

GUJARAT PETROSYNTHESIS LIMITED



**THIRTY SIXTH ANNUAL REPORT
2012 - 2013**

BOARD OF DIRECTORS

Dr. R.M. THAKKAR	Chairman and Managing Director
Ms. URMI N. PRASAD	Executive Director
Ms. URSULA THAKKAR	Executive Director
Ms. CHARITA THAKKAR	
Mr. T.N.R. RAO	
Mr. V.H. PANDYA	
Dr. (Mrs.) M.H. MEHTA	
Mr. ADHIK SHIRODKAR	
Mr. M.D. GARDE	
Mr. V. RAGHU	

BANKERS

AXIS BANK LTD.
STATE BANK OF INDIA
BANK OF BARODA
HDFC BANK

LEGAL ADVISOR

KANGA & Co.,
Mumbai,

AUDITORS

SARJBA & Co.
Bangaluru.

REGD. OFFICE & WORKS

NO. 24, II MAIN PHASE I,
DODDANEKKUNDI INDUSTRIAL AREA,
MAHADEVPURA POST, BANGALURU - 560 048

NOTICE

NOTICE IS HEREBY given that the 36th 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 Tuesday, the 17th September, 2013 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, 2013 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. Adhik Shirodkar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Charita Thakkar, 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 an ORDINARY RESOLUTION:

"RESOLVED THAT Mr. V Raghu, who was appointed as an Additional Director by the Board of Directors, pursuant to provisions of section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting is eligible for appointment and in respect of whom the Company has received notice in writing from a member pursuant to section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company liable to retire by rotation."

6. 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 appointment and remuneration of Ms. Charita Thakkar as Wholetime Director of the Company designated as an Executive Director for a period of three years with effect from 1st September, 2013 upon terms and conditions as approved by the Board of Directors at its meeting held on 25th May, 2013 and as set out in the explanatory statement and draft agreement to be entered into by the Company with Ms. Charita 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.

7. Issue of equity shares of the Company to the Promoter on preferential allotment basis:
To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations") as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Bombay Stock Exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, Governmental authorities or departments, institutions or bodies ("Concerned Authorities") in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by

any of the concerned authorities while granting such approvals, sanctions and permissions as may be necessary ("Approvals") and any such conditions and/ or modifications as may be prescribed, stipulated or imposed by any such Approvals and/ or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution, the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, up to 4,75,000 (four lacs seventy five thousand) equity shares of Rs. 10/- each to Promoters as mentioned in the table below at a price of Rs. 35/- (Rupees thirty five only) per share (including premium Rs. 25/- per share) determined in accordance with Chapter VII of SEBI (ICDR) Regulation, on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other person, whether or not they are members of the Company:

Sr. No.	Name of the Proposed Allottee	No. of equity shares to be allotted	Category (Promoter/ Non - Promoter)	Allottee is QIB / MF / FII / FI / Banks / Trust
1	Yashashree Commercial Services Private Limited	4,75,000	Promoter	N. A.

RESOLVED FURTHER THAT the Equity Shares on preferential basis shall be issued by the Company on the following terms and conditions:

1. The equity shares to be issued on preferential basis to above allottee shall be locked in for a period as prescribed under SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.
2. The entire amount of the value Rs. 35/- per share i.e. aggregating Rs. 1,66,25,000/- (Rupees one crore sixty six lacs twenty five thousand only) (Including a share premium of Rs. 1,18,75,000/- per share) to be paid at the time of application.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum offer price for the issuance of the Equity Shares on a preferential allotment basis is 30 days prior from the date of Annual General Meeting i.e. 16th August 2013.

RESOLVED FURTHER THAT the equity shares referred to above shall in all respect rank pari-passu with the existing fully paid up equity shares of the Company, provided that they shall confer on the holders of the right to dividend, if any, for the financial year in which they are allotted pari-passu from the date of allotment of new shares.

RESOLVED FURTHER THAT the aforesaid equity shares shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to determine the terms and conditions of the issue in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and/ or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution.

RESOLVED FURTHER THAT the funds so raised shall fulfill the additional fund requirements for capital expenditure including funding long term working capital requirements and for other approved corporate purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to the said Special Resolution u/s. 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question or difficulty for the offer/ issue and allotment of Equity Shares in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal/regulatory body, to be most beneficial to the company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee the powers conferred upon it by this resolution, or to any individual so authorized by the Board."

8. Issue of Warrants convertible into Equity Shares of the Company to the Promoter on preferential allotment basis

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment(s) thereto or any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 (“SEBI (ICDR) Regulations”) as in force, the regulations/ guidelines, if any, issued by the Government of India, the Reserve Bank of India and any other applicable laws, rules and regulations (including any amendment(s) thereto or re-enactment(s) thereof for the time being in force) and the relevant provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Bombay Stock Exchange where shares of the Company are listed, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, the Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other relevant statutory, Governmental authorities or departments, institutions or bodies (“Concerned Authorities”) in this regard and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, sanctions and permissions as may be necessary (“Approvals”) and any such conditions and/ or modifications as may be prescribed, stipulated or imposed by any such approvals and/ or which may be agreed to or considered necessary by the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent, permission and approval of the members of the Company be and is hereby accorded to the Board to create, issue, offer and allot, from time to time in one or more tranches, on a preferential allotment basis, up to 5,25,000 (five lacs twenty five thousand) convertible warrants (hereinafter referred to as “warrants”) to Promoters (“Warrant holders”) as mentioned in the table below at a price of Rs. 35/- (Rupees thirty five only) per share warrant (including premium Rs. 25/- per share warrant) determined in accordance with Chapter VII of SEBI (ICDR) Regulation, on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other person, whether or not they are members of the Company and that each share Warrant entitling the warrant holders to apply for and be allotted one equity share of Rs.10/- (Rupees ten only) each fully paid-up:

Sr. No.	Name of the Proposed Allottee	No. of warrants to be allotted	Category (Promoter/ Non - Promoter)	Allottee is QIB / MF / FII / FI / Banks / Trust
1	Yashashree Commercial Services Private Limited	5,25,000	Promoter	N. A.

The said Warrants shall be converted within a period not exceeding eighteen months from the date of allotment of the Warrants, in one or more tranches, in accordance with the SEBI Regulations and other relevant guidelines as may be prevailing at the time of allotment of shares, and that the Warrants so issued or allotted give rise (on allotment or conversion/ exercise of right) to not more than 5,25,000 (five lacs twenty five thousand) Equity Shares of Rs. 10/- each fully paid-up.

RESOLVED FURTHER THAT the relevant date, in terms of Chapter VII of the SEBI (ICDR) Regulations, for determination of minimum offer price for the issue of the Equity Shares on a preferential allotment basis is 30 days prior from the date of Annual General Meeting i.e. 16th August, 2013.

RESOLVED FURTHER THAT the equity shares allotted on conversion of Warrants in terms of this resolution shall be subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend with the existing fully paid up equity shares of Rs. 10/- each of the Company.

RESOLVED FURTHER THAT the aforesaid Warrants allotted in terms of this resolution and the resultant equity shares arising on exercise of right attached to such Warrants shall be subject to lock-in requirements as per the provision of Chapter VII of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the warrants shall be issued by the Company on the following terms and conditions:

- i) An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be



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payable at the time of making the application for Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant Holder at the time of exercising the option.

- ii) In the event the Warrant Holder does not exercise the option of conversion within 18 months from the date of allotment of Warrants, the Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company.
- iii) The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company and also the Guidelines/ Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby Authorized to determine the terms and conditions of the issue in such manner as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company and to approach SEBI and / or any other competent authority to do all such acts, deeds, matters and things as may be necessary, appropriate and proper or expedient for giving effect to the above Resolution.

RESOLVED FURTHER THAT the funds so raised shall fulfill the additional fund requirements for capital expenditure including funding long term working capital requirements and for other approved corporate purposes.

RESOLVED FURTHER THAT for the purpose of giving effect to the said Special Resolution u/s 81(1A) and other applicable provisions of the Companies Act, 1956 the Board of Directors of the Company are hereby authorized to take such steps and to do all such acts, deeds, matters and things and agree and accept any alteration(s) or amendment(s) or correction(s) or modification(s) as they deem fit and appropriate and give such directions/ instructions as may be necessary to settle any question or difficulty for the offer/ issue and allotment of Warrants in such manner as may be deemed fit and appropriate by the Board of Directors and or any legal/ regulatory body, to be most beneficial to the Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to delegate any or all the powers conferred upon it by this resolution, to any committee the powers conferred upon it by this resolution, to any individual so authorized by the Board.”

Regd. Office:

24, II main, Doddanekkundi Industrial Area,
Bangalore 560 048

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

(R. M. Thakkar)
Chairman & Managing Director

Place : Mumbai

Date : 17th August 2013

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.
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, contact detail 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.



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- 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 9th September, 2013 to 17th September, 2013 (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.
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ANNEXURE TO NOTICE

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

Item No. 5

Mr. V. Raghu was appointed as an Additional Director by the Board of Directors, on 25th May, 2013 pursuant to the provisions of section 260 of the Companies Act, 1956. He holds office of Director upto the date of this Annual General Meeting and is eligible for appointment.

The Company has received notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director,

The Board of Directors recommends his appointment.

Except Mr. V. Raghu, none of the Directors are interested or concerned in this resolution.

Item No. 6

Ms. Charita Thakkar is a qualified Management Executive. She started her career in the Company way back in 1985, during the start up years of the Company, as Finance Manger after completing her Bachelor's Degree in Science from Bombay University and Master of Business Administration in Finance and Accounts from Texas Christian University, USA. She is also a Master of Science in Management under the Stanford Sloan program, Stanford University, USA.

She assumed the positions of Asst. General Manager and General Manager in the Company before moving to USA, from where she was associated in development of the export market. During her tenure with the Company she played an important role in the development of downstream products and new product applications of polybutene. She was actively involved in the mobilization of funds for the Company through credit financing with Indian Financial Institutions and public offerings of equity shares / rights issue etc.

She was also instrumental in conceptualization and implementation of the Polymer business in Bangalore unit of the Company. Her experience in finance and general management, knowledge of polymer and polybutene business, exposure to international business negotiations, corporate administration and strategic overseas business planning will be very valuable to the Company.

The Remuneration Committee meeting held on 25th May, 2013 has approved the appointment and remuneration payable to Ms. Charita Thakkar. Subject to the approval of the Share holders of the Company, and subject to any other approval(s) as may be required, the Board of Directors of the Company at its meeting held on 25th May, 2013 appointed Ms. Charita as Whole Time Director designated as an Executive Director of the Company for a period of three years with effect from 1st Sept., 2013.

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

TERMS OF APPOINTMENT

Period of Appointment: Three years with effect from 1st Sept., 2013.

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 1: 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.

- 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 Charita 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 Charita 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.



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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/ appointment of Ms. Charita 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.

Dr. R M Thakkar, Ms. Charita Thakkar, Ms. Urmi N Prasad, and Ms. Ursula Thakkar who are related to each other, are interested in the Resolution as it relates to her own/ relative's term of appointment/ remuneration.

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

Item No. 7 & 8

Issue of Equity Shares and Warrants convertible into Equity Shares of the Company to the Promoter on preferential allotment basis

The Company has installed a new extruder and increased the capacity of the unit by a further 1000 tons per annum. The company would require funds for the additional working capital necessitated by the increased sales as well as for the additional capital expenditure required by both the Company and its 100% owned subsidiary - Gujarat Polybutene Pvt Ltd.

In order to continue to keep the Company debt free and to avoid the financial burden of interest, the Company proposes to offer on preferential basis Equity Shares and Warrants convertible into Equity Shares to the promoters of the Company.

The Company requires funds in near future for meeting present capital expenditure for expansion and modernization activities, working capital margin requirements arising out of increased volume of business and for other corporate purposes, as may be required from time to time. To make provision for the funds so required, it is considered appropriate under the current circumstances to issue equity shares and warrants convertible into equity shares on preferential basis in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI Regulations").

On the request of the Company, Yashashree Commercial Services Private Limited a promoter group company, have agreed to subscribe up to 4,75,000 (four lacs seventy five thousand) Equity Shares (hereinafter referred to as "Equity Shares") and 5,25,000 (five lacs twenty five thousand) number of Equity Share Warrants (hereinafter referred to as "Warrants"), convertible into equivalent number of equity shares of Rs.10/- each fully paid-up, on preferential basis, at a price calculated in accordance with clause 76(1) of chapter VII of SEBI ICDR (Issue of Capital And Disclosure Requirements) Regulations, 2009, which shall be the higher of the following:

1. The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Bombay stock exchange during six months preceding the relevant date; or
2. The average of the weekly high and low of the closing prices of the Equity Shares quoted on the Bombay stock exchange during two weeks preceding the relevant date or
3. The Book value of equity shares as determined by the Auditor as on 31st March, 2013.

(Relevant date is 30 days prior from the date of Annual General Meeting, i.e. 16th August, 2013)

The details of the issue and other particulars as required under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations") in relation to the above resolution proposed are given as under:

1. The object of the issue on preferential basis:

The overall object of the issue of Equity Shares and Warrants convertible into Equity Shares in terms of the foregoing is to

- a) Raise long-term resources to finance its diversification and growth plans, and
- b) Raise funds for general corporate purposes including for working capital and other requirements

2 The issue expenses would be met out of the proceeds of this issue.

Intention of the Promoters/ Directors/ Key Management persons to subscribe in the issue:

Yashashree Commercial Services Private Limited, a promoter group company intends to subscribe for 4,75,000 equity shares of the Company and for 5,25,000 warrants convertible into equity shares. Apart, from this, no other Promoter/ Director/ Key Management Person intends to subscribe to the Proposed Preferential Allotment.

3. The shareholding pattern of the Company, before and after the preferential issue assuming allotment of equity shares upon full conversion of all the Warrants, shall be as under:

Sr. No.	Category	Pre issue Shareholding		Post issue Shareholding	
		No. of shares	% of Capital	No. of shares	% of Capital
A	Promoters Holding				
1	Indian Promoters	1681368	32.52	2681368	43.47
	Foreign Promoters	448636	8.68	448636	7.27
2	Persons Acting in Concert				
	Sub-Total	2130004	41.20	3130004	50.74
B	Non-Promoters Holding				
1	Institutional investors				
	Mutual Funds	26235	0.51	26235	0.43
	Banks, FIs, Insurance companies	835427	16.16	835427	13.54
	NRIS/ OCBs	60000	1.16	60000	0.97
	FIs				
	Sub-Total	921662	17.83	921662	14.94
2	Others				
	Private Body Corporates	31818	0.62	31818	0.51
	Indian Public	1640692	31.75	1640692	26.60
	NRI	444990	8.60	444990	7.21
	Clearing Members				
	Sub-Total	2117500	40.97	2117500	34.32
	Grand Total	5169166	100.00	6169166	100.00

Notes:

- a) The above shareholding pattern has been prepared on the basis of shareholding as on 31st July, 2013.
- b) The post- issue shareholding pattern has been arrived on the assumption that 4,75,000 equity shares to be issued and 5,25,000 equity shares to be issued on conversion of warrants into equity shares.

4. Proposed time within which the allotment shall be completed:

The allotment of proposed Equity Shares on Preferential Basis is to be completed in accordance with the SEBI (ICDR) Regulations, within 15 days from the date of passing the resolution provided hereinabove by the shareholders of the Company at this meeting or from the date of approvals, if any, required from any regulatory authority(ies) or the Central Government, as the case may be, whichever is later.

5. Auditor's Certificate:

A copy of the certificate from M/s S J H & Co., Chartered Accountants, Bangalore, the statutory auditors of

the Company, certifying that the issue of shares is being made in accordance with requirements of SEBI regulations for preferential issues is available for inspection at the Registered office of the Company during the business hours on any working days.

6. The identity of the proposed allottees and the percentages of the pre and post-preferential issue capital that may be held by them:

The proposed allottee and their percentage holdings, pre and post preferential issue capital are as given under the following table:

Sr. No	Category (Promoter/ Non Promoter)	Name of the proposed allottee	Pre Issue		Post Issue		Allottee is: QIB / MF / FII / FI / Banks / Trust
			No. of Shares	%	No. of Shares	%	
1	Promoter	Yashashree Commercial Services Private Limited	NIL	NIL	10,00,000	16.21%	N. A.

7. Pricing Certificate of the Auditors:

The Certificate issued by M/s S J H & Co., Chartered Accountants, Bangalore, the statutory auditors of the Company as to the Pricing of the issue being made in accordance with the regulations on preferential allotment issued by SEBI is being placed before the shareholders at the meeting and also available for inspection at the Registered office of the Company during the business hours on any working days.

8. Lock – in Period:

The equity shares to be allotted on preferential basis shall be subject to lock in as per the applicable SEBI ICDR Regulations, 2009.

9. Other terms of Issue of Warrants

1. The proposed allottee of the Warrants shall on or before the date of allotment of Warrants, pay an amount equivalent to at least 25% of the total consideration per Warrant.
2. The holder of Warrant will be entitled to apply for and obtain allotment of one equity share against such Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement, the Warrant holder shall pay the balance of the consideration towards the subscription to each equity share.
3. If the entitlement against the Warrants to apply for equity shares is not exercised within the aforesaid period, the entitlement of the Warrant holders to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such Warrants shall stand forfeited.
4. Upon receipt of the requisite payment as above, the Board (or a committee thereof) shall allot one equity share against each Warrant by appropriating Rs.10/- per equity share towards equity share capital and the balance amount paid against each Warrant towards the Share Premium Amount.
5. The Warrant by itself till converted into equity shares, does not give to the holder(s) thereof any rights of the shareholders of the Company.
6. The equity shares issued as above shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing fully paid up equity shares of the Company. The allotment of Warrants does not require making of a public offer as it is below the prescribed threshold limit for making of a public offer in terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Due to above preferential allotment of Warrants and the resultant issue of equity shares, no change in the management control is contemplated. The aforesaid allottee shall be required to comply with the relevant provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, if any, applicable consequent to the allotment of shares on conversion of Warrants as proposed above.

7. Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, 2009 as amended up to date, for the determination of applicable price for issue of equity shares is 16th August, 2013.

The Consent of the shareholders is being sought pursuant to the provision of section 81(1A) and other applicable provision of the Companies Act, 1956, if any, and in terms of provisions of the Listing Agreements executed by the Company with the Bombay Stock Exchange in which the Shares of the Company are listed.

Dr. R M Thakkar, Ms. Charita Thakkar, Ms. Urmi N Prasad, and Ms. Ursula Thakkar who are related to each other, are considered interested in the Resolution as it relates to allotment to the Company where they are Director/ promoter.

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

The Board recommends the special resolutions set out in the notice for approval by the Shareholders.

Regd. Office:

24, II main, Doddanekkundi Industrial Area,
Bangalore 560 048

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

(R. M. Thakkar)
Chairman & Managing Director

Place : Mumbai
Date : 17th August 2013

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 Adhik Shirodkar	Ms. Charita Thakkar
Date of Birth	15/07/1931	01/11/1960
Date of Appointment	16/04/1983	28/09/1990
Expertise in specific functional areas	Mr. Adhik Shirodkar is a Senior Advocate	Ms. Charita Thakkar has expertise in finance and has business experience of over 21 years.
Qualifications	B. A. (Honors)., L.L.B.	MBA (TCU) MMS (Stanford)
Directorship held in other companies (excluding foreign companies)	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

DIRECTORS' REPORT

To the Members of,
Gujarat Petrosynthese Limited

The Directors present the 36th ANNUAL REPORT of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

		(Rs. in Lacs)	
Particulars	2012-13	2011-12	
Sales Turnover	1060.65	1359.10	
Expenses other than Finance Cost and Depreciation	1209.62	1200.99	
Operating Profit	(30.44)	158.11	
Less : Finance Cost	0.14	0.00	
Depreciation	36.01	36.47	
Profit before Tax	(66.59)	121.64	
Less : Provision for Tax	0.00	43.14	
Profit After Tax	(66.59)	78.50	
Add: Balance Brought forward from earlier period	1284.19	1205.68	
Balance available for appropriations	1217.60	1284.19	
Balance carried to Balance sheet	1217.60	1284.19	

Dividend

As per prudent financial measures and 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

The polymer industry faced a slowdown during the last fiscal year primarily driven by high inflation, uncertain economic situation and a slowdown in industrial growth. The auto industry in particular saw one of the biggest drop in sales. The polymer compounding unit is primarily dependent on the auto and consumer durable sector for its growth. This slowdown has resulted in a fall in turnover and reduction in margins due to the rise in the cost of production. Despite the fall in demand, your company managed not only to retain but also increase its customer base by developing new products as per the clients' requirements.

Future outlook

The polymer industry is expected to show a double digit growth on a long term perspective. Your company believes that investment in this sector will bring shareholders value and with this view, the capacity expansion which was announced in our last meeting has been brought to fruition. We have added 1000 mts/ annum compounding capacity and would continue to expand capacity as the market grows.

Development initiatives have been strengthened and our strike rate of meeting customer's new product development requirements have increased substantially. The Company expects to increase its market share in the future.

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 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 the audit committee supplement the Company's internal control system. Your Company ensures its implementation and



Gujarat Petrosynthese Limited

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. Adhik Shirodkar and Ms. Charita Thakkar 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.

Auditors

M/s. SARJBA & Co, Chartered Accountants, retire as Auditors of the Company. The same firm is now renamed, with the approval of the Institute of Chartered Accountants of India, under new title M/S. S J H & Co. The Company received a letter along with copy of approval from ICAI to this effect. M/S. S J H & Co. confirmed that, if appointed, their appointment will be within the limit prescribed under Sec. 224(1B) of the Companies Act, 1956. The Board recommends the appointment. Members are requested to appoint 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 and shareholders in the performance of the Company.

For and on behalf of the Board
Gujarat Petrosynthese Limited

Sd/-

(R. M. Thakkar)

Chairman & Managing Director

Place: Mumbai
Date : 25th May, 2013

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 2012-13

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		2012-13	2011-12
a) Purchased			
Unit	KWH	657,928	753,980
Total amount	Rs	3,872	4,131
Rate / Unit	Rs	5.89	5.48
b) Own Generator through Diesel Generator			
Units	KWH	61,120	96,560
Units per Ltr	KWH	8.06	8.39
Cost/unit	Rs.	5.92	5.37
Furnace oil			
Quantity	KL	NIL	NIL
Other / Internal Generator	Rs	NIL	NIL
Average Rate	Rs.	NIL	NIL

B. CONSUMPTION PER UNIT PER PRODUCTION

Standards (If any)		2012-13	2011-12
Product/Unit : Polymer / Kg.			
Electricity	KWH	0.54	0.63
Furnace Oil	N.A	NIL	NIL
Coal	N.A	NIL	NIL
Others	N.A	NIL	NIL

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 of variety of PIB
4	Expenditure on R & D	₹
	a) Capital	-
	b) Recurring	165,340.00
	c) Total	165,340.00
	d) Total R & D Expenditure as a percentage of Total Turnover	0.05

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.NIL During the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date : 25th May, 2013

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

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, 2013 ₹ in thousands	March 31, 2013 ₹ 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 far 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, 2013		
(I) For the Subsidiary's financial year ended as aforesaid	NIL	NIL
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	NIL	NIL
(b) Dealt within the Holding Company's Account for the year ended March 31, 2013		
(I) For the Subsidiary's financial year ended as aforesaid	314	(36,732)
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	3,456	65,125
4. (a) Change in the interest of the Holding Company between the end of the last financial year and March 31,2013	NIL	NIL
(b) Material changes occurred between end of the financial year of the Subsidiary and March 31, 2013	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 25th May, 2013

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 4 promoter directors (one executive chairman, two executive directors and one non executive director), and 4 independent non executive directors and 1 relative of promoter Directors.

During the year 2012-13, the Board met 4 times on 30/05/2012, 13/08/2012, 27/10/2012, and 29/01/2013.

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 were as follows:

Name	Category	No. of other Directorship	Committee Membership (other than GPL)	Committee Chairmanship	No. of Board Meeting attended	Last AGM attended
Dr. R.M. Thakkar	Promoter Executive Chairman	5	0	0	2	No
Ms. Urmi N. Prasad	Executive Director	5	0	0	4	Yes
Ms. Ursula R. Thakkar	Executive Director	5	0	0	4	Yes
Ms. Charita R. Thakkar	Non Executive Director	5	0	0	0	No
T N R Rao	Independent Non Executive Director	2	1	1	4	Yes
Mr. Adhik Shirodkar	Independent Non Executive Director	0	0	0	2	No
Mr. V.H. Pandya	Independent Non Executive Director	0	0	0	4	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. 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.

The details of the shareholding and salary/ perquisites paid to the Managing/ Executive Directors and non executive directors for the financial year ended March, 2013 are as under:

Name	Salary	Perqui- sites	Cont. to Pension / Gratuity / Super	Cont. to leave Salary	Commis- sion	Other	Total	No. of Equity Shares held
Dr. R. M. Thakkar	22,50,000	4,63,986	2,25,000		0	1,25,000	30,63,986	301916
Ms. Urmi N. Prasad	22,50,000	81,189	4,05,000		0	1,25,000	28,61,189	161,189
Ms. Ursula Thakkar	22,50,000	1,29,690	4,05,000		0	1,25,000	29,09,690	180,700
Ms. Charita Thakkar.					0			159016
Mr. T.N.R.Rao					0			0
Mr. Adhik Shirodkar					0			2116
Mr. V. H. Pandya					0			196
Mr. M. D. Garde					0			0
Dr. (Mrs.) M. H. Mehta					0			90.331

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 meeting of the Board and Rs. 1500/- per meeting of the Committee attended by them.

The Sitting fees paid for the year 2012-13 to the Directors of the Board, The Audit Committee, The Remuneration Committee and the Shareholders/ Investors Grievance Committee are as under;

Name	Sitting Fees. Rs.	Name	Sitting Fees Rs.
Mr. T.N.R.Rao	24,500	Mr. M. D. Garde	26,000
Mr. V. H. Pandya	30,500	Mr. Adhik Shirodkar	16,000

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, Mr. V. H. Pandya and Mr. T N R Rao Directors of the Company to review the status of the investor's grievances and its speedy and satisfactory redressal to the satisfaction of the complainant. During the financial year 2012-13, 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
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
2011-12	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	13.08.12	3.00 PM

At the last Annual General Meeting held on 13.08.12 no item was transacted through postal ballots.



Gujarat Petrosynthese Limited

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 : 17th September, 2013
Annual General Meeting Venue : No. 24, II Main Phase I,
Doddanekkundi Industrial Area,
Mahadevpura Post, Bangalore 560048
- 9.2 Financial Calendar for the year 2013-14 (Tentative)
Results for the quarter ending 30th June, 2013 – First week of Aug., 2013
Results for the quarter ending 30th Sept., 2013 – First week of Nov., 2013
Results for the quarter ending 31st Dec., 2013 – First week of Feb., 2013
Results for the quarter ending 31st March, 2014 – Last week of May, 2014
Results for the year ending March 31, 2014 – Last week of May, 2014
Annual General Meeting (Next year) – September 2014
- 9.3 Book Closure Date: 9th September, 2013 to 17th September, 2013.
- 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 Stock Exchange, Mumbai is 506858-GUJ. PETRO
Note: Annual Listing fees for the year 2013-14 has been duly paid to the Stock Exchange, Mumbai.
- 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 2012	-	-	Oct., 2012	--	--
May 2012	-	-	Nov., 2012	--	--
June 2012	--	--	Dec., 2012	32.60	31.00
July 2012	34.25	34.25	Jan., 2013	--	--
Aug., 2012	--	---	Feb., 2013	--	--
Sep., 2012	--	--	March 2013	--	--

- 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 the receipt of valid and complete documents in all respects.
- 9.10 Distribution schedule as on 31.03.2013

Range	No of Shares Held (Rs.)	% to Capital	No. of Shareholders	% to total holders
1 – 5000	14761720	28.56	18,718	96.73
5001 – 10000	2891920	5.60	415	2.15
100001 – 20000	1992090	3.85	141	0.73
20001 – 30000	569600	1.10	24	0.12
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	30212040	58.44	24	0.13
Total	51691660	100	19,350	100

Particulars	No. of shares held	% to total
FI/ Mutual Funds/ Banks/ Insurance Companies	861662	16.67
Bodies Corporate	478229	9.25
Individuals	3829275	74.08
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	Waghodia Unit
No. 24, II Main Phase I, Doddanekkundi Industrial Area, Mahadevpura Post, Bangalore 560048	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 - 400 059. Email id : secretarial@gujaratpetrosynthese.com

For and on behalf of the Board of Directors

Sd/-

R. M. Thakkar

Chairman & Managing Director

Place: Mumbai
Date : 25th May, 2013

AUDITOR'S 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, 2013, 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.

For SARJBA & Co.,
Chartered Accountants
(A.Jagannath Babu)
Partner
M.No. 20115

Place: Bangalore
Date: 25th May, 2013

AUDITOR'S REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Gujarat Petrosynthese Ltd, as at 31st March 2013 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 31.03.2013, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2013 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, 2013,
 - 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.

For SARJBA & Co.,
Chartered Accountants,
A.Jagannath Babu
Partner
M No: 020115

Place: Bangalore
Date: 25th May,2013

ANNEXURE - A TO THE AUDITORS' 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



Gujarat Petrosynthese Limited

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.

- 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,

A. Jagannath Babu
Partner

M No: 020115

Place: Bangalore
Date: 25th May, 2013

BALANCE SHEET AS AT 31.03.2013

₹ in thousand

PARTICULARS	NOTE No.	On 31.03.2013	On 31.03.2012
I EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	1	51,692	51,692
(b) Reserves and Surplus	2	121,760	128,419
(c) Money received against share warrants		173,452	180,111
2 Share application money pending allotments			
3 Non-current liabilities			
a) Long-term borrowings		-	-
b) Deferred tax liabilities (Net)	3	5,638	5,638
c) Other Long term liabilities		-	-
d) Long-term Provisions		-	-
4 Current Liabilities			
a) Short term borrowings		-	-
b) Trade payables	4	13,638	14,951
c) Other current liabilities	5	162	130
d) Short term provisions	6	14,908	12,066
Total		207,798	212,896
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	51,696	53,998
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
b) Non-current investments	8	67,399	40,515
c) Deferred tax assets (net)	3		
d) Long-term loans and advances			
e) Other non-current assets			
Total		119,095	94,513
2 Current assets			
(a) Inventories	9	4,799	4,089
(b) Trade receivables	10	21,556	19,639
(c) Cash and Cash equivalents	11	3,309	11,878
(d) Short-term loans and advances	12	57,036	80,706
(e) Other current assets	13	2,003	2,071
Total		88,703	118,383
Total		207,798	212,896
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

(A.JAGANNATH BABU)

PARTNER

Membership No. 020115

Place : Bangalore

Date : 25 th May, 2013

R.M. THAKKAR

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Date : 25 th May, 2013

URMI.N.PRASAD

EXECUTIVE DIRECTOR

Place : Mumbai

Date : 25 th May, 2013

PROFIT AND LOSS ACCOUNT AS AT 31.03.2013

		₹ in thousand		
PARTICULARS		Note	As on 31.03.2013	As on 31.03.2012
I	Revenue from operations	14	106,065	109,734
II	Other Income	15	11,853	26,176
III	Total Revenue (I + II)		117,918	135,910
IV	Expenses:			
	Cost of material consumed	16	85,533	86,159
	Purchase of Stock-in trade			
	Changes in inventories of finished goods, work in progress and Stock-in-trade	17	(156)	(67)
	Employee benefits expense	18	16,816	15,909
	Finance Costs	19	14	-
	Depreciation and amortization expense	7	3,601	3,647
	Other Expenses	20	18,769	18,097
	Total Expense		124,577	123,745
V	Profit before exceptional and extraordinary items and tax (III - IV)		(6,659)	12,165
VI	Exceptional Items			
VII	Profit before extraordinary items and tax (V - VI)		(6,659)	12,165
VIII	Extraordinary items			
IX	Profit before tax (VII - VIII)		(6,659)	12,165
X	Tax expense			
	(1) Current tax		-	4,150
	(2) Deferred tax		-	164
XI	Profit/(Loss) for the period from continuing operations (after tax) (IX - X)		(6,659)	7,851
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)		(6,659)	7,851
XVI	Earnings per equity share:			
	(1) Basic		(1.29)	1.52
	(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

(A.JAGANNATH BABU)
 PARTNER
 Membership No. 020115

R.M. THAKKAR
 CHAIRMAN & MANAGING DIRECTOR

URMI.N.PRASAD
 EXECUTIVE DIRECTOR

Place : Bangalore
 Date : 25 th May, 2013

Place : Mumbai
 Date : 25 th May, 2013

Place : Mumbai
 Date : 25 th May, 2013

NOTES TO FINANCIAL STATEMENTS

₹ in thousand

PARTICULARS	As on 31.03.2013	As on 31.03.2012
NOTE 1 : SHARE CAPITAL		
Authorized		
80,00,000 equity shares of Rs.10/- each	80,000	80,000
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 522992shares - 10.12%		
Sharayu .R.Thakkar-holds 301916 shares - 5.84%		
General Insurance Corpn of India-holds 276468 shares - 5.35%		
LIC of India - holds 538557 shares-10.42%		
NOTE 2 :RESERVES & SURPLUS		
Capital Reserves	-	-
General Reserve	128,419	120,568
Surplus in Profit/Loss account for the period	(6,659)	7,851
Total	121,760	128,419
NOTE 3 : NON-CURRENT LIABILITIES		
a) Long-term borrowings		
b) Deferred tax liabilities (Net) - Fixed assets differential	5,638	5,638
c) Other Long-term liabilities		
d) Long-term provisions		
Total	5,638	5,638
NOTE 4 : TRADE PAYABLES		
Creditors for Expenses	1,004	2,014
Creditors for Goods	12,424	12,713
Creditors for Others	210	224
Total	13,638	14,951
NOTE 5: OTHER CURRENT LIABILITIES		
Advance Received from Others	100	130
Advance Received from Customers	62	-
Total	162	130
NOTE 6: SHORT-TERM PROVISIONS		
Provision for employee benefits	178	174
Provision for Others / Expenses	1,759	141
Others		
Provision for Taxation	12,971	7,601
Provision for Taxation FY:2012-13	-	4,150
Total	14,908	12,066

NOTE : 7 DETAILS OF FIXED ASSETS FOR THE FINANCIAL YEAR 2012-2013															
Sr. No	Particulars	Gross Block					Depreciation				Net Block				
		as at 1.04.2012	Additions Before 30th Sep	Additions After 1st Oct	Additions	Deductions	Total as at 31.03.2013	Rate	As at 31.03.2012	For the year ended 31.03.2013	Deductions	Total Depn	As at 31.03.2013	As at 31.03.2012	
	Tangible Assets														
1	Leasehold Land	15,734			-		15,734							15,734	15,734
2	Freehold Land	4,419			-		4,419							4,419	4,419
3	Factory Building/ Building	17,631			-		17,631							9,510	10,099
4	Plant & Machinery	37,655	798		798		38,453							14,654	15,683
5	Electrical Installation	2,422			-		2,422							537	652
6	Vehicles	5,774	109		109	259	5,624							3,237	3,822
7	Laboratory Equipment	2,303			-		2,303							529	638
8	Furniture & Fixtures	2,109	68		68		2,177							1,088	1,158
9	Jigs & Moulds	262	90		90		352							195	105
10	Office Equipments	2,228	156	57	213		2,441							1,494	1,407
11	Computer	1,534	77		77		1,611							299	281
	Subtotal-A	92,071	1,298	57	1,355	259	93,167							51,696	53,998
	Intangible Assets														
	Subtotal-B	-	-	-	-	-	-							-	-
	Total A+ B	92,071	1,298	57	1,355	259	93,167							51,696	53,998
	Previous Year	89,457			2,614		92,071							53,998	

NOTES TO FINANCIAL STATEMENTS

₹ in thousand

PARTICULARS	As on 31.03.2013	As on 31.03.2012
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		
3490000 (P.Y. 2240000) Fully paid up equity shares - face value of Rs. 10 each	47,400	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	1,500	1,500
1,46,627.566 Units of Templeton India Income Fund Market Value Rs.18,08,211/- (P.Y.Rs.15,59,971)		
Optimix Star Multi Manager	1,000	1,000
97,560.9756 Units of Optimix Star Multi Manager Market Value Rs.12,27,024/- (P.Y.Rs.6,32,585)		
Reliance Vision Fund	1,500	1,500
31,023.785 Units of Reliance Vision Fund Market Value Rs.11,11,923/- (P.Y.Rs.8,04,788)		
Fixed Deposit with SBI & SBM	6,000	4,116
Total	67,399	40,515
NOTE 9: INVENTORIES		
(As Taken, Valued And Certified By The Management)		
Raw Material & Consumables	3,798	3,244
Finished Goods	1,001	845
Total	4,799	4,089
NOTE 10: TRADE RECEIVABLES		
Debtors Outstanding for more than Six Months	—	15
Debtors - Others	21,556	19,624
Total	21,556	19,639

NOTES TO FINANCIAL STATEMENTS

₹ in thousand

PARTICULARS	As on 31.03.2013	As on 31.03.2012
NOTE 11: CASH AND CASH EQUIVALENTS		
Cash on Hand	126	187
(I) In Current Accounts with Schedule Banks	3,183	9,117
(II) Fixed Deposit with Bank of Baroda	—	2,574
Total	3,309	11,878
NOTE 12: SHORT TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received	42,444	64,446
Tax Deducted At Source	14,254	11,167
Advance Tax Paid F.Y.2012-13	225	2,165
Tax Deducted At Source F.Y.2012-13	113	2,928
Total	57,036	80,706
NOTE 13 : OTHER CURRENT ASSETS		
Trade Deposits	285	457
Other Deposits	837	664
Cenvat Credit	395	221
Prepaid Expenses	486	357
Prepaid Expenses-Buy Back	—	372
Total	2,003	2,071

NOTES TO FINANCIAL STATEMENTS

₹ in thousand

PARTICULARS	As on 31.03.2013	As on 31.03.2012
NOTE 14 : REVENUE FROM OPERATIONS		
Sales (Net)	96,642	98,901
Job Work Charges	9,423	10,833
Total	106,065	109,734
NOTE 15: OTHER INCOME		
Interest on Loans	1,149	6,167
Interest on Deposit	673	1,614
Miscellaneous Income	60	120
Service Charges	9,600	18,000
Dividends Received from Mutual Funds	205	252
Specimen Testing Charges	53	23
Interest from Income Tax Refund	113	—
Total	11,853	26,176
NOTE 16: COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock of Materials	3,244	2,310
Add: Purchases	85,264	86,083
Less: Closing Stock	3,798	3,244
Packing Materials	823	1,010
Total	85,533	86,159
NOTE 17: INCREASE/DECREASE IN FINISHED GOODS		
Opening Inventories (Finished Goods)	845	778
Closing Inventories (Finished Goods)	1,001	845
Total	(156)	(67)
NOTE 18: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	7,236	6,444
Contribution to Provident and Other Funds	413	387
Staff Welfare Expenses	332	264
Managerial Remuneration & Perks	8,835	8,814
Total	16,816	15,909

NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

₹ in thousand

PARTICULARS	As on 31.03.2013	As on 31.03.2012
NOTE 19: FINANCE COSTS		
Interest on Service Tax / Excise Duty	14	—
Total	14	—
NOTE 20 : OTHER EXPENSES		
Excise Duty	373	235
Bank charges	2	18
Power and Fuel	4,243	4,671
Repairs & Maintenance	2,253	1,584
Rates and Taxes	269	264
Insurance	365	313
Auditors Remuneration & Perks	160	160
Directors commission	—	993
Travelling Expenses	629	855
Directors Sitting Fees	97	98
Donations	10	212
General Expenses	8,164	7,267
Transportation, Freight and Octroi	470	724
Retainers Fees	741	187
Vehicle Expenses	993	516
Total	18,769	18,097

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.
- 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 line with the decision of the Board following additional note to Notes to Accounts may be added. The note may be added after note on contingent liability.

“ The Company had lodged claims on Axis Bank demanding repayment of fraudulent withdrawal of Rs. 39,00,500/- during the year 2011.12. The adjudication complaint is pending before the Adjudicator of Karnataka and other legal proceedings to recover the amount is before the Cyber Appellate Tribunal. In the opinion of management and legal consultant the amount is considered good for recovery thru judicial process. The current assets include the above claim of Rs. 39,00,500 (prev year Nil) recoverable from Axis Bank Ltd. and is considered as good”.

4. In the opinion of the Management:

- a) 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.
- b) All the known liabilities have been provided. There is no liability, contingent or otherwise, except those which are stated in the accounts.

5. 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
Contribution to Provident and Other Funds	3.50	3.50
Perquisites in cash or kind	4.64	4.98
	30.64	34.29
II. The Executive Directors		
Salary	45.00	45.00
Commission	—	4.41
Contribution to Provident and Other Funds	10.60	11.60
Perquisites in cash or kind	2.11	5.31
	57.71	66.32
III. Non Whole-Time Directors		
Commission	—	2.21
	—	2.21

6. **Computation of Net Profit as per Section 349 r.w.s 309(5) and Section 198 of the Companies Act, 1956.**
Commission to Directors not worked out in view of Loss during the year
7. The investment in the Equity Shares of Southern Agrosynthese Limited amounting to Rs.21,14,549/- is valued at ₹. 1/- as the net worth of the said Company is negative.
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. Remuneration to Auditors :	31.03.2013	31.03.2012
(Exclusive of Service Tax)	₹ in thousands	₹ in thousand
Audit Fees	100.00	100.00
Tax Audit Fees	60.00	60.00
Total	160.00	160.00

10. The Additional information pursuant to provisions of Part II of the Schedule VI to the Companies Act 1956 are given to the extent as applicable to the Company.

	31st March, 2013		31st March, 2012	
	Qty (M.T)	₹ in thousands	Qty	₹ in thousands
a) Turnover				
Alloys & Blends Sales	622	96642	647	98900
Job work charges	711	9423	880	10834
		106065		109734

Turnover of Polymers includes 321 Kgs (Previous year 229 Kgs) given as free sample.

b) Consumption of Raw materials	31st March, 2013		31st March, 2012	
	Qty (M.T)	₹ in thousands	Qty	₹ in thousands
Commodity & Engineering Products/Plastics of Different Types	630	85532	661	86159

c) Value of Imported and Indigenous Raw Material consumed during the Year	31st March, 2013		31st March, 2012	
	₹ in thousands	%	₹ in thousands	%
Imported	-	-	-	-
Indigenous	85532	100%	86159	100%
	85532	100%	86159	100%

d) Opening and Closing Stock of Goods	31st March, 2013		31st March, 2012	
	Qty (M.T)	₹ in thousands	Qty	₹ in thousands
Alloys & Blends	6039	1001	6028	845

e) C.I.F. Value of Imports	31.03.2013	31.03.2012
	₹ in thousands	₹ in thousands
Raw Material (Bangalore Unit)	95.13	NIL
Spares	NIL	NIL

f) Expenditure in Foreign Currency	31st March, 2013	31st March, 2012
i) Travelling	289	NIL
ii) Others	NIL	NIL

g) Earning in Foreign Exchange	NIL	NIL
h) Amount remitted in Foreign Currencies towards divided (Net of Tax)	31st March, 2013	31st March, 2012
i) Number of Non-resident Equity Shareholders	846	854
ii) Number of Equity Shares	8,93,626	9,02,800
iii) Amount Remitted	NIL	NIL

11. The Company has written off old debit and credit balances of various parties during the year, net debit on this account is ₹ NIL (Previous Year ₹ 27,290/- net Debit)

12. Prior Period income of ₹ 2,08,125/- (Previous Year ₹ NIL/-) ₹ in thousands

13. Earning Per Share :	2012-2013	2011-2012
a) Net Profit available for equity shareholders (Numerator used for calculation)	(6659)	7851
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 (Equity Share of face value of 10 each)	(1.29)	1.52

14. Transaction with Related Parties:

Related Parties Particulars	Subsidiary Company	Relatives	Key Management Personnel
Sales / Services	9600.00	—	—
Expenses	—	—	—
Remuneration	—	—	8835.00
Others	—	—	—
Income	—	—	—
Interest received	1084.00	—	—

Outstanding

Receivable ₹ in thousands
16000.00

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
Key Management Personal
Dr.R.M.Thakkar
Mrs.Urmi.N.Prasad
Ms.Ursula Thakkar

15. **Shares Bought Back** Year
Equity Shares 2010-11 No.of Shares
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 31.03.2013 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 and on behalf the Board of Directors

For SARJBA & CO

Chartered Accountants,
Firm Regn. No. 012106S

(A.JAGANNATH BABU)
PARTNER
Membership No. 020115

R.M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

URMI.N.PRASAD
EXECUTIVE DIRECTOR

Place : Bangalore
Date : 25 th May, 2013

Place : Mumbai
Date : 25 th May, 2013

Place : Mumbai
Date : 25 th May, 2013

CASHFLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Rs. In Thousands

Sl.No	Particulars	2012-2013	2011-2012
A	CASHFLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	(6,659)	12,165
	Adjustments for:		
	Prior period	—	—
	Depreciation	3,601	3,647
	Income Tax and FBT	—	(4,314)
	Profit /(Loss) on sale of fixed assets	—	—
	Profit /(Loss) on Redemption on investments	—	—
	Dividend received	(205)	(252)
	Interest received	(1,935)	(7,781)
	Operating profits before working capital chages	(5,198)	3,464
	Adjustments for:		
	Decreases / (Increase) in Inventories	(710)	(1,001)
	Decreases / (Increase) in Trade & other receivables	(1,917)	(221)
	Decreases / (Increase) in Loans & Advances	(23,737)	(2,969)
	Increase / (Decrease) in Payables	1,561	2,787
	Cash Generated from Operations	17,473	2,061
	Interest paid	—	—
	Net Cash inflow / (outflow) from operating activities	17,473	2,061
B	CASH FLOW FROM INVESTMENTS ACTIVITIES		
	Purchase of Fixed Assets	(1,558)	(2,615)
	Sale of Fixed Assets (net)	259	—
	Sale / (Purchase) on sale of investments	(26,884)	(3,668)
	Profit / (Loss) on sale of investments	—	—
	Interest received	1,935	7,781
	Decrease / (Increase) in loans to Bodies corporates & others	—	—
	Net Cash inflow / (outflow) from investing activities	(26,248)	1,498
C	CASH FLOW FROM FINANCE ACTIVITIES		
	Proceeds from Borrowings	—	—
	Repayment of Borrowings	—	—
	Buyback of Equity shares	—	—
	Dividends paid	—	—
	Dividends received	205	252
	Net Cash Inflow / (outflow) in cash from Financing activities	205	252
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(8,570)	3,811
	Cash and cash equivalents at beginning of year	11,878	8,067
	Cash and cash equivalents at end of year	3,308	11,878

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

(A.JAGANNATH BABU)
PARTNER
Membership No. 020115

R.M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

URMI.N.PRASAD
EXECUTIVE DIRECTOR

Place : Bangalore
Date : 25 th May, 2013

Place : Mumbai
Date : 25 th May, 2013

Place : Mumbai
Date : 25 th May, 2013

DIRECTORS' REPORT

To the Members,

The Directors present the 10th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

(Rs. in lacs)

	for the year ended on 31/03/2013	for the year ended on 31/03/2012
Sales	3318.92	3929.46
Operating Profit	(299.09)	263.33
Less : Interest	47.10	227.30
Depreciation	21.13	25.72
Profit before Tax	(367.32)	10.31
Less : Provision for Tax	0.00	5.95
Add: Provision for Deferred Tax	0.00	1.58
Less : Fringe Benefit Tax	0.00	(8.22)
Profit After Tax	(367.32)	14.16
Add: Brought Forward Profit	651.25	637.09
Profit available for appropriation	283.93	651.25
Transfer to General Reserve	—	—
Balance Carried to balance sheet	283.93	651.25

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

The polybutene unit and indeed the Indian polybutene industry is facing challenging times. High feedstock transportation costs have escalated the cost of manufacture of polybutene. However, all possible measures have been taken during the year to reduce costs by streamlining manpower, decreasing administrative costs as well as conservation and optimum energy utilization, etc. Despite constraints of high product prices the unit has received support from its customers for consistent quality and timely delivery.

Feedstock at competitive prices continues to be the prime concern and an area of continuous, steady and focused effort by management.

Future outlook

Uncertainty and price volatility are not new phenomena for the oil and downstream industries as has been evident in recent years. Such cycles will continue to happen and have to be accepted and weathered. Your company is facing the challenge and is making continual efforts to identify alternative competitive feedstock while simultaneously bringing down the cost base as much as possible. Several alternate feedstock sources are being doggedly pursued and cost reduction measures initiated in the previous year are now bearing fruit due to which the unit is now confident of turning the tide within this fiscal year.

We are happy to inform you that we have received overwhelming assurance from our regular customers in supporting us through this difficult period and it is this true partnership that is our strength and key assets.

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.



Gujarat Polybutenes Private Limited

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.

Directors

At the forthcoming Annual General Meeting, Ms. Charita Thakkar retire by rotation as per the provisions of the Companies Act, 1956 and being eligible offer herself for reappointment.

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. 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 Pvt. Ltd.

Place: Mumbai
Date : 24th May, 2013

Sd/-
(R. M. Thakkar)
Director

Sd/-
(Urmi N. Prasad)
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 2012-13

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		2012-13	2011-12
a) Purchased			
Unit	KWH	1,158,240	1,882,994
Total amount	Rs	8,380,668	11,902,660
Rate / Unit	Rs	7.24	6.32
b) Own Generator through Diesel Generator			
Units	KWH	19,308	9,528
Unit Per Ltr	KWH	2.47	0.74
Rate / Unit	Rs	19.18	17.93
Furnace Oil			
Quantity	MT	-	-
Total amount	Rs	-	-
Average Rate	Rs	-	-
Natural Gas			
Quantity	scm	722,603	1,274,252
Total amount	Rs	30,289,966	38,924,197
Average Rate	Rs	41.92	30.55

B. CONSUMPTION PER UNIT PER PRODUCTION

Standards (If any)		2012-13	2011-12
Product/Unit : Polymer / MT			
Electricity	KWH	729.022	588.707
Furnace Oil	N.A	-	-
Natural Gas	scm	447.365	396.382

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 of variety of PIB
4	Expenditure on R & D	₹
	a) Capital	-
	b) Recurring	165,340.00
	c) Total	165,340.00
	d) Total R & D Expenditure as a percentage of Total Turnover	0.05

Technology absorption, adoption and innovation.		
1	Efforts in brief, made towards technology	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.NIL During the year.

For and on behalf of the Board

Gujarat Polybutenes Pvt. Ltd.

Place: Mumbai
Date : 24th May, 2013

Sd/-
(R. M. Thakkar)
Director

Sd/-
(Urmi N. Prasad)
Director



Gujarat Polybutenes Private Limited

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, 2012 and ended on 31st March, 2013. 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 5 times on 28th May, 2012, 10th July, 2012, 20th Aug., 2012, 27th Oct., 2012 and 29th Jan., 2013 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.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 13th Sept., 2012 after giving notice to the members of the Company and the resolutions passed thereat were recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held on 9th Aug., 2012 during the financial year and the Company has complied with the provisions of the Act.
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) The Company has delivered all the certificates on allotment of Equity Shares. There was no 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.



Gujarat Polybutenes Private 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 additional directors, alternate directors and directors to fill casual vacancies during the financial year.
 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 issued 12,50,000 Equity shares during the financial year and has complied with the provisions of the Act.
 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

(J. J. Gandhi)
Proprietor

Place : Vadodara
Date : 24th May, 2013.

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, 2013.

Sr. No.	Form No.	Filed under sec.	For	SRN No.	Uploaded with MCA21 on
1.	Form 23AC	220	Balance sheet and its attachment	Q04617031	19/12/2012
2.	Form 66	383A	Compliance Certificate	P88952908	17/09/2012
3.	Form 20B	159	Annual Return	P95146627	08/11/2012
4.	Form 23B	224(1B)	Information by auditor to Registrar	S13326665	10/08/2012
5.	Form 23	192	For Registration of Resolution passed U/s 81(1A)	B56237134	27/08/2012
6	Form 2	75	Return of Allotment of 12,50,000 Equity Shares	S1395068	31/08/2012
7	Form 32	303	Change in Designation of Director	B58451741	27/09/2012

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **GUJARAT POLYBUTENES PRIVATE LIMITED** as at 31st March, 2013 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 31.03.2013, 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 2013 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, 2013;
 - ii. In the case of the Profit and Loss Account, of the loss 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

(SURESH THAKKAR)
PROPRIETOR
M. No. 11650

PLACE : VADODARA
DATE : 24.05.2013

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 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 and share holders (repaid during the year) 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 (Rs in ‘000)
Gujarat Petrosynthese Limited (Holding Co)	Rs. 22,000/-
GPL Finance & Investments Ltd (Subsidiary of holding co)	Rs. 6,100/-
Multichem Private Ltd (other co)	Rs. 30,000/-

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



Gujarat Polybutenes Private Limited

of its business.

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 has no accumulated losses at the end of the year. However company has incurred cash losses during the current year and no cash loss 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 made preferential allotment of 12,50,000 equity shares to its holding company Gujarat Petrosynthes Ltd at the premium of Rs. 10/- per share 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

(SURESH THAKKAR)
PROPRIETOR
M. No. 11650

PLACE : VADODARA
DATE : 24.05.2013

BALANCE SHEET AS ON 31ST MARCH, 2013

₹ in thousand

	Notes	31.03.2013	31.03.2012
EQUITY AND LIABILITIES :			
SHAREHOLDERS' FUNDS :			
Share Capital	"1"	34900	22,400
Reserves and Surplus	"2"	40893	65,125
NON-CURRENT LIABILITIES :			
Long-term Borrowings	"3"	58100	104,255
CURRENT LIABILITIES :			
Short-term Borrowings	"4"	17157	34,266
Trade Payable	"5"	41843	33,923
Short-term Provisions	"6"	8289	8,289
TOTAL		201182	268258
ASSETS :			
NON-CURRENT ASSETS :			
Fixed Assets	"7"	41618	35289
Trade Deposits and Investments	"8"	34610	108682
Deferred Tax Assets (Net)		535	535
Preliminary Expenses		3320	590
CURRENT ASSETS :			
Inventories	"9"	67212	46053
Trade Receivable	"10"	10641	16946
Cash and Cash Equivalents	"11"	20541	31589
Short-term Loans and Advances	"12"	22705	28574
TOTAL		201182	268258

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

As per our report of even date

For and on behalf the Board of Directors

For Suresh Thakkar & Co.
Chartered Accountants

Suresh Thakkar
Proprietor
Mem No. 11650

R. M. Thakkar
Director

Urmi N Prasad
Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

	Notes	₹ in thousand	
		31.03.2013	31.03.2012
REVENUE FROM OPERATIONS :			
Sales	"14"	331,892	392,946
Other Income	"15"	3,855	5,445
		335,747	398,391
EXPENDITURE :			
Cost of Raw Materials Consumed	"16"	254,064	190,362
Cost of Packing Materials Consumed	"17"	22	2,565
Changes in Inventories of Finished Goods and WIP	"18"	(11,068)	61,499
Cost of Manufacturing	"19"	79,742	60,474
Administrative & Other Expenses	"20"	20,613	28,992
Staff Costs	"21"	22,163	27,987
Cost of Selling and Distribution	"22"	119	179
Cost of Finance	"23"	4,710	22,730
		370,365	394,788
Profit Before Depreciation and Tax		(34,618)	3,603
Less: Depreciation and Amortization Expenses		2,114	2,572
Profit Before Exceptional & Extra Ordinary Items		(36,732)	1,031
Less : Exceptional and Extraordinary Items		—	—
Less: Prior Period Expenses		—	—
Profit Before Tax		(36,732)	1,031
Less : Provision for Income Tax		—	595
Add/Less : Deferred Tax Assets		—	158
Add: Excess Provision		—	822
Profit \ Loss After Tax		(36,732)	1,416
Balance brought forward from Previous Year		65,125	63,709
Balance carried to the Balance Sheet		28,393	65,125

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

As per our report of even date

For and on behalf the Board of Directors

For Suresh Thakkar & Co.
Chartered Accountants

Suresh Thakkar
Proprietor
Mem No. 11650

R. M. Thakkar
Director

Urmi N Prasad
Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2013

₹ in thousand

- 31.03.2012

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
Add: 1250000 Equity Shares of Rs.10/- each fully paid issued to Gujarat Petrosytheses Limited - holding company)	12,500	—
TOTAL	34,900	22,400

Note - '2' : RESERVES AND SURPLUS

Profit and Loss Account	28,393	65,125
Share Premium		
On allotment of 1250000 Equity Shares of Rs.10/- each fully paid at a premium of Rs.10 per share to Gujarat Petrosytheses Ltd a holding company)	12,500	—
TOTAL	40,893	65,125

Note '3': LONG TERM BORROWINGS : (UNSECURED LOANS)

Fixed Deposit from GPL (Holding Company-HO)	16,000	41,000
Fixed Deposit from GPL (Holding Company-Bgl)	6,000	7,300
Fixed Deposits from Directors and Shareholders	—	30,025
From Other Companies:		
GPL Finance and Investments Ltd.	6,100	4,500
Multichem Pvt. Ltd	30,000	21,430
TOTAL	58,100	104,255

Note '4': SHORT TERM BORROWINGS : (SECURED LOANS)

Cash Credit Limit :		
From Axis Bank :		
Secured against the hypothecation of stocks and other Current Assets	17,157	34,266
TOTAL	17,157	34,266

Note '5': CURRENT LIABILITIES & PROVISIONS

TRADE PAYABLE		
Sundry Creditors for Expences	12,574	4,604
Sundry Creditors for Goods	1,902	413
Outstanding Liabilities	23,011	23,416
From Holding Company	4,356	5,490
TOTAL	41,843	33,923

Note '6': SHORT TERM PROVISIONS

Provision for Frindge Benefit Tax	451	451
Provision for Income Tax	7,838	7,838
TOTAL	8,289	8,289

₹ in thousand

Notes - '7' : FIXED ASSET

Particulars	RATE	GROSS BLOCK						DEPRECIATION			NET BLOCK	
		As on 01.04.2012	Additions for the year		Subs Recd.	As on 31.03.2013	As on 01.04.2012	For the Year	As on 31.03.13	As on 31.03.2013	As On 31.03.2012	
			Apr-Sept	Oct-Mar								Sales
Land	0%	2760	0	0	0	2760	0	0	0	2760	2760	
Land at Dahej	0%	21673	4360	4083	0	30116	0	0	0	30116	21673	
Building	10%	7697	0	0	0	7697	4011	369	4380	3317	3685	
Furniture & Fixtures	18.10%	1091	0	0	0	1091	808	51	859	232	283	
Plant & Machinery	27.82%	5320	0	0	0	5320	3519	501	4020	1300	1802	
Lab Equipments	27.82%	2865	0	0	0	2865	2539	91	2630	235	326	
Office Equipments	13.91%	3564	0	0	0	3564	2185	192	2377	1187	1379	
Vehicles	25.89%	5245	0	0	0	5245	2109	812	2921	2324	3136	
Computers	40%	969	0	0	0	969	724	98	822	147	245	
TOTAL		51184	4360	4083	0	59627	15895	2114	18009	41618	35289	
Previous Year :		41146	10037	0	0	51184	13322	2572	15895	35289	27824	

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2013

₹ in thousand

	31.03.2013	31.03.2012
Note '8': TRADE DEPOSIT AND INVESTMENTS		
Trade Deposits (Long Term)	877	1,068
Fixed Deposits with Banks	33,733	107,614
TOTAL	34,610	108,682
Notes - '9' : INVENTORIES		
CURRENT ASSETS :		
INVENTORIES :		
(As taken, valued, & certified by Director)		
Raw materials (Including Stock in Transit)	34,475	24,338
Packing Materials	9	9
Semi Finished Goods	3,298	2,674
Finished Goods	28,377	17,933
Furness Oil and Diesel	1,053	1,099
TOTAL	67,212	46,053
Note '10' :SUNDRY DEBTORS		
(Unsecured, considered good)		
More than six months	—	—
Others	10,641	16,946
TOTAL	10,641	16,946
Note '11' :CASH & BANK BALANCES		
Cash-in-hand	247	50
Balance with Banks :	20,294	31,539
TOTAL	20,541	31,589
Note '12': LOANS AND ADVANCES		
Advance Income Tax and FBT	14,293	13,941
Advance to Suppliers	1,896	1,442
Advances for exp	18	—
VAT Input Credit Receivable	—	9,357
Service Tax Credit Receivable	152	338
Prepaid Expences	2,387	1,277
Balance with Excise Authorities	3,959	2,219
TOTAL	22,705	28,574

NOTES TO PROFIT & LOSS ACCOUNT AS ON 31 ST MARCH, 2013

	₹ in thousand	
	31.03.2013	31.03.2012
NOTES - '14' : SALES		
Domestic Sales	369,212	430,752
Less: Excise Duty	37,320	40,801
Net Sales	331,892	389,951
Export Sales	—	2,995
TOTAL	331,892	392,946
NOTES - '15': OTHER INCOME		
Excess Recovery of Freight Charges	—	356
Interest Income	3,545	4,863
Miscellaneous Income	201	178
Exchange Rate Flactuation (Profit)	—	13
Insurance Claim	109	35
TOTAL	3,855	5,445
NOTES - '16': COST OF RAW MATERIAL CONSUMED		
Opening Stock	15,770	12,463
Opening Stock in Transit	8,568	—
Add : Purchases	264,200	202,237
	288,538	214,700
Less : Closing Stock	18,705	15,770
Less : Stock in Transit	15,769	8,568
TOTAL	254,064	190,362
NOTES - '17' : COST OF PACKING MATERIAL CONSUMED		
Opening Stock	9	422
Add : Purchases	22	2,152
	31	2,574
Less : Closing Stock	9	9
TOTAL	22	2,565
NOTES - '18': CHANGES IN INVENTORIES OF FINISHED GOODS AND WIP		
OPENING STOCK		
Finished Goods	17,933	79,666
Semi Finished Goods	2,674	2,440
	20,607	82,106
Less : CLOSING STOCK		
Finished Goods	28,377	17,933
Semi Finished Goods	3,298	2,674
	31,675	20,607
TOTAL	(11,068)	61,499
NOTES - '19': COST OF MANUFACTURING		
Power & Fuel Charges	39,153	50,911
Inward Freight & Cartages	33,990	1,480
Machinery Repirs and Maintenance	824	1,646
Stores and Spares	503	674
Processing Material	81	169
Water charges	827	1,181
Retainers Fees	4,199	4,139
R & D Expenses	165	274
TOTAL	79,742	60,474

NOTES TO PROFIT & LOSS ACCOUNT AS ON 31 ST MARCH, 2013

₹ in thousand

	31.03.2013	31.03.2012
NOTES - '20': ADMINISTRATIVE AND OTHER EXPENSES		
Vehicle Expenses	1,415	1,714
Computer Expenses	75	178
Conveyance Expenses	353	476
Donations	—	211
Guest House	306	223
Insurance Expenses	691	615
Legal Expenses	1,591	1,755
Management Services Fees	9,600	18,000
Office Expenses	364	444
Pollution Control Expenses	396	217
Postage & Courier	14	24
Printing & Stationery	78	92
Rates and Taxes	196	482
Repairs and Mintenance Building	19	46
Repairs and Mintenance others	79	170
Security Expenses	1,274	1,145
Telephone Expenses	324	522
Travelling Expenses	1,446	1,458
Other Expenses	1,151	777
Service Tax paid	1,213	418
Auditor's Remuneration :		
For Statutory Audit	28	25
TOTAL	20,613	28,992
NOTES - '21': STAFF COSTS		
Directors' Remuneration	1,350	1,906
Salary to Staff	17,877	21,520
Bonus Expenses	887	1,012
Provident Fund	1,030	1,185
Gratuity	227	118
Staff Welfare Expenses	792	2,246
TOTAL	22,163	27,987
NOTES - '22': COST OF SELLING AND DISTRIBUTION		
Sales Promotion Expenses	119	179
TOTAL	119	179
NOTES - '23': COST OF FINANCE		
Bank Charges & Commission	121	1,036
Bank Interest	323	704
Interest on Unsecured Loans-FD	4,245	20,974
Interest on Others	21	16
TOTAL	4,710	22,730



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 incomes 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.

24. Contingent Liabilities:				
(i)	Contingent liability for letter of credit is of Rs. 0.22 crores.			
(ii)	As per saw cause notice form excise department demand raised for duty & penalty of Rs. 8.80 lacs is not acknowledged by company.			
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 2012-2013		Year 2011-2012	
	Qty. (MT)	Value	Qty. (MT)	Value
		₹ in thousands		₹ in thousands
Sales (Excl. Excise duty)	1611	203214	4267	375620
Sales Other	—	128678	—	17326
29. Consumption of Raw Material	Year 2012-2013		Year 2011-2012	
	Qty. (MT)	Value	Qty. (MT)	Value
		₹ in thousands		₹ in thousands
Raw Materials Incl. LPG	—	254066	—	190362
30. Value of Imported and Indigenous Raw Materials consumed during year	Year 2012-2013		Year 2011-2012	
	%	Value	%	Value
		₹ in thousands		₹ in thousands
Imported	—	NIL	—	NIL
Indigenous	100	254066	100	190362
31. Opening and Closing Stock of Goods	As at 31 March 2013		As at 31 March 2012	
	Qty. (MT)	Value	Qty. (MT)	Value
		₹ in thousands		₹ in thousands
Polybutene	207.514	27984	203.250	17842
Others	25.041	392	7.302	91
Total	232.555	28376	210.552	17933
32. C I F Value of Imports				
Raw Material	NIL			
Capital Goods	NIL			
33. Expenditure in Foreign Currency.				
Traveling	Rs. Nil		(Rs. Nil)	
34. Earnings in Foreign Currency.	Rs. Nil		(Rs. Nil)	
35. Amount remitted in Foreign Currency	NIL			

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 31st March 2013 ₹ in thousands	As at 31st March 2012 ₹ in thousands
Tax impact of differences between books		
Depreciation in the Financial Statements		
and depreciation as per Income Tax	535	535

38 Earning Per Shares

a) Net Profit available for equity shareholders (Numerator used for calculation)	Rs.(-)366.69 lacs	Rs(+).14.16 lacs
b) Weighted Average No. of Equity Shares used as denominator for calculating EPS	34, 90,000	2240000
c) Basic and Diluted Earnings per share (Rs.) (Equity shares of face value of Rs. 10 each)	Rs. 0.00	Rs.0.63

39 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 (Holding Co).

II) Key Management Personnel

Name	Designation
Ms. Urmi Prasad	Director
Ms. Ursula Thakkar	Director
Dr. R M Thakkar	Director
Ms. Charita Thakkar	Director

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

	Related party Transaction	Enterprises having significant control over the Company	Key Management Personnel	Total
(a)	Transfer of Exp. From Holding Company	14809 (32562)	— —	14809 (32562)
(b)	Loans (Net)	19841 (46490)	Nil (14425)	19841 (60915)
(c)	Payment to Dr . S. R. Thakkar Executive Chairman	— —	1350 (1906)	1350 (1906)

- 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.



Gujarat Polybutenes Private Limited

- (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. 2.57 crores is paid. Balance amount is to be paid in three installments as specified by GIDC office Ankleshwar.
- 42 During the year company has paid Rs. 26, 49, 319 /- on account of retrenchment Compensation to retrenched employees out of Total staff cost of Rs. 2, 21, 63,395/-
- 43 (A) Balances of certain debtors, creditors, & loans & advances are subject to confirmations, reconciliation and adjustments, if any, having consequential impact on loss 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.
- 44 Previous year's figures have been re-grouped and re-arranged wherever necessary.
- 45 Figures have been rounded off to the nearest rupee.
- 46 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 "46"

As per our report of even date

For and on behalf the Board of Directors

For Suresh Thakkar & Co.
Chartered Accountants

Suresh Thakkar
Proprietor
Mem No. 11650

R. M. Thakkar
Director

Urmi N Prasad
Director

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

Place : Mumbai
Date : 24th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

₹ in Lacs

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax :	(367.32)	10.32
Adjustments for :		
Depreciation	21.13	25.72
Dividend	—	—
Gain from Sale of Mutual Funds	—	—
Interest Income	(35.45)	(48.62)
Interest Paid	47.10	227.30
F B T Paid	—	—
Provision for Income Tax	—	(152.47)
Preliminary Expenses W/Off	—	—
Foreign Exchange Loss (Net)	—	—
Prior Period Exp	—	51.93
Operating Profit before Working Capital changes	(334.54)	62.25
Adjustments for :		
(Increase) / Decrease in Current Assets		
Trade & Other Receivable	63.04	161.17
Inventories	(211.59)	501.20
Loans & Advances / Others	78.66	506.10
	(69.89)	1,168.47
Increase / (Decrease) in Current Liabilities		
Trade Payables	99.81	(53.86)
Cash Generated from Operations	(304.62)	1,176.86
Interest Paid	(47.10)	(227.30)
Net Cash from Operating Activities (A)	(351.72)	949.56
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	—	(100.37)
Decrease in Investment	1.91	0.23
Gain from Mutual fund investments	—	—
Dividend Received	—	—
Misc. Expenditure towards land at Dahej	(27.30)	(2.87)
Interest Received on Fixed Deposits	35.45	48.62
Net Cash generated/ (used) in Investing Activities (B)	10.06	(54.39)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts		
Share Issued	125.00	—
Decrease in Long Term Borrowings	(461.55)	(399.70)
Decrease/Increase in Short Term Borrowings	(171.09)	267.33
Net Cash from Financing Activities	(507.64)	(132.37)
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS (A + B + C)	(849.30)	762.80
Cash and Cash Equivalents Opening Balance	1,392.04	629.23
Cash and Cash Equivalents Closing Balance	542.74	1,392.04

As per our report of even date

For and on behalf the Board of Directors

For Suresh Thakkar & Co.

Chartered Accountants

Suresh Thakkar

Proprietor

Mem No. 11650

Place : Mumbai

Date : 24th May, 2013

R. M. Thakkar

Director

Place : Mumbai

Date : 24th May, 2013

Urmi N Prasad

Director

Place : Mumbai

Date : 24th May, 2013

DIRECTORS' REPORT

The Directors place before you the 19th Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March 2013.

OPERATIONS DURING THE YEAR

During the year the Company earned an income of Rs. 7.15 lacs and reported a net Profit of Rs3.14 lacs during the year.

DIVIDEND

Your Directors do not recommend any dividend.

DIRECTORS

Dr. R M Thakkar, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board recommends his reappointment.

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

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

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 Investment Limited

Place : Mumbai
Date : 24th May, 2013

R. M. THAKKAR
Director

Ms URMI N PRASAD
Director



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, 2012 and ending on 31st March, 2013. 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 30th May, 2012, 25th June, 2012, 13th Aug., 2012, 27th Oct., 2012 and 29th Jan., 2013 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, 2012 was held on 15th Sept., 2012 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. Charita R Thakkar has been appointed as additional director on 30th May, 2012 and Ms. Sharyu R Thakkar had ceased as director on account of death the Intimation of which have been uploaded with the 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: 24th May, 2013

(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, 2013.

Sr. No	Form No.	Filed under section	For	SRN No.	Uploaded with MCA21 on
1	Form No. 23AC & 23ACA	220	Balance sheet and its attachment	Q04714499	21/12/2012
2	Form No. 66	383A	Compliance Certificate	P88952874	17/09/2012
3	Form No. 20B	159	Annual Return	P95146205	08/11/2012
4	Form No.32	303	For Appt of Ms. Charita Thakkar as Additional Director	B42992750	11/07/2012
5	Form No.32	303	For Change in Designation	B58451964	27/09/2012
6	Form No.32	303	For Intimation of death of Ms. Sharyu Thakkar	B66557133	28/01/2013

INDEPENDENT AUDITOR'S REPORT

To the Members of **GPL Finance & Investments Limited**.

Report on the Financial Statements

We have audited the accompanying financial statements of GPL Finance & Investments ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date;

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Astha Kariya
Partner
Membership No. 122491

Place : Mumbai
Date : 24th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph thereof)

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. (a) The Company had only three flats for which proper record are maintained and the same have been disposed-off during the year.
(b) Although the Company has disposed-off all its fixed assets it does not affect the going concern status of the Company as the same were non-operating assets.
2. The Company did not hold any inventories during the year.
3. (a) The Company has granted interest bearing unsecured loans to one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 61,00,000 and the year-end balance of such loans granted was ₹ 61,00,000.
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
(c) These loans given by the Company are repayable on demand.
(d) The Company has not taken any loan secured or unsecured from companies, firms or other party covered in the register maintained under Section 301 of the Act.
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 the nature of its business for purchase of shares and fixed assets and for 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 weaknesses in internal controls.
5. a) On the basis of our examination of our books of accounts and according to the information and explanation given to us, we are of the opinion that transactions that need to be entered in to the register in pursuance of Section 301 of the Act have been so entered in the said register.
6. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A and 58AA or any relevant provisions of the Act.
7. The Company did not have internal audit system in operation during the year. However, in our opinion, the Company had adequate internal control systems in place during the year, commensurate with its size and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, 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, 2013 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, 2013.
10. There are no accumulated losses of the Company as on 31st March, 2013
 11. The Company has not taken any loan from financial institution or bank nor has it has issued 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.
 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 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 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

Astha Kariya
Partner
Membership No. 122491

Place : Mumbai
Date : 24th May, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013			
₹ in thousands			
	Notes	31st March, 2013	31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	10,000	10,000
(b) Reserves and Surplus	2	3,770	3,456
(2) Non-current Liabilities			
(a) Deferred tax liability (net)	3	—	24
(3) Current Liabilities			
(a) Other Current Liabilities	4	1,057	763
Total		14,827	14,243
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	5		
(i) Tangible Assets		—	2,206
(ii) Intangible Assets		—	—
			2,206
(b) Non-current Investments	6	6,598	6,598
(c) Long-term Loans and Advances	7	85	106
(2) Current Assets			
(a) Cash and Cash Equivalents	8	1,237	737
(b) Short-term Loans and Advances	9	6,383	4,545
(c) Other Current Assets	10	524	51
Total		14,827	14,243
Significant Accounting Policies	14		
Notes to the Financial Statements	1 to 19		
As per our report of even date		For and on behalf of the Board of Directors	
For Ford, Rhodes, Parks & Co.			
Chartered Accountants			
Firm Registration No. 102860W			
ASTHA KARIYA	R.M.THAKKAR	URMI.N.PRASAD	
Partner	Director	Director	
Membership No. 122491			
Place : Mumbai	Place : Mumbai	Place : Mumbai	
Date : 24th May'13	Date : 24th May'13	Date : 24th May'13	

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013			
₹ in thousands			
	Notes	31st March, 2013	31st March, 2012
Revenue from Operations	10	413	559
Other Income	11	302	168
Total Revenue		715	727
Expenses :			
Depreciation and Amortisation Expense	5	25	38
Other Expenses	12	240	70
Total Expenses		265	108
Profit before tax		450	619
Tax Expenses :			
Current Tax		160	122
Deferred Tax		(24)	11
Prior Year Tax Adjustment		—	(8)
		136	125
Profit from the year		314	494
Earning per equity share:	15		
(1) Basic		0.31	0.49
(2) Diluted		0.31	0.49
Significant Accounting Policies	14		
Notes to the Financial Statements	1 to 19		
As per our report of even date		For and on behalf of the Board of Directors	
For Ford, Rhodes, Parks & Co.			
Chartered Accountants			
Firm Registration No. 102860W			
ASTHA KARIYA	R.M.THAKKAR	URMI.N.PRASAD	
Partner	Director	Director	
Membership No. 122491			
Place : Mumbai	Place : Mumbai	Place : Mumbai	
Date : 24th May'13	Date : 24th May'13	Date : 24th May'13	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013		
	₹ in thousands	
	31.03.2013	31.03.2012
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	3,456	2,962
Profit for the year	314	494
Total reserves and surplus	3,770	3,456
3. Deferred Tax Liabilities - (Net)		
Deferred tax assets		
Deferred tax liabilities :		
Fixed asset depreciation differential	—	24
Deferred tax liabilities (net)	—	24
4. Other Current Liabilities :		
Creditors Others	1,057	763
	1,057	763



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	₹ in thousands									
	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.12	Additions	Deductions	As at 31.03.13	As at 31.03.12	For the year	Deductions	As at 31.03.13	WDV as at 31.03.2013	WDV as at 31.03.2012
Tangible Assets										
Flats	2,319		2,319	-	113	25	138	-	-	2,206
Sub Total (A)	2,319	-	2,319	-	113	25	138	-	-	2,206
Intangible Assets										
Sub Total (B)	-	-	-	-	-	-	-	-	-	-
Total (A + B)	2,319	-	2,319	-	113	25	138	-	-	2,206
Previous Year	2,319			2,319	75	38		113	2,206	

₹ in thousands

6. NON CURRENT INVESTMENT

(At cost - non-trade)

Equity shares :

Quoted :

	No.	31.03.2013 Value	No.	31.03.2012 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.	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.	8200	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	-	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.	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.	500	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.	500	91	100	91
Sun Pharma Advance Research Company Limited.	100	0	100	0
Srinivas Shipping Project Limited.	200	46		
Ultratech Cement Limited	8	0	8	0
Uniflex Cables Limited.	1000	43	100	43
TOTAL A		6,891		6,845
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
Suman Motels Limited.	900	16	900	16
Southern Magnesium and Chemicals Limited.	75000	825	75000	825
TOTAL B		1,407		1,453
TOTAL (A+B)		8,298		8,298
Less : Provision for Diminution in Value of Investments		1,700		1,700
		6,598		6,598

Note:

Quoted Investments - Cost and Market Value

Cost

Market Value

Unquoted Investments - Cost

6,891	6,845
8,431	9,331
1,407	1,453

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 ₹ in thousands

	31.03.2013	31.03.2012
7 Long Terms Loans and Advances (Unsecured, considered good) Advance tax earlier period (net of provisions)	<u>85</u>	<u>106</u>
	<u>85</u>	<u>106</u>
8 Cash and Cash Equivalents Bank balances : On current account Cash in hand	<u>1,233</u>	<u>622</u>
	<u>4</u>	<u>115</u>
	<u>1,237</u>	<u>737</u>
9 Short Terms Loans and Advances (Unsecured, considered good) Loan to fellow subsidiary company : Gujarat Polybutenes Pvt Ltd Others Advance tax (net of provisions)	<u>6,100</u>	<u>4,500</u>
	<u>265</u>	<u>—</u>
	<u>18</u>	<u>45</u>
	<u>6,383</u>	<u>4,545</u>
10 Other Current Assets (Unsecured, considered good) Other Receivables Interest accrued	<u>396</u>	<u>—</u>
	<u>128</u>	<u>51</u>
	<u>524</u>	<u>51</u>
11. Revenue from Operations Interest on Loan	<u>413</u>	<u>559</u>
	<u>413</u>	<u>559</u>
12. Other Income Dividend on Long-term Investments Interest on Income Tax Refund Profit on sale of flats Credit balance written back	<u>182</u>	<u>165</u>
	<u>1</u>	<u>—</u>
	<u>119</u>	<u>—</u>
	<u>—</u>	<u>3</u>
	<u>302</u>	<u>168</u>
13. Other Expenses Accounting Charges Bank Charges Conveyance Charges Printing and Stationery Stamp duty exps Filing Fees Professional Retainer Fees Auditors Remuneration Miscellaneous Expenses	<u>18</u>	<u>18</u>
	<u>8</u>	<u>—</u>
	<u>7</u>	<u>6</u>
	<u>7</u>	<u>5</u>
	<u>150</u>	<u>—</u>
	<u>4</u>	<u>3</u>
	<u>15</u>	<u>12</u>
	<u>22</u>	<u>17</u>
	<u>9</u>	<u>9</u>
	<u>240</u>	<u>70</u>
14. 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.		



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 ₹ in thousands
 31.03.2013 31.03.2012

15. Remuneration to Auditors : (Inclusive of Service Tax)		
Audit Fees	18	13
Taxation Services	4	3
Out of Pocket Expenses	-	-
	22	17
16. Earnings per share:		
Profit attributable to Equity Shareholders	314	494
Number of Equity Shares	1,000	1,000
Nominal Value of Equity Shares	10	10
	0.31	0.49
17. 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.		
18. Related Party Disclosure:		
a) Entities under Common Control:		
1) Gujrat Petrosynthese Ltd- Holding Company		
b) Key management personnel		
1) R.M.Thakkar		
c) Other Related Parties were transaction are taken during the year		
1) Gujrat Polybutenes Pvt Ltd-Fellow Subsidiary Company		

Particulars	Fellow Subsidiary Company 31.03.2013	Key management personnel 31.03.2012
Income		
Interest	412.89 (559.48)	
Advance received		1,000.00 (-)
Loan given - Gujarat Polybutenes Pvt Ltd	1,600.00 (1,400.00)	
Outstanding		
Payable		1,000.00 (-)
Receivable	6,100.00 (4,500.00)	

Figures in bracket indicate previous years figure.

19. Previous years figures have been regrouped/ re classified wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For Ford, Rhodes, Parks & Co.

Chartered Accountants

Firm Registration No. 102860W

ASTHA KARIYA

Partner

Membership No. 122491

Place : Mumbai

Date : 24th May'13

R.M. THAKKAR

Director

Place : Mumbai

Date : 24th May'13

URMI.N.PRASAD

Director

Place : Mumbai

Date : 24th May'13

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 2013, the consolidated Profit and Loss and also the consolidated Cash Flow Statement for the Year on 31st March 2013.

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 Rs. 14827 thousands as at 31st March 2013 and the total revenue of Rs. 715 thousands for the year on 31st March 2013 and Gujarat Polybutenes Private Limited whose financial statements reflect total assets of Rs. 201,182 thousands as at 31st March 2013 and the total revenue of Rs. 335,747 thousands for the year on 31st March 2013. 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 2013.
- (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

A.Jagannath Babu
Partner
M. No. 20115

Place: Bangalore
Date: 25th May 2013

**Consolidated Balance Sheet of Gujarat Petrosynthese Limited
and it's subsidiary Company as at 31.03.2013**

		₹ in thousands			
		Note No.	As on 31.03.2013	As on 31.03.2012	
I EQUITY AND LIABILITIES					
1 a) Share Capital		1	51,692	51,692	
b) Reserves and Surplus		2	<u>153,921</u>	196,998	
c) Money received against share warrants			-	205,613	-
2 Share application money pending allotments					248,690
3 Minority Interest on Equity		3	-	1	-
4 Non-Current Liabilities		4	-	-	
a) Long-term borrowings			36,100	55,955	
b) Deferred tax liabilities (Net)			5,103	5,127	
c) Other Long-term liabilities			<u>17,157</u>	<u>34,266</u>	
d) Long-term provisions			-	58,360	-
5 Current Liabilities					
a) Short-term borrowings					
b) Trade payables		5	56,538	44,539	
c) Other Current liabilities		6	162	30	
d) Short term provisions		7	<u>23,197</u>	79,897	20,063
TOTAL			<u>343,871</u>	<u>408,671</u>	
II ASSETS					
1 Non-Current Assets					
a) Fixed assets					
i) Tangible assets		8	93,314	91,494	
ii) Intangible assets					
iii) Capital work-in-progress					
iv) Intangible assets under development					
b) Non-current investments		9	<u>10,598</u>	<u>10,595</u>	
c) Deferred tax assets (net)		4			
d) Long-term loans and advances					
e) Other non-current assets				103,912	102,089
2 Current Assets					
a) Inventories		10	72,010	50,142	
b) Trade receivables		11	32,197	36,584	
c) Cash and Cash equivalents		12	64,818	155,937	
d) Short -term loans and advances		13	57,863	56,357	
e) Other current assets		14	<u>13,071</u>	239,959	7,562
TOTAL			<u>343,871</u>	<u>408,671</u>	
Explanatory & Significant accounting policies		22			
Notes to the financial statements		1-22			

As per our report of even date

For SARJBA & CO
CHARTERED ACCOUNTANTS
Firm's Reg.No.012106S

(A JAGANNATH BABU)
Partner
Membership No.020115

PLACE: BANGALORE
DATE: 25th May, 2013

For and on behalf the Board of Directors

R.M. THAKKAR
CHARIMAN & MANAGING DIRECTOR

URMI.N.PRASAD
EXECUTIVE DIRECTOR

Consolidated Profit and Loss Account of Gujarat Petrosynthese Limited and it's subsidiary Company as at 31.03.2013

₹ in thousands

		31.03.2013	31.03.2012
I	Revenue from Operations	15 437,957	502,680
II	Other Income	16 5,739	6,967
III	Total Revenue (I + II)	443,696	509,647
IV	Expenses		
	Cos of material consumed	339,619	279,086
	Purchase of Stock-in-trade		
	Changes in inventories of finished goods, work in progress and Stock-in-trade	(11,224)	61,432
	Employee benefits expense	38,979	43,897
	Finance Costs	3,519	15,348
	Depreciation and amortization expenses	5,739	6,256
	Other expenses	110,005	89,813
	Total Expenses	486,637	495,832
V	Profit before exceptional and extraordinary items and tax (III - IV)	(42,941)	13,815
VI	Exceptional Items		
VII	Profit before extraordinary items and tax (V - VI)	(42,941)	13,815
VIII	Extraordinary items		
IX	Profit before tax (V - VI)	(42,941)	13,815
X	Tax expense		
	(a) Current Tax	160	4,867
	(b) Deferred Tax	(24)	17
		136	4,884
XI	Profit / (Loss) for the period from continuing operations (after tax) (IX - X)	(43,077)	8,931
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)	(43,077)	8,931
XVI	Earnings per equity share:		
	(a) Basic		
	(b) Diluted		
	See accompanying notes to the financial statements		

As per our report of even date

For SARJBA & CO
CHARTERED ACCOUNTANTS
Firm's Reg.No.012106S

(A JAGANNATH BABU)
Partner
Membership No.020115

PLACE: BANGALORE
DATE: 25th May, 2013

For and on behalf the Board of Directors

R.M. THAKKAR
CHARIMAN & MANAGING DIRECTOR

URMI.N.PRASAD
EXECUTIVE DIRECTOR

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

₹ in thousands

	31.03.2013	31.03.2012
NOTE-1: SHARE CAPITAL		
Authorized		
80,00,000 equity shares of ₹ 10/- each	80,000	80,000
Issued, Subscribed and Paid-up		
51,69,166 Equity shares of ₹ 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 Reserves	196,998	187,237
Prior period expenses		830
Surplus in Profit / (Loss) account for the period	(43,077)	8,931
Total	(43,077)	9,761
	153,921	196,998
NOTE-3: MINORITY INTEREST ON EQUITY		
GPL Finance and Investment Ltd		
60 Equity shares (2003-2004:60) held by minority		
Interest (0.01% holding, 2003-2004 : 0.01% holding)	1	1
Gujarat Polybutenes Pvt Ltd	-	-
Total	1	1
NOTE-4: NON-CURRENT LIABILITIES		
a) Long-term borrowings	36,100	55,955
b) Deferred tax liabilities (Net)- Fixed assets diffrencial	5,103	5,127
c) Other Long-term liabilities - Cash Credit Account	17,157	34,266
d) Long-term provisions	-	-
Total	58,360	95,348
NOTE-5: TRADE PAYABLES		
Creditors for Expenses	13,578	7,234
Creditors for Goods	14,326	13,126
Creditors for Others	28,634	24,179
Total	56,538	44,539
NOTE-6: OTHER CURRENT LIABILITIES		
Advance Received from Others	100	
Advance Received from Customers	62	30
Total	162	30
NOTE-7: SHORT-TERM PROVISIONS		
Provision for employee benefits	178	23
Provision for Others / Expenses	1,759	-
Others		
Provision for Taxation	21,260	15,295
Provision for Taxation FY:2012-2013	-	4,745
Total	23,197	20,063

NOTE 8 - DETAILS OF FIXED ASSETS (AS PER COMPANIES ACT) FOR THE FY : 2012-2013

₹ in thousands

	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 01.04.2012	Additions Before 30th Sept	Additions After 1st Oct	Additions	Deductions	Total as at 31.03.2013	As at 31.03.2012	For the year ended 31.03.2013	Deductions	Total Depn	As at 31.03.2013	As at 31.03.2013
Tangible Assets												
Leasehold Land	18,494			-		18,494				-	18,494	18,494
Lant at Dajej	21,673	4,361	4,082	8,443		30,116				-	30,116	21,673
Freehold Land	4,419			-		4,419					4,419	4,419
Factory Building	25,328			-		25,328	11,543	958		12,501	12,827	13,784
Flats	2,319			-	2,319	-	113	25	138	-	-	2,206
Plant & Machinery	42,975	798		798		43,773	25,491	2,328		27,819	15,954	17,485
Electrical Installation	2,422			-		2,422	1,770	115		1,885	537	652
Vehicles	11,019	109		109	259	10,869	4,061	1,346	99	5,308	5,561	6,958
Laboratory Equipment	5,168			-		5,168	4,204	200		4,404	764	964
Furniture & Fixtures	3,200	68		68		3,268	1,759	188		1,947	1,321	1,441
Jigs & Moulds	262	90		90		352	157	-		157	195	105
Office Equipments	5,791	156	57	213		6,004	3,006	318		3,324	2,680	2,786
Computer	2,503	77		77		2,580	1,977	261	104	2,134	446	526
Subtotal - A	145,573	5,659	4,139	9,798	2,578	152,793	54,081	5,739	341	59,479	93,314	91,493
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - B	-	-	-	-	-	-	-	-	-	-	-	-
Total A+B	145,573	5,659	4,139	9,798	2,578	152,793	54,081	5,739	341	59,479	93,314	91,493
Previous Year	132,922	10,037		2,614		135,536	47,820	6,256		54,080	91,494	

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

₹ in thousands

	31.03.2013	31.03.2012
NOTE-9:NON CURRENT INVESTMENTS		
Investments in Mutual Funds		
Templeton India Equity Income Fund 1,46,627,566 Units of Templeton India Income Fund Market Value ₹ 18,08,211/- (P.Y.₹ 15,59,971)	1,500	1,500
Optimix Star Multi Manager 97,560.9756 Units of Optimix Star Multi Manager Market Value ₹ 12,27,024/- (P.Y.₹ 6,32,585)	1,000	1,000
Reliance Vision Fund 31,023.785 Units of Reliance Vision Fund Market Value ₹ 11,11,923/- (P.Y.₹ 8,04,788)	1,500	1,500
Total	<u>4,000</u>	<u>4,000</u>

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET ₹ in thousands

	31.03.2013		31.03.2012	
	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.	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	4100	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	462	43
Hindustan Organic Chemicals Limited.	1500	54	1500	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.	2872	1,613	2872	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	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	-
Srinivas Shipping Project Limited.	200	46	200	-
Uniflex Cables Limited.	1000	43	1000	43
		<u>6,891</u>		<u>6,842</u>
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	-	200	46
Suman Motels Limited.	900	16	900	16
Southern Magnesium and Chemicals Limited.	75000	825	75000	825
		<u>1,407</u>		<u>1,453</u>
		<u>8,298</u>		<u>8,295</u>
Less : Provision for Diminution in Value of Investments		1,700		1,700
		<u>6,598</u>		<u>6,595</u>
Total		<u>10,598</u>		<u>10,595</u>
Note:				
Quoted Investments - Cost and Market Value				
Cost		6,891		6,842
Market Value		8,431		9,331
Unquoted Investments - Cost		<u>1,407</u>		<u>1,453</u>

NOTES TO FINANCIAL STATEMENT PART OF THE BALANCE SHEET

₹ in thousands

	31.03.2013	31.03.2012
NOTE-10-INVENTORIES		
(As taken, Valued and Certified by the Management)		
Raw Material & Consumables	39,335	28,690
Finished Goods	32,675	21,452
Total	72,010	50,142
NOTE-11-TRADE RECEIVABLES		
Debtors Outstanding for more than Six Months	-	15
Debtors - Others	32,197	36,569
Total	32,197	36,584
NOTE-12-CASH AND CASH EQUIVALANTS		
Cash on Hand	375	354
State Bank of India	17	17
Bank of Baroda (Vadodara)	121	121
Bank of Baroda (Saki Naka)	30	47
State Bank of India (Mumbai)	587	677
HDFC Bank (Mumbai)	235	235
Axis Bank (Mumbai)	187	3,917
In Current Accounts	23,533	36,264
FD with Axis Bank & BOB	33,733	107,614
FD with SBI & SBM	6,000	4,117
FD with BOB	-	2,574
Total	64,818	155,937
NOTE-13-SHORT-TERM LOANS AND ADVANCES		
Advanced recoverable in cash or kind or for value to be received	43,101	30,590
Tax Deducted at Source	14,254	11,167
Advance Tax paid FY:2012-13	243	2,315
Tax Deducted at Source FY:2012-13	113	2,928
VAT Input credit receivable	-	9,357
Service Tax Credit Receivable	152	-
Total	57,863	56,357
NOTE-14-OTHER CURRENT ASSETS		
Trade Deposits	1,163	1,525
Other Deposits	837	664
Cenvat Credit	395	2,777
Prepaid Expenses	2,873	1,634
Prepaid Expenses-Buy Back	-	372
Balance with Excise Authorities	3,959	-
Others Receivables	396	-
Preliminary Exps	3,320	590
Interest accrued	128	-
Total	13,071	7,562

NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

₹ in thousands

	31.03.2013	31.03.2012
NOTE-15:REVENUE FROM OPERATIONS		
Sales (Net)	428,534	491,847
Job work charges	9,423	10,833
Total	437,957	502,680
NOTE-16:OTHER INCOME		
Interest on Deposits	673	399
Interest Income	4,023	4,863
Miscellaneous Income	484	703
Service Charges		
Dividends received from Mutual Funds	387	419
Speciman Testing Charges	53	23
Profit on Sale of Flats	119	-
Revenew from Operation		560
Total	5,739	6,967
NOTE-17:COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock of Materials	27,582	15,195
Add: Purchases	349,464	290,472
Less: Closing Stock	38,272	19,023
Packing Materials	845	1,010
Less: Stock in Transit	-	8,568
Total	339,619	279,086
NOTE-18:INCREASE / DECREASE IN FINISHED GOODS		
Opening Inventories (Finished Goods)	21,452	82,884
Closing Inventories (Finished Goods)	32,676	21,452
Total	(11,224)	61,432
NOTE-19: EMPLOYEE BENEFIT EXPENSES		
Salary & Wages	26,227	28,976
Contribution to Provident and Other Funds	1,443	1,690
Staff Welfare Expenses	1,124	2,511
Managerial Remuneration & Perks	10,185	10,720
Total	38,979	43,897
NOTE-20: FINANCE COSTS		
	31.03.2013	31.03.2012
Processing Fees	-	1,036
Bank Interest	323	704
Interest on Unsecured Loans	3,161	13,592
Interest on Others	35	16
Total	3,519	15,348

NOTES TO FINANCIAL STATEMENT PART OF THE PROFIT AND LOSS ACCOUNT

	₹ in thousands	
	31.03.2013	31.03.2012
NOTE-21: OTHER EXPENSES		
Excise Duty	373	235
Bank Charges	135	18
Power and Fuel	43,396	55,582
Stores & Spares	503	674
Processing Raw Materials	81	169
Repairs & Maintenance	3,175	3,446
Rates and Taxes	465	746
Insurance	1,056	928
Auditors Remuneration & Perks	210	202
Directors commission	-	993
Travelling Expenses	2,075	2,313
Directors Sitting fees	97	98
Donations	10	423
General Expenses	16,457	14,952
Transportation, Freight & Octroi	34,460	2,204
Retainers Fees	4,940	4,326
Research & Development Charges	165	274
Vehicle Expenses	2,408	2,230
Total	110,006	89,813



Gujarat Petrosynthese Limited

Schedules to the Consolidated Accounts

NOTES TO THE ACCOUNT

1. Basis of Consolidation

Basis

- a. 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.
- b. 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:

- a. 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.
- b. 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:

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

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. All other known liabilities are provided for in accounts.
- 3) 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.
- 4) 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 schedule "Q" of the Company.
- 5) The investment in the Equity Shares of Southern Agrosynthese Limited amounting to Rs.21,14,549/- is valued at Rs.1/- (Previous year Rs.1/-) as the net worth of the said Company is negative.
- 6) 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 Rs.22,290,719/- for which it has received equity shares in GPPL and With effect from 01.04.2012 the Company has transferred the Loan of Rs.12,500,000/- for which it has received equity shares in GPPL and On allotment of 1250000 Equity shares of Rs.10/- each fully paid at a premium of Rs.10 per share to Gujarat Petrosynthese Ltd.

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 50% to Gujarat Petrosynthese Limited and 50% to Gujarat Polybutenes Pvt.Ltd. An amount of Rs.96.00 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.

- 7) Loans and Advances includes due from officers of the Company ₹ 12,81,079/- (P.Y.₹ 10,75,971/-).
- 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, 2013. 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).

	31 st March 2013	31 st March 2012
Number of Non-resident Equity Shareholders	846	854
Number of Equity Shares	8,93,626	9,02,800
Amount Remitted	NIL	NIL

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

A. Primary Segment Information

₹ in Thousands

Business Segment	Polybutene	Alloys & Blends	Total
Segment Revenue			
Sales	331,892	106,065	437,957
Less: Inter Segment sales			
Net Sales	331,892	106,065	437,957
Segment Results			
Profit/(Loss) before Interest & Tax	(32,022)	(6,659)	(38,681)
Less: Interest	4,710	—	4,710
Profit/(Loss) before Tax	(36,732)	(6,659)	(43,391)
Provision for Taxation			
Current year	—	—	—
Deferred Tax	—	—	—
Profit/(Loss) after Tax	(36,732)	(6,659)	(43,391)
Other Information			
Segment Assets	201,182	2,07,797	408,979
Segment Liabilities	201,182	2,07,797	408,979
Capital Expenditure	8,443	1,097	9,540
Depreciation	2,114	3,601	5,715
Other significant non-cash expenses			

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)	
	2012-2013	2011-2012
a) Net Profit available for equity Shareholders (Numerator used for calculation)	(43,077)	8,931
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)	(8.33)	1.73

13. Transaction with Related Parties:

The related party disclosure, please refer to note no.13 of the Company and note no.10 of Schedule "S" 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 13 is ₹.51.03 lacs

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

17. For the year ended 31.03.2013 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

(A JAGANNATH BABU)
 Partner
 Membership No.020115

For and on behalf the Board of Directors

R.M. THAKKAR
 CHARIMAN & MANAGING DIRECTOR

URMI.N.PRASAD
 EXECUTIVE DIRECTOR

PLACE: BANGALORE
 DATE: 25th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	2012-13 (Rupees in lacs)	2011-2012 (Rupees in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	(429.42)	138.15
Adjustments for :		
Prior period		8.30
Depreciation	57.40	62.56
Income Tax and FBT	(1.36)	(48.84)
(Profit)/Loss on sale of Assets	(1.19)	-
(Profit)/Loss on Redemption of Investments	-	-
Dividend Received	(3.87)	(4.19)
Interest Received	(46.96)	(52.62)
Interest Paid	35.19	143.12
Operating profits before working capital changes	(390.21)	246.48
Adjustments for:		
Decrease/(Increase) in Inventories	(218.67)	491.18
Decrease/(Increase) in Trade & other receivables	43.87	169.29
Decrease/(Increase) in Loans & Advances	(70.15)	488.47
Increase/(Decrease) in Payables	152.65	(217.07)
Cash Generated From Operations	(482.51)	1,178.35
Interest paid	35.19	143.12
Net Cash inflow/(outflow) from operating activities	(517.70)	1,035.23
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(97.99)	(126.51)
Sale of Fixed Assets (net)	22.39	0.00
(Purchase)/Sale of Investments	(0.03)	(36.68)
Profit/(Loss) on sale of investments/Assets	1.19	-
Interest & dividend Received	46.96	56.81
Decrease/(Increase) in loans to Bodies Corporates & Others		
Net Cash inflow / (outflow) from Investing Activities	(27.48)	(106.38)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	
Repayment of Borrowings	(369.88)	(90.19)
Buyback of Equity Shares	-	
Dividends Paid	-	
Dividends Received	3.87	
Net Cash Inflow/(outflow) in cash from Financing Activities	(366.01)	(90.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(911.19)	838.66
Cash and cash equivalents at beginning of year	1,559.37	720.71
Cash and cash equivalents at end of year	648.18	1,559.37

As per our report of even date

For and on behalf the Board of Directors

For SARJBA & CO.
 CHARTERED ACCOUNTANTS
(A JAGANNATH BABU)
 Partner

R.M. THAKKAR
 CHARIMAN & MANAGING DIRECTOR

Memb No. 020115
 Firm Regn No. 012106 S
 PLACE: BANGALORE
 DATE: 25th May, 2013

URMI.N.PRASAD
 EXECUTIVE DIRECTOR

GUJARAT PETROSYNTHESI 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 36th 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 Tuesday the 17th September, 2013 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 PETROSYNTHESI LIMITED

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

PROXY FORM

No. of Shares :

Regd. Folio No. :

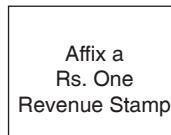
I/We of

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 36th Annual General meeting of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Tuesday the 17th September, 2013 at 3.00 PM and at any adjournment thereof.



Signature

Signed this of 2013

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 PETROSYNTHESIS LIMITED

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