakkar
(DIRECTOR)

Place : Mumbai
Date : 28th May, 2012



DIRECTORS' REPORT

The Directors have pleasure in placing before you the 18th Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March 2012.

OPERATIONS DURING THE YEAR

During the year the Company earned an income of ₹ in thousands ₹ 727/- , and reported a net Profit of ₹ in thousands ₹ 494/- during the year.

DIVIDEND

Your Directors do not recommend any dividend.

DIRECTORS

Ms. Urmi N. Prasad, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. The Board recommends her reappointment. During the year under review Ms. Ursula. R. Thakkar has been appointed as an additional directors of the Company on 5th Nov., 2011. Intimation of which has been filed with MCA Portal.

OTHER INFORMATION

Information under section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, Part A and B relating to conservation of energy and technology absorption are not applicable to the Company.

PERSONNEL

During the year under review none of the employees was in receipt of remuneration in excess of the ceiling prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby states as under:

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) That the Board had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period.
- c) That the Board had 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.
- d) That the Board had prepared the annual accounts on a going concern basis.

DEPOSITS

The Company has not accepted any deposit during the year.

SECRETARIAL AUDIT

A Compliance Certificate issued by Practicing Company Secretaries, pursuant to section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 is attached to this report.

AUDITORS

M/s. Ford, Rhodes, Parks & Co. retires at the Annual General Meeting and being eligible offer themselves for reappointment. The Board recommends the reappointment. Members are requested to reappoint the Auditors for the current financial year and authorize the Board to fix their remuneration. As per Section 217(3) of the Companies Act, 1956 the notes/ comments of Auditors referred to in the Auditors' Report are self explanatory and give complete information.

Acknowledgments

Your Directors acknowledges with gratitude the co-operation and assistance received from the Bankers, staff and all those associated with the Company during the year under review.

By Order of the Board
GPL Finance and Investments Limited

Sd/-
R. M. THAKKAR
DIRECTOR

Sd/-
Urmi. N. Prasad
DIRECTOR

Place : Mumbai
Date : 30th May, 2012



Compliance Certificate

[as per rule 3 of the Companies (Compliance Certificate) Rules, 2001]

Registration No. of the Company : 11 -76332

Nominal Capital : Rs. 1,00,00,000/-

To,
The Members,
GPL Finance and Investments Ltd.,
Plot No. 1, Compartment No. 2,
Marol Co-operative Industrial Estate, M.V. Road,
J.B. Nagar Post, Andheri (E), Mumbai - 400 004.

We have examined the registers, records, books and papers of GPL Finance and Investments Ltd. (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year beginning from 1st April, 2011 and ending on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, at the time stated in the said annexure.
3. The Company, being a public limited Company, the restrictive clauses as provided in section 3(1)(iii) of the Act is not applicable. Hence, comments are not required.
4. The Board of Directors duly met 5 times on 24th April, 2011, 9th June, 2011, 1st Aug., 2011, 5th Nov., 2011, and 4th Feb., 2012 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required (and not opted) to close its Register of Members, during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 28th Sept., 2011 after giving notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/ or persons or firms or companies referred in the section 295 of the Act.
9. The Company has complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. i) There was no allotment/ transfer/ transmission of securities during the financial year;
ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year;
iii) The Company was not required to post warrants to any members of the Company as no dividend was declared during the financial year.
iv) The Company was not required to transfer the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.



GPL Finance and Investments Limited

- v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of alternate directors and directors to fill casual vacancies during the financial year. Ms. Ursula R. Thakkar has been appointed as additional director on 5th Nov., 2011. Intimation of which has been uploaded with MCA Portal.
 15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
 16. The Company has not appointed any sole-selling agent during the financial year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities prescribed under the various provisions of the Act, during the financial year.
 18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company does not have any redeemable preference shares or debentures and hence the question of redemption does not arise at all.
 22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/ accepted any deposits including unsecured loans falling within the purview of sections 58A during the financial year.
 24. The amount borrowed by the Company during the financial year ending 31st March, 2012 is within the borrowing limits of the Company.
 25. Being finance company, as per provisions of section 372A(8) of the Act, the provisions of section 372A of the Act, relating to inter corporate loans and investments are not applicable.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its Articles of Association during the year under scrutiny.
 31. As per the information given by the management, no prosecution has been initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
 32. The Company has not received any security deposits from its employees during the financial year.
 33. The Company has not constituted for its employees, Provident Fund scheme of its own, as per the meaning of section 418 of the Act.

for J. J. Gandhi & Co.
Company Secretaries

Place : Vadodara
Date : 30th May, 2012

Sd/-
(J. J. Gandhi)
Proprietor



ANNEXURE 'A'

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Transfers
3. Register of Directors, Managing Director, Manager and Secretary u/s 303
4. Register of Directors shareholding u/s 307
5. Register of contracts, companies and firms in which directors are interested u/s 301(3)
6. Register of charges u/s 143
7. Minutes of Meeting of Board of Directors u/s 193
8. Minutes of Meeting of General Meeting u/s 193

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2010.

Sr. No	Form No.	Filed under Section	For	SRN No.	Up loaded with MCA21
1	Form 23AC	220	Balance sheet and its attachment	P83723809	26/12/2011
2	Form 66	383A	Compliance Certificate	P78035466	02/11/2011
3	Form 20B	159	Annual Return	P78874161	11/11/2011
4	Form 32	303	For appointment of Ms. Ursula R. Thakkar	B27106202	13/12/2011

**AUDITORS' REPORT TO THE MEMBERS OF
GPL FINANCE & INVESTMENTS LIMITED**

1. We have audited the attached Balance Sheet of GPL Finance & Investments Limited as at 31st March, 2012, together with the Profit and Loss Account 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 for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 the books;
 - c) The Balance Sheet and the Statement of Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956;



- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read 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 at 31st March, 2012;
 - and
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Astha Kariya
Partner
Membership No. 122491

Place : Mumbai
Date : 30th May, 2012

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF
GPL FINANCE AND INVESTMENTS LIMITED**

(Referred to in paragraph 3 of the report of even date)

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 (the Act), and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of the audit, we further report that: -

1. The Company has only three flats in its fixed assets for which proper records are maintained and the same have been physically verified by the management.
2. The Company does not have any inventory.
3. The Company has neither granted nor taken any loans secured or unsecured to and from companies firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of shares and fixed assets and for the sale of shares. The company does not have any sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have not been so entered in the said register since there are no such transactions.
6. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A and 58AA of the Act or any other relevant provisions of the Act.
7. The Company did not have any internal audit system in operation during the year. However, in our opinion, the Company has adequate internal control systems in place commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us by the management and on the basis of examination of the books of accounts carried out by us, the Company does not have any employee on its payroll. Hence the question of depositing Provident



Fund and Employees' State Insurance dues does not arise. The Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Cess and other statutory dues, wherever applicable, with the appropriate authorities. There were no undisputed arrears of statutory dues in respect of Income tax, Sales tax, Wealth tax, Service Tax, Excise duty and Cess outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess not deposited as at 31st March, 2012.
10. There are no accumulated losses of the Company as at 31st March, 2012.
 11. The Company has not taken any loan from financial institution or bank nor has it issued any debentures.
 12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
 14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other securities during the year and timely entries have been generally made therein. All shares, securities, debentures and other securities have been held by the Company in other securities its own name or are in the process of transfer in its name.
 15. According to the information given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
 16. On the basis of our examination and according to the information given to us the Company has not taken any term loans.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money by public issue during the year.
 21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of fraud on or by the Company during the year.

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

Place : Mumbai
Date : 30th May, 2012

Astha Kariya
Partner
Membership No. 122491



GPL Finance and Investments Limited

BALANCE SHEET AS AT 31st MARCH 2012			
	Notes	As at 31.03.2012	(₹ in thousands) As at 31.03.2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	10,000	10,000
(b) Reserves and Surplus	2	3,455	2,962
Non-current Liabilities			
(a) Deferred tax liability (net)	3	24	12
Current Liabilities			
(a) Other Current Liabilities	4	763	282
Total		14,242	13,256
II. ASSETS			
Non-current Assets			
(a) Fixed Assets	5		
(i) Tangible Assets		2,206	2,244
(ii) Intangible Assets		-	-
		2,206	2,244
(b) Non-current Investments	6	6,595	6,595
Current Assets			
(a) Cash and Cash Equivalents	7	739	1,082
(b) Short-term Loans and Advances	8	4,650	3,299
(c) Other Current Assets	9	52	36
Total		14,242	13,256
Significant Accounting Policies	13		
Notes to the Financial Statements	1 to 18		
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants Firm's Regn.No. 102860 W			
Sd/- ASTHA KARIYA (PARTNER) Membership No.122491	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)	
Place : Mumbai Date : 30th May, 2012	Place : Mumbai Date : 30th May, 2012	Place : Mumbai Date : 30th May, 2012	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011			
	Notes	31.03.2012	(₹ in thousands) 31.03.2011
Revenue from Operations	10	559	465
Other Income	11	167	237
Total Revenue		727	702
Expenses :			
Depreciation and Amortisation			
Expense	5	38	38
Other Expenses	12	70	52
Total Expenses		108	90
Profit before tax		619	612
Tax Expenses :			
Current Tax			
Deferred Tax		122	120
Prior Year Tax Adjustment		11	12
		(8)	-
		125	132
Profit from the year		494	480
Earning per equity share: 15			
(1) Basic		0.49	0.48
(2) Diluted		0.49	0.48
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants Firm's Regn.No. 102860 W			
Sd/- ASTHA KARIYA (PARTNER) Membership No.122491	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)	
Place : Mumbai Date : 30th May, 2012	Place : Mumbai Date : 30th May, 2012	Place : Mumbai Date : 30th May, 2012	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As At 31.03.2012 ₹ in thousands	As At 31.03.2011 ₹ in thousands
1. Share Capital :		
Authorised		
1,000,000 equity shares of '10 each	10,000	10,000
	10,000	10,000
Issued, subscribed and paid-up		
1000,000 equity shares of ₹10 each, fully paid-up	10,000	10,000
	10,000	10,000
a. Out of the above equity shares, 999,940 shares are held by The Holding Company - Gujarat Petrosynthese Limited.		
b. Details of shareholders holding more than 5% in Company The Holding Company - Gujarat Petrosynthese Limited.		
- No. of shares	1,000	1,000
- % holding	10	10
2. Reserves and Surplus :		
Surplus in statement of profit and loss		
Balance as per last financial statements	2,961	2,482
Profit for the year	494	480
Total reserves and surplus	3,455	2,962
3. Deferred Tax Liabilities - (Net)		
Deferred tax assets		
Deferred tax liabilities :		
Fixed asset depreciation differential	24	12
Deferred tax liabilities (net)	24	12
4. Other Current Liabilities :		
Creditors Others	763	282
	763	282



GPL Finance and Investments Limited

5. FIXED ASSETS											(₹ in thousands)
Particulars	As at 01.04.11	Additions	Deductions	As at 31.03.2012	As at 31.03.2011	For the Year	Deductions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	
Tangible Assets											
Flats	2,319			2,319	75	38		113	2,206	2,244	
Sub Total (A)	2,319	-	-	2,319	75	38	-	113	2,206	2,244	
Intangible Assets	-			-	-	-		-	-	-	
Sub Total (B)	-	-	-	-	-	-	-	-	-	-	
Total (A + B)	2,319	-	-	2,319	75	38	-	113	2,206	2,244	
Previous Year	2,333	11	24	2,319	42	38	5	75	2,244		

6. NON CURRENT INVESTMENT

(At cost - non-trade)

	NO. OF SHARES	BOOK VALUE AS AT 31.03.2012	NO. OF SHARES	BOOK VALUE AS AT 31.03.2011
Equity shares :				
Quoted :				
Andhra Sugars Limited.	500	57	500	57
Kingfisher Airlines Limited.	100	29	100	29
Alfa Lavel (India) Limited.	150	173	150	173
Andhra Bank Limited.	5363	500	5363	500
Avanti Feeds Limited.	1000	87	1000	87
Alstom Projects India Limited.	50	21	50	21
Astrazeneca Pharma India Limited.	300	203	300	203
Bhagyanagar India Limited.	200	16	200	16
Castrol India Limited.	4100	488	2050	488
CESC Limited.	50	35	50	35
Disa India Limited.	100	149	100	149
Exide Industries Limited.	10	0	10	0
Foseco India Limited.	500	199	500	199
Grasim Industries Limited.	15	55	15	55
Gujarat NRE Coke Limited.	462	43	300	43
Hindustan Organic Chemicals Limited.	1500	54	1500	54
Hindustan Oil Exploration Co Limited.	100	17	10	17
ICRA Limited.	20	22	20	22
Kodak Mahindra Bank Limited.	30	20	15	20
Maharashtra Polybutenes Limited.	50	1	50	1
Maan Aluminium Limited.	50	0	50	0
Mirc Electronic Limited.	200	8	200	8
NTPC Limited.	134	8	134	8
Orchid Chemicals Pharmaceuticals Limited.	100	37	100	37
Pratibha Industries Limited.	500	44	500	44
Reliance Industries Limited.	2872	1,613	1430	1,613
Reliance Infrastructure Limited.	150	257	150	257
Reliance Communications Limited.	1050	774	1050	774
Reliance Power Limited.	50	49	50	49
Siemens Limited.	550	493	550	493
Sterlite Industries (India) Limited.	125	88	125	88
Subros Limited.	1500	76	1500	76
State Bank of India	100	217	100	217
Triveni Limited.	700	62	700	62
Larsen Toubro Limited.	550	752	275	752
Colgate-Palmolive (India) Limited.	150	64	150	64
Sun Pharmaceutical Industries Limited.	100	91	100	91
Sun Pharma Advance Research Company Limited.	100	0	100	0
Uniflex Cables Limited.	1000	43	100	43
TOTAL A		6,842		6,842
Unquoted :				
Good Value Marketing Company Limited.	3450	182	3450	182
Haryana Petro Chemicals Limited.	1200	21	1200	21
Nagarjuna Finance Limited.	1000	363	1000	363
Srinivas Shipping Project Limited.	200	46	200	46
Suman Motels Limited.	900	16	900	16
Southern Magnesium and Chemicals Limited.	75000	825	75000	825
TOTAL B		1,453		1,453
TOTAL (A+B)		8,295		8,295
Less : Provision for Diminution in Value of Investments		1,700		1,700
		6,595		6,595
Note:				
Quoted Investments - Cost and Market Value				
Cost		6,842		6,842
Market Value		9,331		6,672
Unquoted Investments - Cost		1,453		1,453

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(₹ in thousands)	
	As at 31.03.2012	As at 31.03.2011
7. Cash and Cash Equivalents		
Bank balances :		
On current account	622	822
Cash in hand	<u>117</u>	<u>260</u>
	<u>739</u>	<u>1,082</u>
8. Short Terms Loans and Advances		
(Unsecured, considered good)		
Loan to fellow subsidiary company :	4,500	3,100
Gujarat Polybutenes Pvt Ltd		
Advance tax (net of provisions)	<u>150</u>	<u>199</u>
	<u>4,650</u>	<u>3,299</u>
9. Other Current Assets		
(Unsecured, considered good)		
Interest accrued	<u>52</u>	<u>36</u>
	<u>52</u>	<u>36</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	(₹ in thousands)	
	As at 31.03.2012	As at 31.03.2011
10. Revenue from Operations		
Interest on Loan	559	465
	<u>559</u>	<u>465</u>
11. Other Income		
Dividend on Long-term Investments	165	148
Credit balance written back	<u>2</u>	<u>89</u>
	<u>167</u>	<u>237</u>
12. Other Expenses		
Accounting Charges	18	18
Conveyance Charges	6	2
Printing and Stationery	5	3
Filing Fees	3	-
Professional Retainer Fees	12	4
Auditors Remuneration	17	17
Miscellaneous Expenses	<u>09</u>	<u>8</u>
	<u>70</u>	<u>52</u>

13. Accounting Policies:

- i) The accounts have been prepared under the historical cost convention and in accordance with generally accepted Accounting Practices.
- ii) All income including dividend is accounted for on accrual basis.
- iii) All expenses are accounted on accrual basis.
- iv) Fixed Assets are stated at the cost of acquisition.
- v) Depreciation is provided on the Straight Line Method.
- vi) Long Term Investments are stated "At Cost". Permanent Diminution in the Value of these investments is provided for. Deferred Tax Assets / Liabilities is recognised in respect of timing differences resulting from the recognition of items in Financial Statements and their allowance under the tax laws, subject to the consideration of prudence.
- vii) In the opinion of the Board :
 - a) All Current assets, loans and advances are approximately of the value stated if realised in the ordinary course of business.
 - b) The provision for all known liabilities has been made and such provision is not in excess of the amount reasonably necessary.

	(₹ in thousands)	
	As at 31.03.2012	As at 31.03.2011
14. Remuneration to Auditors :		
(Inclusive of Service Tax)		
Audit Fees	13	13
Taxation Services	3	3
Out of Pocket Expenses	<u>-</u>	<u>-</u>
	<u>17</u>	<u>17</u>
15. Earnings per share:		
Profit attributable to Equity Shareholders	494	479
Number of Equity Shares	1,000	1,000
Nominal Value of Equity Shares	<u>10</u>	<u>10</u>
	<u>0.49</u>	<u>0.48</u>

16. No Vendors have informed of their bearing registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, as per the information available with the company there are no amount Payable to such Vendors at the year end.

17. Related Party Disclosure:

- a) Entities under Common Control:
 - 1) Gujrat Petrosynthese Ltd- Holding Company
- b) Other Related Parties were transaction are taken during the year
 - 1) Gujrat Polybutenes Pvt Ltd-Fellow Subsidiary Company



GPL Finance and Investments Limited

Particulars	Holding	(₹ in thousands)
	Company	Fellow Subsidiary
	31.03.2012	Company
		31.03.2012
Income		
Interest	-	559.48
	(-)	(465.00)

Figures in bracket indicate previous years figure.

18. Till the year 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for the preparation and presentation of its financial Statements. During the year 31st March 2012, the revised Schedule VI were notified under the Companies Act, 1956, has become applicable to the Company. The Company has reclassified the previous year's figures to conform with current year's classification. The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for presentation of the financial statement. However, it significantly impacts the presentation and disclosures made in the financial statements, particularly the presentation of the Balance Sheet.

As per our report of even date attached
for **FORD, RHODES, PARKS & CO.**

Chartered Accountants
Firm's Regn.No. 102860 W

Sd/-
ASTHA KARIYA
(PARTNER)
Membership No. 122491

for and on behalf of the Board of Directors

Sd/-
R.M. THAKKAR
(DIRECTOR)

Sd/-
URMI. N. PRASAD
(DIRECTOR)

Place : Mumbai
Date : 30th May, 2012

Place : Mumbai
Date : 30th May, 2012

Place : Mumbai
Date : 30th May, 2012



**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS
OF GUJARAT PETROSYNTESES LIMITED**

We have examined the attached consolidated Balance Sheet of Gujarat Petrosynthese Limited (the company) and its subsidiaries as at 31st March 2012, the consolidated Profit and Loss and also the consolidated Cash Flow Statement for the Year on 31st March 2012.

These Consolidated 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. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for opinion.

We did not audit the financial statement of subsidiaries, GPL Finance & Investments Limited whose financial statements reflect total assets of ₹14,242/- as at 31st March 2012 and the total revenue of ₹ 727/- for the year on 31st March 2012 and Gujarat Polybutenes Private Limited whose financial statements reflect total assets of ₹ 268,258/- as at 31st March 2012 and the total revenue of ₹ 398,392/- for the year on 31st March 2012. These Financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India, and on the basis of the separate audited financial statement of the Company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the company and its aforesaid subsidiaries and to the best of our information and according to explanations given to us, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India to the extent applicable, in case of

- (a) The Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as a Group as at 31st March 2012.
- (b) The Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiaries for the year ended on as on that date; and
- (c) The Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year ended on that date.

For SARJBA & CO
Chartered Accountants
Firm's Reg. No. 012106S

Sd/-
(A. Jagannath Babu)
Chartered Accountant
M. No. 20115

Place : Bangalore
Date : 30th May, 2012



Gujarat Petrosynthese Limited

Consolidated Balance Sheet of Gujarat Petrosynthese Limited and its subsidiary Company as at 31st March, 2012

(₹ in thousands)

	Note No.	As at 31.03.2012	As at 31.03.2011
I EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	51,692	51692
(b) Reserves and Surplus	2	196,998	187236
(c) Money received against share warrants		248,690	238,928
2 Share application money pending allotments			
3 Minority Interest on Equity	3	1	1
4 Non-current liabilities	4		
a) Long-term borrowings		55,955	91725
b) Deferred tax liabilities (Net)		5,127	5109
c) Other Long-term liabilities		34,266	7533
d) Long-term provisions		-	-
		95,348	104,367
5 Current Liabilities			
a) Short-term borrowings			
b) Trade payables	5	44,539	53944
c) Other current liabilities	6	30	-
d) Short term provisions	7	20,063	32395
		64,632	86,339
Total		408,671	429,635
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8	91,494	85097
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development development			
b) Non-current investments	9	10,595	10595
c) Deferred tax assets (net)	4		
d) Lon-term loans and advances			
e) Other non-current assets			
		-	95,692
2 Current assets			
(a) Inventories	10	50,142	99260
(b) Trade receivables	11	36,584	53513
(c) Cash and Cash equivalents	12	155,937	75095
(d) Short-term loans and advances	13	56,357	97218
(e) Other current assets	14	7,562	8857
		306,582	333,943
Total		408,671	429,635
Explanatory & Significant accounting policies	22		
Notes to the financial statements	1-22		

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,
CHARTERED ACCOUNTANTS

Firm's Reg. No. 012106S

Sd/-

(A. JAGANNATH BABU)

PARTNER

Membership No.020115

Sd/-

R. M. THAKKAR

CHAIRMAN & MANAGING DIRECTOR

Sd/-

URMI N. PRASAD

EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012



Gujarat Petrosynthese Limited

Consolidated Profit and Loss Account of Gujarat Petrosynthese Limited and its subsidiary Company as at 31st March, 2012

(₹ in thousands)

	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
I Revenue from operations	15	502,680	541,601
II Other Income	16	6,967	6,492
III Total Revenue (I + II)		509,647	548,093
IV Expenses:			
Cost of material consumed	17	279,086	402,900
Purchase of Stock-in trade			
Changes in inventories of finished goods, work in progress and Stock-in-trade	18	61,432	(69,452)
Employee benefits expense	19	43,897	40,685
Finance Costs	20	15,348	9,485
Depreciation and amortization expense	8	6,256	5,343
Other Expenses	21	89,813	105,128
Total Expense		495,832	494,089
V Profit before exceptional and extraordinary items and tax (III - IV)		13,815	54,004
VI Exceptional Items		-	(89)
VII Profit before extraordinary items and tax (V - VI)		13,815	54,093
VIII Extraordinary items			
IX Profit before tax (VII - VIII)		13,815	54,093
X Tax expense			
(1) Current tax		4,867	17,822
(2) Deferred tax		17	128
		4,884	17,950
XI Profit/(Loss) for the period from continuing operations (after tax) (IX - X)		8,931	36,143
XII Profit/(Loss) for the period from discontinuing operations			
XIII Tax expense of discontinuing operations			
XIV Profit/(Loss) from discontinuing operations (after tax) (XII - XIII)			
XV Profit/(Loss) for the period (XI - XIV)			
XVI Earnings per equity share:			
(1) Basic			
(2) Diluted			
See accompanying notes to the financial statements			

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,
CHARTERED ACCOUNTANTS
Firm's Reg. No. 012106S
Sd/-
(A. JAGANNATH BABU)
PARTNER
Membership No.020115

Sd/-
R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

Sd/-
URMI. N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012

PLACE : MUMBAI
DATE : 30th May, 2012



Gujarat Petrosynthese Limited

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 1 : SHARE CAPITAL		
Authorized		
80,00,000 equity shares of Rs.10/- each	- 80,000	- 75,000
Issued, Subscribed and Paid-up		
51,69,166 Equity shares of Rs.10/- each fully paid up	- 51,692	- 51,692
Total	- 51,692	- 51,692
Details of shareholders holding more than 5% in Company		
Ramesh .M. Thakkar - holds 522992 eq.shares - 10.12%		
Sharayu .R.Thakkar-holds 301916 eq.shares - 5.84%		
General Insurance Corpn of India-holds 276468 eq.shares-5.35%		
LIC of India - holds 538557 eq.shares-10.42%		
NOTE 2 :RESERVES & SURPLUS		
Capital Reserves		
General Reserve	- 47,637	47,637
Surplus in Profit/Loss account		
Balance brought forward from earlier period	139,600	103,178
Prior period expenses	830	278
Surplus in Profit/Loss account for the period	8,931	36,143
Total	196,998	187,236
SCHEDULE 3 : MINORITY INTEREST ON EQUITY		
GPL Finance & Investments Ltd		
60 Equity shares (2003-2004:60) held by minority		
Interest (o.o1% holding,2003-2004 :0.01% holding)	1	1
Gujarat Polybutenes Pvt Ltd	-	-
Total	1	1
NOTE 4 : NON-CURRENT LIABILITIES		
a) Long-term borrowings	- 55,955	91,725
b) Deferred tax liabilities (Net) - Fixed assets diffrencial	- 5,127	5,109
c) Other Long-term liabilities - Cash Credit Account	- 34,266	7,533
d) Long-term provisions		
Total	95,348	104,367
NOTE 5 : TRADE PAYABLES		
Creditors for Expenses	- 7,234	2,267
Creditors for Goods	- 13,126	24,031
Creditors for Others	- 24,179	27,646
Total	44,539	53,944
Note 6: Other Current Liabilities		
Advance Received from Customers	- 30	-
Total	30	-
NOTE 7: SHORT-TERM PROVISIONS		
Provision for employee benefits	- 23	-
Others		
Provision for Taxation	- 15,295	14,595
Provision for Taxation FY:2011-12	- 4,745	17,800
Total	20,063	32,395

(₹ in thousands)

NOTE 8 - DETAILS OF FIXED ASSETS (AS PER COMPANIES ACT) FOR THE F.Y.2011-2012

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions before 30th Sep	Additions After 1st Oct	Rate	AS AT 01.04.2011	For the Year ended 31.01.2012	Deduc- tions	Total Deprn.	AS AT 31.03.2012	AS AT 31.03.2011
Leasehold Land	15,734	-	-	-	15,734	-	-	-	15,734	15,734
Land at Dahanu	12,258	9,415	-	-	21,673	-	-	-	21,673	12,258
Freehold Land	7,179	-	-	-	7,179	-	-	-	7,179	7,179
Factory Building /Building	25,260	68	-	-	25,328	-	-	11,543	13,785	14,715
Flats	2,319	-	-	-	2,319	-	-	113	2,206	2,244
Plant & Machinery	42,227	749	-	-	42,976	-	-	25,491	17,485	19,028
Electrical Installation	2,422	-	-	-	2,422	-	-	1,770	652	767
Vehicles	8,948	2,071	-	-	11,019	-	-	4,061	6,958	6,532
Laboratory Equipment	5,168	-	-	-	5,168	-	-	4,204	964	1,199
Furniture & Fixtures	3,092	107	-	-	3,199	-	-	1,759	1,440	1,528
Jigs & Moulds	262	-	-	-	262	-	-	157	105	105
Office Equipments	5,413	173	-	-	5,586	-	-	2,915	2,671	2,806
Computer	2,478	7	18	-	2,503	-	-	1,976	527	903
Mobile	163	27	16	-	206	-	-	91	115	101
Sub Total - A	132,923	12,617	34		145,574	-	12,651	54,080	91,494	85,097
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Subtotal - B										
Total A+B	132,923	12,617	34		145,574	-	12,651	54,080	91,494	85,097
Previous Year	113,142	19,806	-	-	132,924	24	19,806	47,826	85,097	



NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 9: NON CURRENT INVESTMENTS		
Investment in Mutual Funds		
Templeton India Equity Income Fund 1,46,627.566 Units of Templeton India Income Fund Market Value Rs.18,08,211/- (P.Y.Rs.15,59,971)	1,500	1,500
Optimix Star Multi Manager 97,560.9756 Units of Optimix Star Multi Manager Market Value Rs.12,27,024/- (P.Y.Rs.6,32,585)	1,000	1,000
Reliance Vision Fund 31,023.785 Units of Reliance Vision Fund Market Value Rs.11,11,923/- (P.Y.Rs.8,04,788)	1,500	1,500
Total	4,000	4,000



Gujarat Petrosynthese Limited

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012		As at 31.03.2011	
	NO. OF SHARES	BOOK VALUE	NO. OF SHARES	BOOK VALUE
Andhra Sugars Limited.	500	57	500	57
Kingfisher Airlines Limited.	100	29	100	29
Alfa Lavel (India) Limited.	150	173	150	173
Andhra Bank Limited.	5,363	500	5,363	500
Avanti Feeds Limited.	1,000	87	1,000	87
Alstom Projects India Limited.	50	21	50	21
Astrazeneca Pharma India Limited.	300	203	300	203
Bhagyanagar India Limited.	200	16	200	16
Castrol India Limited.	4,100	488	4,100	488
CESC Limited.	50	35	50	35
Disa India Limited.	100	149	100	149
Exide Industries Limited.	10	-	10	-
Foseco India Limited.	500	199	500	199
Grasim Industries Limited.	15	55	15	55
Gujarat NRE Coke Limited.	462	43	462	43
Hindustan Organic Chemicals Limited.	1,500	54	1,500	54
Hindustan Oil Exploration Co Limited.	100	17	100	17
ICRA Limited.	20	22	20	22
Kodak Mahindra Bank Limited.	30	20	30	20
Maharashtra Polybutenes Limited.	50	1	50	1
Maan Aluminium Limited.	50	-	50	-
Mirc Electronic Limited.	200	8	200	8
NTPC Limited.	134	8	134	8
Orchid Chemicals Pharmaceuticals Limited.	100	37	100	37
Pratibha Industries Limited.	500	44	500	44
Reliance Industries Limited.	2,872	1,613	2,872	1,613
Reliance Infrastructure Limited.	150	257	150	257
Reliance Communications Limited.	1,050	774	1,050	774
Reliance Power Limited.	50	49	50	49
Siemens Limited.	550	493	550	493
Sterlite Industries (India) Limited.	125	88	125	88
Subros Limited.	1,500	76	1,500	76
State Bank of India	100	217	100	217
Triveni Limited.	700	62	700	62
Larsen Toubro Limited.	550	752	550	752
Colgate-Palmolive (India) Limited.	150	64	150	64
Sun Pharmaceutical Industries Limited.	100	91	100	91
Sun Pharma Advance Research Company Limited.	100	-	100	-
Uniflex Cables Limited.	1,000	43	1,000	43
		<u>6,842</u>		<u>6,842</u>
Unquoted :				
Good Value Marketing Company Limited.	3,450	182	3,450	182
Haryana Petro Chemicals Limited.	1,200	21	1,200	21
Nagarjuna Finance Limited.	1,000	363	1,000	363
Srinivas Shipping Project Limited.	200	46	200	46
Suman Motels Limited.	900	16	900	16
Southern Magnesium and Chemicals Limited.	75,000	825	75,000	825
		<u>1,453</u>		<u>1,453</u>
		<u>8,295</u>		<u>8,295</u>
Less : Provision for Diminution in Value of Investments		1,700		1,700
		<u>6,595</u>		<u>6,595</u>
Total		<u>10,595</u>		<u>10,595</u>
Note:				
Quoted Investments - Cost and Market Value				
Cost		6,842		6,842
Market Value		9,331		6,672
Unquoted Investments - Cost		<u>1,453</u>		<u>1,453</u>



Gujarat Petrosynthese Limited

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 10: INVENTORIES		
(As Taken, Valued And Certified By The Management)		
Raw Material & Consumables	- 28,690	17,285
Finished Goods	- 21,452	81,975
Total	50,142	99,260
Note 11: Trade Receivables		
Debtors Outstanding for more than Six Months	15	185
Debtors - Others	36,569	53,328
Total	36,584	53,513
Note 12: Cash and Cash equivalents		
Cash on Hand	354	465
(I) State Bank of India	17	
(II) Bank of Baroda (Baroda)	121	855
(III) Bank of Baroda (Saki Naka)	47	146
(IV) State Bank of India (Mumbai)	677	1,312
(V) HDFC Bank (Mumbai)	235	1,796
(VI) UTI Bank (Mumbai)	3,917	1,152
(VII) HDFC Escrow Account	-	129
(VIII) In Current Accounts	36,264	6,321
(IX) FD with Axis Bank & BOB	107,614	59,896
(X) FD with SBI & SBM	4,117	3,023
(XI) FD with BOB	2,574	-
Total	155,937	75,095
NOTE 13: SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received	30,590	70,975
Tax Deducted At Source	11,167	5,907
Advance Tax Paid F.Y.2011-12	2,315	17,139
Tax Deducted At Source F.Y.2011-12	2,928	3,197
VAT Input credit receivable	9,357	-
Total	56,357	97,218
NOTE 14 : OTHER CURRENT ASSETS		
Trade Deposits	1,525	2,647
Other Deposits	664	595
Cenvat Credit	2,777	2,922
Prepaid Expenses	1,634	1,500
Prepaid Expenses-Buy Back	372	890
Preliminary Expenses	590	303
Total	7,562	8,857



NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 15 : REVENUE FROM OPERATIONS		
Sales (Net)	491,847	533,083
Job Work Charges	10,833	8,518
Total	502,680	541,601
NOTE 16: OTHER INCOME		
Interest on Deposits	4,863	4,522
Interest on Deposit with BOB	399	465
Miscellaneous Income	703	1,006
Service Charges	-	-
Dividends Received from Mutual Funds	419	478
Speciman Testing Charges	23	-
Reversal of provision no longer required	-	21
Renewal from Operation	560	-
Total	6,967	6,492
NOTE 17: COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock of Materials	15,195	13,091
Add: Purchases	290,472	403,656
Less: Closing Stock	19,023	14,772
Packing Materials	1,010	925
Less: Stock in Transit	8,568	-
Total	279,086	402,900
NOTE 18: INCREASE/DECREASE IN FINISHED GOODS		
Opening Inventories (Finished Goods)	82,884	13,432
Closing Inventories (Finished Goods)	21,452	82,884
Total	61,432	(69,452)
NOTE 19: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	28,976	23,630
Contribution to Provident and Other Funds	1,690	2,045
Staff Welfare Expenses	2,511	3,467
Managerial Remuneration & Perks	10,720	11,543
Total	43,897	40,685
NOTE 20: FINANCE COSTS		
Processing Fees	1,036	414
Bank Interest	704	419
Interest on Unsecured Loans	13,592	8,652
Interest on Others	16	-
Total	15,348	9,485



NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

(₹ in thousands)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE 21 : OTHER EXPENSES		
Excise Duty	235	121
Bank charges	18	22
Power and Fuel	55,582	63,552
Stores & Spares	674	2,725
Processing Raw materials	169	-
Repairs & Maintenance	3,446	5,667
Rates and Taxes	746	384
Insurance	928	924
Auditors Remuneration & Perks	202	158
Directors commission	993	
Travelling Expenses	2,313	1,794
Directors Sitting Fees	98	124
Donations	423	1,047
General Expenses	14,951	19,605
Transportation, Freight and Octroi	2,204	702
Speciman Charges	-	16
Retainers Fees	4,326	3,448
Research and Development Charges	274	3,042
Vehicle Expenses	2,230	1,797
Total	89,812	105,128



Gujarat Petrosynthese Limited

Notes to the Consolidated Accounts

NOTE "22" NOTES TO THE ACCOUNT

1. Basis of Consolidation

Basis

- The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- The Consolidated Financial Statements comprise the Financial Statements of Gujarat Petrosynthese Limited ("the Company") and its subsidiaries GPL Finance and Investments Ltd. and Gujarat Polybutenes Private Limited.

Name	Country of Incorporation	% of Ownership Interest
GPL Finance and Investments Ltd.	India	99.99
Gujarat Polybutenes Pvt. Ltd.	India	99.99

Principles:

- The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities income and expenses. The inter company transactions are fully eliminated.
- Minority Interest: Minority (Interest in Equity) does not have binding obligation to make good losses of the Company. No losses allocated to Minority (Shares Holders) interest.

2. Other Significant Accounting Policies:

The Financial Statement of the Company and the Subsidiary are prepared according to uniform accounting policies in accordance with generally accepted accounting principles in India. These are set out in the notes on accounts under the Head "Significant Accounting Policies" of the Company and the Subsidiaries.

3. Notes to Accounts:

- In the opinion of the Board:
 - All Current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business.
 - The provision for all known liabilities has been made and such provision is not in excess of the amount reasonably necessary.
- Contingent Liabilities not provided in respect of :

Liability of a contingent nature in respect of Sales Tax demand of ₹ 44.19 lacs. The Company has obtained a Stay from Gujarat High Court. All other known liabilities are provided for in accounts.
- Cash Credit from banks are secured by hypothecation of stocks of raw materials, stock in process, finished goods, stores and spares, cash and other current assets including monies receivable and fixed deposits of the company.
- Managerial Remuneration under Section 198 of the Companies Act, 1956 payable to Managing Director, Executive Directors and Non-working Directors, please refer to Note no.4&5 of note "21" of the Company.
- The investment in the Equity Shares of Southern Agrosynthese Limited amounting to ₹ 21,14,549/- is valued at ₹1/- (Previous year ₹1/-) as the net worth of the said Company is negative.
- With effect from 01.04.2005 the Company has converted the Polybutene Division into a 100% subsidiary - Gujarat Polybutenes Pvt.Ltd (GPPL) and transferred the Assets and Liabilities of the Division for a consideration of ₹ 22,290,719/- for which it has received equity shares in GPPL.

Since most of the business operations of the polybutene business (GPPL) continue to be carried on from the GPL corporate office Mumbai due to logistical and operational convenience, the common expenses have been shared in the ratio of 15% to Gujarat Petrosynthese Limited and 85% to Gujarat Polybutenes Pvt.Ltd. An amount of ₹180.00 lacs has been charged for managerial services rendered by GPL to GPPL which is included in other income. These transactions are eliminated in the consolidated accounts in accordance with AS 21.



Gujarat Petrosynthese Limited

- 7) Loans and Advances includes due from officers of the Company ₹10,75,971/- (P.Y. ₹ 9,59,000/-).
- 8) Based on the information received by the Company from the creditors in regard to their S.S.I Status, there are no amounts due to such creditors outstanding for over 30 days exceeding Rs. One lakh as on 31st March, 2012. Based on such information, there is no liability for interest on delayed payments which would be payable under "The Interest on Delayed Payments to Small Scale and Ancillary Industrial undertakings ordinance, 1992. Moreover, the Company has not received any claims in respect of interest.
- 9) Amount remitted in Foreign Currencies towards dividend (Net of Tax).

	31st March 2012 ₹ in thousands	31st March 2011 ₹ in thousands
Number of Non-resident Equity Shareholders	854	858
Number of Equity Shares	9,02,800	9,64,855
Amount Remitted	NIL	NIL

- 10) Prior Period Items: A net debit amount of ₹ 8,30,000 /- (Previous year ₹ 8,046/-)
- 11) Segment Reporting:

A. Primary Segment Information

₹ in thousands

Business Segment	Polybutene	Alloys & Blends	Total
Segment Revenue			
Sales	392,946	109,734	502,680
Less: Inter Segment sales			
Net Sales	392,946	109,734	502,680
Segment Results			
Profit/(Loss) before Interest & Tax	23,761	121,65	35,626
Less: Interest	22,730	—————	22,730
Profit/(Loss) before Tax	1,031	121,65	13,196
Provision for Taxation			
Current year	595	4,150	4,745
Deferred Tax	(158)	164	6
Profit/(Loss) after Tax	594	7,851	8,445
Other Information			
Segment Assets	267,723	2,12,895	480,618
Segment Liabilities	267,723	2,12,895	480,618
Capital Expenditure	10,037	2,614	12,651
Depreciation	2,572	3,646	6,218
Other significant non-cash expenses			



Gujarat Petrosynthese Limited

B. Secondary Segment Information:

The Company operates mainly in the Indian Market and there are no reportable Geographical Segments.

C. Other Disclosures:

The Company's operations predominantly relate to Polybutene and Alloys & Blends, Accordingly, these business segments comprise the primary basis for reporting segmental information. One subsidiary Gujarat Polybutenes Pvt.Ltd is engaged in the business of manufacturing and selling Polybutenes and its byproducts, which constitutes a single business segment for the entity. The other subsidiary company GPL Finance & Investments Ltd. deals in trading in shares and securities and has income from profit on sale of securities/shares, dividend, interest etc. Segmental information as required under AS 17 issued by the ICAI are captured in the individual financial statements of the respective subsidiaries and accordingly, disclosures are not being made separately as required Under Section AS-17 issued by the ICAI.

12 Earning Per Share:	(₹ in thousands)	
	2011-2012	2010-2011
a) Net Profit available for equity Shareholders (Numerator used for calculation)	8,931	36,143
b) Weighted Average No. of equity shares Used as denominator for calculating EPS(Including shares to be issued to erstwhile KPL shareholders)	51,69,166	51,69,166
c) Basic and Diluted Earning per share (Rs) (Equity Share of face value of Rs.10 each)	1.73	6.99

13. Transaction with Related Parties:

The related party disclosure, please refer to note no.13 of the Company and note no.10 of Schedule "22" of subsidiary company.

14. Deferred Tax Assets:

The Deferred Tax Assets in respect of carried forward business of one of the Subsidiary Companies have not been considered in view of uncertainty of taxable profit in future years.

15. Deferred Tax Liability:

The Net deferred tax liability is on 31st March 12 is ' .51.27 lacs

16) Balances of Debtors, Creditors and Other Parties are subject to confirmations.

17) For the year ended 31.03.2012 the revised schedule VI that was notified under the Companies Act, 1956, has become applicable to the company, the companies reclassified the previous year figures to conform with the current year classification. The adoption of the Revised Schedule VI does not impact the recognition and measurement principles followed for presentation of the financial statement. However , it significantly impacts the presentation and disclosures made in the financial statements, particularly the presentation of the Balance Sheet.

As per our report of even date
For SARJBA & CO.,
 CHARTERED ACCOUNTANTS
 Firm's Reg. No. 012106S
 Sd/-
(A. JAGANNATH BABU)
 PARTNER
 Membership No.020115

For and on behalf the Board of Directors

Sd/-
R. M. THAKKAR
 CHAIRMAN & MANAGING DIRECTOR

Sd/-
URMI. N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 30th May, 2012

PLACE : MUMBAI
 DATE : 30th May, 2012

PLACE : MUMBAI
 DATE : 30th May, 2012



Gujarat Petrosynthese Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

S.NO.	PARTICULARS	2011-2012	2010-2011
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	138.15	540.93
	Adjustments for :		
	Prior period	8.30	0.08
	Prov. for diminution in value of investments		
	Depreciation	62.56	53.43
	Income Tax and FBT	(48.84)	(176.78)
	Bad Debts written off		
	Preliminary expenses written off		-
	(Profit)/Loss on sale of fixed Assets	-	(0.89)
	(Profit)/Loss on Redemption of Investments	-	-
	Transfer from General reserves	-	(254.89)
	Interest & Dividend Received	(56.81)	(54.66)
	Bad Debts recovered	-	
	Interest Paid	143.12	94.86
	Operating profits before working capital changes	246.48	202.08
	Adjustments for:		
	Decrease/(Increase) in Inventories	491.18	(706.36)
	Decrease/(Increase) in Trade & other receivables	169.29	183.91
	Decrease/(Increase) in Loans & Advances	421.56	(458.15)
	Increase/(Decrease) in Payables	(217.07)	238.94
	Cash Generated From Operations	1,111.44	(539.58)
	Interest paid	143.12	94.86
	Net Cash inflow/(outflow) from operating activities	968.32	(634.44)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(126.51)	(198.06)
	Sale of Fixed Assets (net)	-	1.13
	(Purchase)/Sale of Investments	(36.68)	84.77
	Profit/(Loss) on sale of investments	-	-
	Interest & Dividend Received	56.81	54.66
	Decrease/(Increase) in loans to Bodies Corporates & Others		
	Miscellaneous Receivables		
	Miscellaneous Payables		
	Bad Debts recovered		
	Net Cash inflow / (outflow) from Investing Activities	(106.38)	(57.50)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings/issue of shares	0	639.65
	Repayment of Borrowings/buy-back of shares	(90.19)	(84.96)
	Public Issue expenses		
	Dividends Paid	0	(2.46)
	Net Cash Inflow/(outflow) in cash from Financing Activities	(90.19)	552.23
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	771.75	(139.71)
	Cash and cash equivalents at beginning of year	720.71	860.42
	Cash and cash equivalents at end of year	1,492.46	720.71

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.,
CHARTERED ACCOUNTANTS

Firm's Reg. No. 012106S

Sd/-

(A. JAGANNATH BABU)

PARTNER

PLACE : BANGALORE

DATE : 30th May, 2012

Sd/-

R. M. THAKKAR

CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI

DATE : 30th May, 2012

Sd/-

URMI. N. PRASAD

EXECUTIVE DIRECTOR

PLACE : MUMBAI

DATE : 30th May, 2012



GUJARAT PETROSYNTHESE LIMITED

Regd. Office : No. 24, IInd Main, Phase I,
Doddanekundi Industrial Area, Mahadevapura, Bangalore - 560 048.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Members Registered Folio No. _____

No. of Shares held. _____

Name of the attending Member _____

Name of Proxy _____

(To be filled in, if the Proxy attends instead of the Member)

I hereby record my presence at the 35th Annual General Meeting of the Company held at Registered office of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Monday the 13th August, 2012 at 3.00 PM

(Member's / Proxy's Signature)

To be signed at the time of handing over this slip)

Note : Since it will not be possible to distribute copies of the Annual Report at the Meeting Hall, the members are requested to bring their copy of the annual report to the meeting.



GUJARAT PETROSYNTHESE LIMITED

Regd. Office : No. 24, IInd Main, Phase I,
Doddanekundi Industrial Area, Mahadevapura, Bangalore - 560 048.

PROXY FORM

No. of Shares : _____

Regd. Folio No. : _____

I/We _____ of _____

being a member / members of the above named company hereby appoint _____

_____ of _____ of failing him/her _____

of _____

As my / our proxy to attend and vote for me/us and my/our behalf of at the 35th Annual General Meeting of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Monday the 13th August, 2012 at 3.00 PM and at any adjournment thereof.

Signed this _____ of _____ 2012

Affix a Rs.
One
Revenue
Stamp

Signature

Note : This Instrument of Proxy should be deposited at the Registered office of the Company not less than 48 (forty-eight) hours before the time of holding the meeting.

BOOK POST



If undelivered, please return to:

GUJARAT PETROSYNTHESE LIMITED

Regd. Office : No. 24, IIInd Main, Phase I,
Doddanekkundi Industrial Area, Mahadevapura, Bangalore - 560 048.