

# **GUJARAT PETROSYNTHESE LIMITED**



**ISO COMPANY**

**THIRTY SECOND ANNUAL REPORT  
2008 - 2009**

**BOARD OF DIRECTORS**

Dr. R.M. THAKKAR  
Ms. URMI N. PRASAD  
Ms. URSULA THAKKAR  
Ms. CHARITA THAKKAR  
Dr. A.C. SHAH  
Mr. T.N.R. RAO  
Mr. V.H. PANDYA  
Dr. (Mrs.) M.H. MEHTA  
Mr. ADHIK SHIRODKAR  
Mr. M.D. GARDE

Chairman and Managing Director  
Executive Director  
Executive Director

**BANKERS**

AXIS BANK LTD.

**LEGAL ADVISOR**

KANGA & CO

**AUDITORS**

S. ANANTHA RAO & CO

**REGD. OFFICE  
&  
WORKS**

NO. 24, II MAIN PHASE I,  
DODDANEKUNDI INDUSTRIAL AREA,  
MAHADEVPURA POST, BANGALORE - 560 048

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Dear Shareholder,

Re: Updating of Shareholders' records

You are one of the valued shareholders of our company. We understand that to serve you efficiently the Company must have the correct and updated details of the shareholders.

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

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

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

Thank you,

**Dr. R.M. Thakkar**  
Chairman & Managing Director



**NOTICE**

**NOTICE IS HEREBY** given that the 32<sup>nd</sup> 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 560 048 on Friday the 4<sup>th</sup> September, 2009 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, 2009 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 Dr. A C Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. V H Pandya, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS**

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

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Ms. Ursula Thakkar as Wholetime Director of the Company designated as an Executive Director for a further period of three years with effect from 1<sup>st</sup> April, 2009 upon terms and conditions as approved by the Board of Directors at its meeting held on 24<sup>th</sup> April, 2009 and as set out in the draft agreement to be entered into by the Company with Ms. Ursula Thakkar, and submitted to this meeting is hereby specifically approved and sanctioned with a liberty to the Board of Directors, to grant increments and to alter and vary the terms and conditions of the said appointment and / or remuneration and perquisites so as not to exceed the limits of remuneration as specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto and as may be agreed to between the Board of Directors and Ms. Ursula Thakkar.

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

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

Place : Mumbai  
Date : 27<sup>th</sup> July, 2009

(Dr. R. M. Thakkar)  
Chairman & Managing Director

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
3. Members desirous of getting any information about the accounts and operations of the Company are requested to send their query addressed to the Compliance Officer at the Registered Office at least 7 days before the date of the meeting to enable the Management to keep the information readily available at the meeting.
4. (a) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the Financial Year ended on 31<sup>st</sup> March, 2001 have been transferred to the General Revenue Account of the Central Government.  
(b) As per section 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the unpaid Dividend Account of the Company, is required to be transferred to the Investors Education and Protection Fund set up by the Government of India. Once unclaimed dividends are transferred to this fund, members will not be entitled to claim these dividends.

5. Member are requested to :
- Notify immediately any change in their residential address.
  - Quote the Registered Folio Number in every correspondence with the Company.
  - Bring their copies of the Annual Reports along with duly filled in attendance slip at the meeting.
6. The Register of Members and share transfer books of the Company will remain closed from 25<sup>th</sup> August, 2009 to 4<sup>th</sup> September, 2009 (both days inclusive) for the purpose of the Annual General Meeting.

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Place : Mumbai  
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(Dr. R. M. Thakkar)  
Chairman & Managing Director

**Annexure to Notice**

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

**Item No. 5**

The Remuneration Committee in the meeting held on 24<sup>th</sup> April, 2009 approved the remuneration payable to Ms. Ursula Thakkar. Subject to the approval of the Share holders of the Company, the Board of Directors of the Company at its meeting held on 24<sup>th</sup> April, 2009 reappointed Ms. Ursula Thakkar as Whole Time Director designated as an Executive Director of the Company for a period of three years with effect from 1<sup>st</sup> April, 2009.

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

**TERMS OF APPOINTMENT**

**Period of Appointment:** Three years with effect from 1<sup>st</sup> April, 2009.

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

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

**Perquisites:**

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

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

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

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

- The Company shall pay as per the Company's policy, the Medical Expenses including such expenses as shall relate to the surgical, optical and dental treatment incurred by Ms Ursula Thakkar for herself and her family.
- Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- The Company shall pay the annual premium towards personal accident insurance as per the Rules of the Company.

- vi) Ms Ursula Thakkar and family shall be covered under the Medclaim Insurance Schemes as per the rules of the Company.
- vii) Encashment of leave on full pay and allowances as per the rules of the Company but not exceeding one month's leave for every twelve months of service.
- viii) Such other benefits in accordance with the schemes and rules applicable to the members of the Company from time to time.

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

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

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

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

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

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

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

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

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

The Board recommends the Resolution for your approval.

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

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

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

Place : Mumbai  
Date : 27<sup>th</sup> July, 2009

(Dr. R. M. Thakkar)  
Chairman & Managing Director

**Gujarat Petrosynthese Limited**

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

<b>Name of Directors</b>	<b>Dr. A C Shah</b>	<b>Mr. V H Pandya</b>	<b>Ms. Ursula Thakkar</b>
Date of Birth	16/1/01932	26/09/1926	24/09/1967
Date of Appointment	02/12/2002	16/03/1982	27/09/1996
Expertise in specific functional areas	Finance, Ex. Chairman & Managing Director of Bank of Baroda	Chemical Engineering	Ms. Ursula Thakkar joined the Company in 1996 as an Executive Director. During 1994-96 worked as consultant with William Kent Intl. USA, Washington.
Qualifications	M. A., Ph.D. (Economics).	B.Sc. (Honors)	BE (Honors)MBA (Harvard)
Directorship held in other companies (excluding foreign companies)	S Kumar Nationwide Ltd. Elecon Engineering Ltd. Adani Exports Ltd.	NIL	Gujarat Polybutene Pvt. Ltd. Guardian Finance Ltd. Multichem Pvt. Ltd. Seagull Travels and Tours Pvt. Ltd.
Committee Positions held in other Companies	Members of Audit Committee of S Kumar Nationwide Ltd. Elecon Engineering Ltd. Adani Exports Ltd. Kopran Ltd.	NIL	NIL

## DIRECTORS' REPORT

To the Members of,  
Gujarat Petrosynthese Limited

The Directors have pleasure in presenting 32<sup>nd</sup> ANNUAL REPORT of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2009.

Particulars	(Rs. in Lacs)	
	2008-09	2007-08
Sales Turnover	720.03	772.61
Operating Profit	65.26	111.32
Less : Interest	0.48	1.98
Depreciation	32.67	33.27
Profit before Tax	32.11	76.07
Less : Provision for Tax	9.45	19.20
Provision for Deferred Tax	1.01	0.00
Fringe Benefit Tax	2.75	2.55
Profit After Tax	18.90	54.32
Prior period Adjustments/ Income Tax for earlier years	(5.86)	44.76
Add : Balance in Profit & Loss Account	592.64	493.55
Balance available for appropriation	605.68	592.63
Balance carried to Balance sheet	605.68	592.63

**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 & Future outlook**

Everyone is aware of the great shake down of the world economy leading to a world-wide crisis. While India has been less affected than other countries, it could not entirely escape from this situation. Further, coupled with the earlier industrial policy of distribution of industrial production, particularly in the field of petrochemical products and plastics, industrial units were established which were uneconomic in scale by world standards right from the beginning. Thus in a totally free economy the Indian units have become uncompetitive.

In the field of plastics blends and alloys, with the freeing of the Indian economy the branded goods of international companies, or their Indian subsidiaries or licencees have depressed the market for purely Indian manufacturers. However, your Bangalore unit has met the situation well and has managed to show a profit despite the challenges by widening its customer base and developing speciality products.

**Working of 100% subsidiary – GPPL**

As mentioned earlier the last year has been unprecedented with the financial crisis that gripped the world and from which a slow recovery is anticipated.

Highest ever crude prices leading to high feedstock/ raw material costs coupled with a crash in end product demand and also finished goods prices lead to tremendous uncertainty in the market. Now volatile prices are something the industry is forced to come to terms with. This brings its own challenges along the value chain. There are several other challenges that Indian manufacturers will have to be prepared to tackle viz. low entry barriers and FTA's with ASEAN, EU, etc., low global demand, high energy cost, delays in tax reforms etc.

The basic strategy of understanding and providing value to customers where they need it has not changed but perhaps its implementation is now even more important than it was before.

GPPL was faced with a major challenge due to changes in the taxation structure affecting its raw material. However this challenge was effectively met and we remain grateful to the Govt. of Gujarat and our feed stock supplier Reliance Industries Limited for the support extended to resolve the issue. We continue to work on enhancing revenues through targeting new markets and products. However these projects are long term in nature and immediate returns are not envisaged.

**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 efforts of the employees makes it possible for the Company to face challenges and competition.

**Particulars of Employees**

As required by the 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 are given in Annexure II.

**Industrial Relations**

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

**Health, Safety & Environment**

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

**Internal Control System**

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

**Cautionary Statement**

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

**Deposits**

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

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

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

**Corporate Governance**

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

**Director's Responsibility Statement**

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

1. in the preparation of annual accounts, the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. appropriate accounting policies have been selected and applied them consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

**Directors**

At the forthcoming Annual General Meeting, Dr. A C Shah and Mr. V H Pandya 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 S. Anantha Rao & Co., Chartered Accountants, retire as Auditors of the Company. The same firm got reconstituted under new title M/s SARJBA & Co. The Company received a letter from M/s SARJBA & Co. that if appointed, their appointment will be within the limit prescribed under section 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 in the performance of the Company.

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

Sd/-

(Dr. R. M. Thakkar)

Chairman & Managing Director

Place : Mumbai

Date : 27<sup>th</sup> July, 2009

**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 2008-09

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

**FORM A**

**A. POWER AND FUEL CONSUMPTION**

1) Electricity		2008-09	2007-08
a) Purchased			
Unit	KWH	529208	463,290
Total amount	Rs	2,502,520	2,809,785
Rate / Unit	Rs	4.73	6.06
b) Own Generator Through Diesel Generator			
Units	KWH	103,000	128,220
Unit Per Ltr	KWH	8.48	8.19
Rate / Unit	Rs	4.45	4.44
Furnace Oil			
Quantity	KL	NIL	NIL
Other / Internal Generator	Rs	NIL	NIL
Average Rate	Rs	NIL	NIL

**B. CONSUMPTION PER UNIT PRODUCTION**

Standards (If any)		2008-09	2007-08
Product/Unit : Polymer / Kg			
Electricity	KWH	0.58	0.52
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 variety of PAB
4	Expenditure on R & D a) Capital b) Recurring c) Total d) Total R & D Expenditure as a percentage of Total Turnover	Rs. - - - 0.00%

Technology absorption, adoption and innovation.

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

## III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the Foreign Exchange outgo was Rs. 1,34,602/-. The Company has earned Foreign Exchange of Rs. Nil During the year.

### ANNEXURE - II TO THE DIRECTORS' REPORT

Employees who were employed through out the year.

Name	Designation	Qualification	Total Working Experience	Date of commencement of employment	Remuneration Rs.	Age Yrs.	Previous Employment held
Dr. R.M. Thakkar	Chairman and Managing Director	D.Phil (Zurich)	57	13.10.1982	2,999,410	84	Union Carbide India Ltd.
Ms.Urmi.N.Prasad	Executive Director	ACA, M.B.A (INSEAD)	16	26.09.1964	2,997,324	44	

Employees who were employed for a part of the year is NIL.

- Notes:
1. Remuneration includes salary and perquisites valued as per the Income Tax Rules.
  2. Appointments are contractual.
  3. R.M.Thakkar, CMD, Ms.Urmi.N.Prasad, Executive Director, Ms.Ursula Thakkar, Executive Director and Ms.Charita .R.Thakkar, Directors of the Company are related to each other.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 27th July, 2009

**DR. 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	<b>March 31,2009</b>	<b>March 31,2009</b>
2. Shares in the Subsidiary held by the Holding Company as at the above date		
(a) Number of Shares	999400	2239995
(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, 2009		
(I) For the Subsidiary's financial year ended as aforesaid	636,208	9,873,261
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	1,702,343	24,319,281
(b) Dealt within the Holding Company's Account for the year ended March 31, 2008		
(I) For the Subsidiary's financial year ended as aforesaid	2,125,599	15,900,772
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	(76,361)	13,790,656
4. (a) Change in the interest of the Holding Company between the end of the last financial year and March 31,2006	NIL	NIL
(b) Material changes occurred between end of the financial year of the Subsidiary and March 31, 2006	NIL	NIL

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 27th July, 2009

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

## 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 undernoted are the required disclosures.

### 2. Board of Directors

The Board of Directors consists of 4 promoter directors (one executive chairman, 2 executive directors and one non executive director), and 5 independent non executive directors.

During the year 2008-09, the Board met 4 times on 24/06/2008, 24/07/2008, 31/10/2008, 27/01/2009.

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

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

### 3. Audit Committee

The Audit Committee consists of 3 Directors, namely Dr. A. C. Shah, Dr. R. M. Thakkar and Mr. Adhik Shirodkar. Dr. A. C. Shah 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 2008-09 four meetings of the audit committee were held and all the meetings were attended by all the members of the audit committee.

### 4. Remuneration Committee

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

The remuneration of the Directors is 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/ Whole Time Directors and non executive directors for the financial year ended March, 2009 are as under:

Name	Salary	Perquisites	Cont. to Pension/ Gratuity/ Super	Cont. To leave Salary	Commission	Other	Total	No. of Equity Shares held
Dr. R. M. Thakkar	2250000	58410	405000		161000	125000	2999410	300336
Ms. Urmi N. Prasad	2325000	84824	400000		107500	80000	2997324	161189
Ms. Ursula Thakkar	1632000	231936	275400		107500	80000	2326836	180700
Ms. Charita Thakkar.					15428		15428	159016
Dr. P. S. Palande					15428		15428	650
Dr. A. C. Shah					15428		15428	Nil
Mr. A. N. Shirokar					15428		15428	1058
Mr. V. H. Pandya					15428		15428	196
Mr. M. D. Garde					15428		15428	Nil
Dr. (Mrs.) M. H. Hehta					15428		15428	97790

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

The members other than Managing Director and Whole Time Director are paid Sitting fees of Rs. 5,000/- for attending each meeting of Board of Directors and Rs. 1500/- for attending each meeting of Committee of Board of Directors.

The Sitting fees paid for the year 2008-09 to the Directors for Board, Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee are as under;

Name	Sitting Fees Rs	Name	Sitting Fees Rs
Mr. T.N. R. Rao	11,500	Dr. A. C. Shah	22,500
Mr. V. H. Pandya	22,500	Mr. Adhik Shirodkar	28,500
Mr. M. D. Garde	16,500		

#### 5.1 Shareholder/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee is constituted as per the Corporate Governance Code and consist of 3 Members, namely Mr. Adhik Shirodkar and Mr. V. H. Pandya Directors of the Company and Dr. (Mrs) S. R. Thakkar a major shareholder of the Company to review the status of the investor's grievances and its speedy and satisfactory redressal to the satisfaction of complainant. During the financial year 2008-09, 4 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
2005-06	Auditorium Hall, Vanijaya Bhavan, Race Course, Vadodara 390007	27.09.06	2.00 PM
2006-07	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	27.09.07	3.00 PM
2007-08	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	11.09.08	3.00 PM

At last Annual General Meeting held on 11.09.08 no item was transacted through postal ballots.

**7. Disclosure**

- (a) Disclosure on materially significant related party transactions i.e. transactions of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.  
None of the transactions with any of the related parties were in conflict with the interests of the Company. Significant related party transactions are described at Note No. 15, of Schedule R 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 the 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 : 4<sup>th</sup> September, 2009  
Annual General Meeting Venue : No. 24, II Main Phase I,  
Doddanekkundi Industrial Area,  
Mahadevpura Post, Bangalore 560048
- 9.2 Financial Calendar for the year 2009-10 (Tentative)  
Results for the quarter ending 30<sup>th</sup> June, 2009 – Last week of July 2009  
Results for the quarter ending 30<sup>th</sup> September, 2009 – Last week of October 2009  
Results for the quarter ending 31<sup>st</sup> December, 2009 – Last week of January 2010  
Results for the quarter ending 31<sup>st</sup> March, 2010 – Last week of April 2010  
Results for the year ending March 31, 2009 – Last week of June 2009  
Annual General Meeting (Next year) – September 2010
- 9.3 Book Closure Date: 25<sup>th</sup> August, 2009 to 4<sup>th</sup> September, 2009.
- 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  
Delisting application has been made to The Vadodara Stock Exchange Ltd. and The Stock Exchange, Ahmedabad.
- 9.6 Stock Code:  
Trading Code at The Sock Exchange, Mumbai is 506858-GUJ. PETRO  
Trading Code at The Sock Exchange, Ahmedabad is 22110-GUJPETSY  
Trading Code at The Stock Exchange, Vadodara is 506858-GUJPETRO

Note: Annual Listing fees for the year 2009-10 has been duly paid to the Stock Exchange, Mumbai. Annual Listing fees for the Vadodara Stock Exchange Ltd. and the Stock Exchange Ahmedabad has not been paid in view of application made for delisting.

- 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 2008	27.15	27.15	Oct., 2008	23.35	23.35
May 2008	28.50	28.50	Nov., 2008	—	—
June 2008	24.55	24.55	Dec., 2008	—	—
July 2008	—	—	Jan., 2009	—	—
Aug., 2008	—	—	Feb., 2009	—	—
Sep., 2008	—	—	March 2009	—	—

- 9.7 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.
- 9.8 Share Transfer System: Presently the share transfers received are processed and the share certificates are returned within a period of 20 days from the date of receipt, subject to receipt of valid and complete documents in all respects.
- 9.9 Distribution schedule as on 31.03.2009

Range	No of Shares Held Rs.	% to Capital	No of Shareholders	% to total holders
1 – 5000	18217280	30.27	22145	96.241
5001 – 10000	3895720	6.48	556	2.416
100001 – 20000	2752170	4.57	193	0.839
20001 – 30000	840020	1.40	34	0.148
30001 – 40000	604070	1.00	18	0.078
40001 – 50000	562010	0.93	13	0.056
50001 – 100000	1079090	1.79	15	0.065
100001 & above	32237650	53.56	36	0.156
<b>Total</b>	<b>60188010</b>	<b>100</b>	<b>23010</b>	<b>100</b>

Particulars	No. of shares held	% to total
FI/ Mutual Funds/ Banks/ Insurance Companies	1121476	18.63
Bodies Corporate	383110	6.37
Individuals	4514215	75.00
<b>Total</b>	<b>6018801</b>	<b>100.00</b>

- 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<br>No. 24, II Main Phase I,<br>Doddanekkundi Industrial Area,<br>Mahadevpura Post, Bangalore 560048 | Waghodia Unit<br>Plot No. 242/8,<br>GIDC Estate, Waghodia,<br>Dist. Vadodara 391760 |
|--|---|
- 9.14 Address for correspondence: Gujarat Petrosynthese Ltd, Secretarial Dept. Plot No. 1, Compartment No. 2, Marol Co-operative Industrial Estate, M.V. Road, J. B. Nagar Post, Andheri (E), Mumbai 400059.

**For and on behalf of the Board of Directors**

Sd/-

**DR. R. M. THAKKAR**  
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai  
Date : 27th July, 2009

**Auditors' Certificate on Corporate Governance**

To  
The Members of Gujarat Petrosynthese Limited

With reference to the proposed buy-back of its own equity shares by Gujarat Petrosynthese Limited (hereinafter referred as "the Company") approved by the Board of Directors of the Company at their meeting held on 27<sup>th</sup> July 2009 in pursuance of provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and subsequent amendments thereof and on the basis of information and explanation given to us, we report that:

1. We have enquired into the state of affairs of the Company in relation to its audited accounts for the year ended March 31, 2009 and unaudited accounts for the three months period ending 30<sup>th</sup> June 2009 which were taken on record by the Board of Directors at their meeting held on 27<sup>th</sup> July 2009.
2. The Board of Directors has proposed Buy-back to the extent of Rs. 484.70 lakhs. The amount of the permissible capital payment (including premium) towards buy-back of equity share as computed below, has been properly

	Amount (Rs. in Lakhs)
Paid up Equity Share Capital as at March 31, 2009	601.88
Free Reserves as on March 31, 2009	1336.94
Total	1938.82
Maximum amount permitted for Buy back i.e. 25% of total paid-up capital and free reserves	484.70

3. The Board of Directors in their meeting held on 27<sup>th</sup> July 2009 have formed the opinion on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing of the special resolution through postal ballot.

This Certificate has been prepared for and only for the Company and is in reference with to the proposed Buy-back of equity shares in pursuance of the provisions of Section 77A, 77AA and 77B of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and subsequent amendments thereof and for no other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For **S. ANANTHA RAO & CO.,**  
Chartered Accountants  
**(A. Jagannath Babu)**  
Chartered Accountant  
M.No. 20115

PLACE : BANGALORE  
DATE : 27th July, 2009

**AUDITORS REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of Gujarat Petrosynthese Ltd, as at 31<sup>st</sup> March 2009 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 overall 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 31.03.2009, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2009 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, 2009,
    - 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 **S. ANANTHA RAO & CO.,**  
Chartered Accountants  
**(A. Jagannath Babu)**  
Chartered Accountant  
M.No. 20115

PLACE : BANGALORE  
DATE : 27th July, 2009

**ANNEXURE - A TO THE AUDITOR'S REPORT**

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

Re. : Gujarat Petrosynthese Limited

**1. In respect of its fixed assets:**

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

**2. In respect of its inventories:**

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

**3. In respect of Loans granted & taken:**

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

**4. Internal Control:**

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

**5. Specified Transactions U/s. 301:**

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

**6. Deposits from public:**

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

**7. Internal Audit System:**

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

**8. Maintenance of Cost Records:**

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

**9. Statutory Dues:**

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

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

**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 benefit 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 **S. ANANTHA RAO & CO.**,  
Chartered Accountants

Sd/-

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

PLACE : BANGALORE  
DATE : 27th July, 2009

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS' FUNDS</b>					
Share Capital	A	60,188,010		60,188,010	
Reserves & Surplus	B	<u>133,693,929</u>		<u>132,389,451</u>	
			193,881,939		192,577,461
<b>DEFERRED TAX LIABILITY</b>					
Secured Loans	C		6,362,048		6,261,026
			<u>200,243,987</u>		<u>198,838,487</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	D	86,369,863		85,855,319	
Less : Depreciation		<u>28,856,844</u>		<u>25,590,123</u>	
Net Block			57,513,019		60,265,196
INVESTMENTS	E		75,577,910		71,796,616
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	F	2,910,477		4,185,825	
Sundry Debtors	G	10,264,929		8,656,708	
Cash and Bank Balances	H	11,371,479		12,685,500	
Loans and Advances	I	<u>57,705,825</u>		<u>55,956,457</u>	
		82,252,710		81,484,490	
Less :					
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	J	10,214,152		9,042,315	
Provisions		<u>4,885,500</u>		<u>5,665,500</u>	
		15,099,652		14,707,815	
<b>NET CURRENT ASSETS</b>			67,153,058		66,776,675
<b>MISCELLANEOUS EXPENDITURE</b>					
(To the extent not written off or adjusted)					
			<u>200,243,987</u>		<u>198,838,487</u>
Notes to the accounts	Q				

As per our report of even date  
For **S.ANANTHA RAO & CO.**,  
CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

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

Sd/-  
**URMI N. PRASAD**  
EXECUTIVE DIRECTOR

PLACE : BANGALORE  
DATE : 27th July, 2009

PLACE : MUMBAI  
DATE : 27th July, 2009

PLACE : MUMBAI  
DATE : 27th July, 2009

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2009**

Schedule	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Sales		72,003,510		77,261,427
Other Income	K	17,018,316		18,522,220
Increase/(Decrease)in Stock of finished goods & WIP	L	<u>(770,077)</u>		<u>119,828</u>
		88,251,749		95,903,475
<b>EXPENDITURE</b>				
Cost of material consumed	M	53,283,969		57,749,059
Staff cost	N	5,168,292		4,690,935
Manufacturing & Other Expenses	O	23,273,552		22,331,546
Interest	P	47,782		197,905
Depreciation		<u>3,266,721</u>		<u>3,326,904</u>
		85,040,316		88,296,349
<b>Profit before tax for the year</b>		<u>3,211,433</u>		<u>7,607,126</u>
Provision for Income Tax				
Current Year		945,000		1,920,000
Fringe Benefit Tax		275,000		254,500
Deferred Tax		101,022		-
<b>Profit / (Loss) after Tax</b>		1,890,411		5,432,626
Balance brought forward from earlier year		59,263,874		49,355,680
Prior period adjustments		(73,279)		(29,112)
Income Tax for Earlier Years		(514,236)		(373,340)
FBT Tax Refund		1,582		-
Deffered Tax of Earlier Years No Longer Required		-		1,878,020
Diminuation in Value of Investments No Longer Required		-		3,000,000
<b>Balance available for appropriation</b>		<u>60,568,352</u>		<u>59,263,874</u>
Balance carried to the Balance Sheet		<u>60,568,352</u>		<u>59,263,874</u>
Basic and Diluted Earning Per Share (See Note 16)		0.31		0.90
Notes to the accounts	Q			

As per our report of even date  
**For S.ANANTHA RAO & CO.,**  
 CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-  
**(A. JAGANNATH BABU)**  
 CHARTERED ACCOUNTANT

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

Sd/-  
**URMI N. PRASAD**  
 EXECUTIVE DIRECTOR

PLACE : BANGALORE  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "A" SHARE CAPITAL</b>				
Authorised				
75,00,000 (Previous year 75,00,000)		<u>75,000,000</u>		<u>75,000,000</u>
Equity Shares of Rs. 10/- each				
Issued Subscribed & Paid up:				
60,18,801 (Previous year 60,18,801)				
Equity Shares of Rs. 10/- each fully paid up		<u>60,188,010</u>		<u>60,188,010</u>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>				
<b>General Reserve:</b>				
As per Last Balance Sheet	<u>73,125,577</u>	<u>73,125,577</u>	<u>73,125,577</u>	<u>73,125,577</u>
Surplus/(Deficit) as per Profit & Loss Account		<u>60,568,352</u>		<u>59,263,874</u>
		<u>133,693,929</u>		<u>132,389,451</u>
<b>SCHEDULE "C" DEFERRED TAX LIABILITY</b>				
DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING ITEMS:				
<b>ASSETS</b>				
		-		-
		-		-
<b>LIABILITY</b>				
Difference between book and tax depreciation		<u>6,362,048</u>		<u>6,261,026</u>
		<u>6,362,048</u>		<u>6,261,026</u>
NET DEFERRED TAX		<u>6,362,048</u>		<u>6,261,026</u>

**SCHEDULE "D"**  
**FIXED ASSETS AS ON 31.03.2009**

ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2008	Additions	Deductions	TOTAL AS AT 31.03.2009	ASAT 01.04.2009	For the Year	Deductions	ASAT 31.03.2009	ASAT 31.03.2009	ASAT 31.03.2008
LEASE HOLD LAND	15,734,495			15,734,495	-			-	15,734,495	15,734,495
FREEHOLD LAND	4,418,924			4,418,924	-			-	4,418,924	4,418,924
FACTORY BUILDING	17,194,498	-		17,194,498	5,198,695	574,296		5,772,991	11,421,507	11,995,803
PLANT & MACHINERY	34,716,224	229,476	206,000	34,739,700	15,059,688	1,650,136		16,709,724	18,029,976	19,656,636
ELECTRICAL INSTALLATION	2,421,730			2,421,730	1,310,053	115,032		1,425,085	996,645	1,111,677
OFFICE EQUIPMENT	1,574,150	64,350		1,638,500	383,495	71,993		455,488	1,183,012	1,190,655
FURNITURE & FIXTURES	1,913,483	18,563		1,932,046	446,436	121,711		568,147	1,363,899	1,467,047
COMPUTERS	1,001,573	116,032		1,117,605	416,882	165,391		582,273	535,332	584,691
LABORATORY EQUIPMENTS	2,303,053	-		2,303,053	1,228,129	109,395		1,337,524	965,529	1,074,924
MOBILES	24,331	32,774		57,105	24,331	16,555		40,886	16,219	-
JIGS AND MOULDS	157,356			157,356	157,356	-		157,356	-	-
VEHICLES	4,395,502	259,350	-	4,654,852	1,365,158	442,211		1,807,369	2,847,483	3,030,344
<b>TOTAL</b>	<b>85,855,319</b>	<b>720,545</b>	<b>206,000</b>	<b>86,369,863</b>	<b>25,590,123</b>	<b>3,266,721</b>	<b>-</b>	<b>28,856,844</b>	<b>57,513,019</b>	<b>60,265,196</b>
TOTAL AS ON 31.03.2008	84,686,294	1,705,042	536,017	85,855,319	22,649,262	3,326,904	386,043	25,590,123	60,265,196	62,037,034

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "E" INVESTMENT (TRADE-LONG TERM)</b>				
Investments in Shares of companies and Units of Mutual Fund (At Cost)				
<b>Investment in Subsidiary Companies (Un-Listed &amp; Not traded)</b>				
1. In GPL Finance and Investment Ltd 9,99,400 (Previous year 4,99,940) Fully paid Equity Shares of Rs. 10/- each		<b>9,999,400</b>		9,999,400
2. In Gujarat Polybutene Pvt. Ltd 22,39,995 (P.Y. Nil) Fully paid up equity shares of Rs. 10 each		<b>22,399,950</b>		22,399,950
<b>Other Investments</b> (Listed but not traded)				
1,50,450 fully paid Equity Shares of Rs. 10/- each Southern Agrosynthese Ltd. (See Note 7)		<b>1</b>		1
<b>Investment in Mutual Funds</b>				
SBI Blue Chip Fund 2,50,000 Units of SBI Blue Chip Fund Market Value Rs.16,67,500/- (P.Y.Rs.26,85,000)		<b>2,500,000</b>		2,500,000
SBIMF Magnum Global Fund 46,296.296 Units of SBIMF Magnum Global Fund Market Value Rs.6,43,981/- (P.Y.Rs.12,17,593)		<b>1,000,000</b>		1,000,000
SBIMF Magnum Multiplier Plus Scheme-93 45,998.160 Units of SBIMF Magnum Multiplier Scheme Market Value Rs.15,01,380/- (P.Y.Rs.23,24,287)		<b>1,500,000</b>		1,500,000
LICMF Bond Fund 2,95,485.571 Units of LICMF Bond Fund Market Value Rs.72,20,485/- (P.Y.Rs.64,73,527)		<b>5,000,000</b>		5,000,000
Templeton India Equity Income Fund 1,46,627.566 Units of Templeton India Income Fund Market Value Rs.15,59,971/- (P.Y.Rs.15,51,723/-)		<b>1,500,000</b>		1,500,000
SBI Magnum Insta Cash Fund 13,07,702.2566 Units of SBI Magnum Insta Cash Fund Market Value Rs.1,40,89,184/- (P.Y.Rs.1,39,89,537/-)		<b>14,678,559</b>		13,841,739
SBI Magnum Insta Cash Fund 2,13,537.4127 Units of SBI Magnum Insta Cash Fund Market Value Rs.23,00,652/- (P.Y.Rs.38,69,063)		<b>2,500,000</b>		2,500,000
Optimix Star Multi Manager 97,560.9756 Units of Optimix Star Multi Manager Market Value Rs.6,32,585/- (P.Y.Rs.9,75,609/-)		<b>1,000,000</b>		1,000,000
Fixed Deposit with SBM & SBI Reliance Vision Fund 31,023.785 Units of Reliance Vision Fund Market Value Rs.8,04,788/- (P.Y.Rs.13,43,640/-)		<b>9,000,000</b>		6,055,527
SBIMF Income Fund Growth 2,76,089.0983 Units of SBI Magnum Insta Cash Fund Market Value Rs.29,74,584/- (P.Y.Rs.11,23,114/-)		<b>1,500,000</b>		1,500,000
Fixed Deposit with Gujarat Polybutenes Pvt.Ltd		<b>1,000,000</b>		1,000,000
		<b>75,577,910</b>		71,796,616
Less : Provision for Diminution in Value of Investments		-		-
		<b>75,577,910</b>		71,796,616

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "F" INVENTORIES :</b>				
(As taken, valued and certified by the Management)				
Raw Material & Consumable (At Cost)	807,224		2,608,524	
Finished Goods	<u>2,103,253</u>		<u>1,577,301</u>	
		<u>2,910,477</u>		<u>4,185,825</u>
<b>SCHEDULE "G" SUNDRY DEBTORS</b>				
Debts Outstanding for a period less than six months	9,661,163		8,286,595	
Debts Outstanding for a period exceeding six months (unsecured)				
Considered Good	603,766		370,113	
Less : Provided for	<u>10,264,929</u>		<u>8,656,708</u>	
<b>Total</b>		<u>10,264,929</u>		<u>8,656,708</u>
<b>SCHEDULE "H" CASH &amp; BANK BALANCES</b>				
Cash on Hand	466,944		437,774	
(I) Bank of Baroda (Baroda)	21,770		129,709	
(II) Bank of Baroda (Saki Naka)	166,214		22,780	
(III) State Bank of India ( Mumbai)	348,340		202,530	
(IV) HDFC Bank (Mumbai)	40,000		40,000	
(V) UTI Bank (Mumbai)	498,616		1,858,415	
(VI) In Current Accounts	4,505,875		4,994,292	
(VII) In Deposit Account with Bank of Baroda	<u>5,323,720</u>		<u>5,000,000</u>	
		<u>11,371,479</u>		<u>12,685,500</u>
<b>SCHEDULE "I" LOAN AND ADVANCES</b>				
(Unsecured -considered goods)				
Advances recoverable in cash or in kind or value to be received	47,471,258		47,014,992	
Trade Deposits	1,523,662		1,982,777	
Advance Tax Paid	526,000		505,000	
Fringe Benefit Tax paid	254,500		391,000	
Tax Deducted At Source	4,752,683		2,830,766	
Advance Tax Paid F.Y.2008-09	117,000		526,000	
Fringe Benefit Tax Paid F.Y.2008-09	385,000		254,500	
Tax Deducted At Source F.Y.2008-09	<u>2,675,722</u>		<u>2,451,422</u>	
		<u>57,705,825</u>		<u>55,956,457</u>
<b>SCHEDULE "J"</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors				
For Goods	5,829,416		4,469,258	
For Expenses	1,885,634		1,867,396	
For Others	<u>1,145,024</u>		<u>1,351,583</u>	
<b>Total</b>	<u>8,860,074</u>		<u>7,688,237</u>	
Unpaid dividend	1,354,078		1,354,078	
<b>PROVISIONS</b>		<u>10,214,152</u>		<u>9,042,315</u>
Provision for Taxation	3,665,500		3,491,000	
Provision for Taxation F.Y.2008-2009	<u>1,220,000</u>		<u>2,174,500</u>	
		<u>4,885,500</u>		<u>5,665,500</u>
		<u>15,099,652</u>		<u>14,707,815</u>

**SCHEDULES TO THE ACCOUNTS**

	Year Ended 31.03.2009		Year Ended 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "K" OTHER INCOME</b>				
Interest on Loans	5,069,127		5,128,511	
Interest on Deposits	1,065,561		401,670	
Miscellaneous Income	81,010		66,848	
Rent received	-		279,930	
Profit on Sale of Investments	-		412,017	
Dividend recd from Mutual Fund	1,001,508		2,633,244	
Income from Services	9,600,000		9,600,000	
Reversal of provision no longer required	27,453		-	
Doubtful Debts written back recovered	173,657		-	
		<u>17,018,316</u>		<u>18,522,220</u>
<b>SCHEDULE "L" INCREASE/(DECREASE) IN STOCK OF FIN. GOODS AND W.I.P</b>				
Closing Stock	807,224		1,577,301	
Less : Opening Stock	1,577,301		1,457,473	
		<u>(770,077)</u>		<u>119,828</u>
<b>SCHEDULE "M" COST OF MATERIALS CONSUMED</b>				
Opening Stock	2,608,524		2,291,281	
Add : Purchase	52,778,698		58,066,302	
	55,387,222		60,357,583	
Less: Closing Stock	2,103,253		2,608,524	
		<u>53,283,969</u>		<u>57,749,059</u>
<b>SCHEDULE "N" STAFF COST</b>				
Salaries and Wages	4,642,258		4,153,885	
Contribution to Provident and Other Funds	391,145		326,755	
Staff Welfare Expenses	134,889		210,295	
		<u>5,168,292</u>		<u>4,690,935</u>
<b>SCHEDULE "O" MANUFACTURING AND OTHER EXPENSES</b>				
Excise Duty	641,920		1,821,460	
Stores and Spares	-		16,511	
Power and Fuel	2,998,260		3,369,885	
Repair and Maintenance	2,642,723		2,127,139	
Rates and Taxes	578,053		170,715	
Insurance	316,663		354,482	
<b>AUDITORS REMUNERATION</b>				
Audit Fees	93,755		112,360	
Managerial Remuneration & Perks	8,431,571		7,343,934	
Travelling Expenses	341,303		505,792	
Directors Sitting Fees	107,500		55,500	
Donations	13,300		25,050	
Pollution Control Expenses	1,400		-	

**SCHEDULES TO THE ACCOUNTS**

	Year Ended 31.03.2009		Year Ended 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
General Expenses	5,910,390		5,178,130	
Transportation Freight and Octroi	466,822		805,718	
Speciman Charges	32,689			
Retainers Fees	173,985		83,698	
Machinery Hire Charges	50,034			
Vehicle Expenses	473,184		361,173	
		<b>23,273,552</b>		<b>22,331,546</b>
<b>SCHEDULE "P" - INTEREST</b>				
IProcessing Fees & Bank Charges	47,782		197,905	
		<b>47,782</b>		<b>197,905</b>

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

- 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.
- 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:**

- The Company follows the Straight Line Method of depreciation.
- 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
- 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
- Leasehold land is not amortized over the period of lease.

**iv) Treatment of Expenditure during construction period:**

Expenditure incurred during the construction period has been allocated to the respective fixed assets on pro-rata basis.

**v) Valuation Of Inventories:**

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

**vi) Demerger :** 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 to the Division for a consideration of Rs.22,290,719/- for which it has received equity shares in GPPL.

Since most of the business operations of the polybutene business (GPPL) continue to be carried on from the GPL corporate office in Mumbai due to logistical and operational convenience, the common expenses have been shared in the ratio of 15% to Gujarat Petrosynthese and 85% to Gujarat Polybutenes Pvt.Ltd, which interalia is based on estimated usage of facilities by the respective business entities. An amount of Rs 96 lacs has been charged for managerial and technical services rendered by GPL to GPPL which is included in other income.

**vi) 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.

**vii) Foreign Exchange Transactions:**

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

**viii) 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) 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 for the year is debited to Profit & Loss Account.

**xvi) Miscellaneous Expenditure:**

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

**2. Contingent Liabilities not provided in respect of:**

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

**3. In the opinion of the Management:**

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 no liability, contingent or otherwise, except those which are stated in the accounts.

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

	Current Year Rupees in Lacs	Previous Year Rupees in Lacs
I. The Managing Director		
Salary	23.75	23.75
Commission	1.61	1.87
Contribution to Provident and Other Funds	4.05	4.05
Perquisites in cash or kind.	0.58	1.82
	<u>29.99</u>	<u>31.49</u>
II. The Executive Directors		
Salary	41.17	32.22
Commission	2.15	2.50
Contribution to Provident and Other Funds	6.75	4.76
Perquisites in cash or kind	3.17	1.22
	<u>53.24</u>	<u>40.70</u>
III. Non Whole-Time Directors		
Commission	1.08	1.25
	<u>1.08</u>	<u>1.25</u>

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

	Rs. In lakhs
Net Profit as per Profit & Loss Account	32.11
Add: Directors Sitting Fees	1.08
Commission to Non-Whole Time Directors	1.08
Managing Directors Remuneration	29.99
Executive Directors Remuneration	53.24
Diminution in value of assets	-
	<u>85.39</u>
	117.50
Less: Profits on redemption of MFs and non-operating income	10.01
<b>Net Profit / (Loss)</b>	<u>107.49</u>
Commission Payable to:	
(i) Managing Director @ 1.5%	1.61
(ii) Two Executive Directors @ 1.0% each	2.15
(iii) Non-Whole Time Directors 1.0%	1.08

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

- The investment in the Equity Shares of Southern Agrosynthese Limited amounting to Rs.21,14,549/- is valued at Rs.1/- as the net worth of the said Company is negative.
- Loans and Advances includes due from officers of the Company Rs. Nil (P.Y. Rs. Nil) and dues from companies Rs.4,29,49,482/- (P.Y. Rs. 4,39,23,274/-)
- 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 31<sup>st</sup> March, 2009. 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.

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

	31st March 2009		31st March 2008	
	Qty (M.T.)	Value	Qty (M.T.)	Value
<b>a) Turnover</b>				
Alloys & Blends				
Sales	404	6,37,69,547	459	6,97,84,623
Job work Charges	685	82,33,963	651	74,76,804
		<u>7,20,03,510</u>		<u>7,72,61,427</u>

Turnover of Polymers includes 204 Kgs (Previous year 209 Kgs) given as free sample.

**b) Consumption of Raw Materials**

	31st March 2009		31st March 2008	
	Qty (M.T.)	Value	Qty (M.T.)	Value
Commodity & Engineering Products / Plastics of Different Types	404	5,39,36,512	472	5,83,13,677
		<u>5,39,36,512</u>		<u>5,83,13,677</u>

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

	31st March 2009		31st March 2008	
	Value	%	Value	%
Imported	25,06,318	4.65%	13,007	0.03%
Indigenous	5,14,30,194	95.35%	5,83,00,670	97.97%
	<u>5,39,36,512</u>	<u>100%</u>	<u>5,83,13,677</u>	<u>100%</u>

**d) Opening and Closing Stock of Goods**

	31st March 2009		31st March 2008	
	Qty (M.T.)	Value	Qty (M.T.)	Value
Alloys & Blends	6.418	8,07,224	12.422	15,77,301

**e) Capacity and Production**

	Alloys & Blends
i) Licensed Capacity (in M.T.)	N.A.
ii) Installed Capacity (in M.T.)	1,800 MT (P.Y. 1,800 MT)
iii) Production (in M.T.)	1,089 (P.Y. 1,110 MT)

Actual Production includes Production on Job work basis also.

<b>f) C.I.F. Value of Imports</b>	<b>31st March 2009</b>	<b>31st March 2008</b>
Raw Materials (Banalore Unit)	24,37,882	2,49,912
Spares	669,549	
<b>g) Expenditure in Foreign Currency</b>	<b>31st March 2008</b>	<b>31st March 2007</b>
i) Travelling	Nil	1,34,602
ii) Others	Nil	NIL
<b>h) Earning in Foreign Exchange</b>	<b>Nil</b>	<b>Nil</b>
<b>i) Amount remitted in Foreign Currencies towards dividend (Net Of Tax).</b>	<b>31st March 2009</b>	<b>31st March 2008</b>
i) Number of Non-resident Equity Shareholders	161	161
ii) Number of Equity Shares	4,67,409	4,67,409
iii) Amount Remitted	NIL	NIL

9. The Company has written off old debit and credit balances of various parties during the year, net debit on this account is of Rs. 73,280/- (Previous Year Rs. 67,245/- net Debit)

10. Prior Period Income of Rs. 81,010/- (Previous year Rs. 38,133/-)

11. Future lease obligations on assets taken on Finance Lease, over remaining period amounts to Rs. NIL /- (Previous Year Rs. NIL/-)

12. Earning Per Share :		(Rs. In Lacs)
	<b>2008-2009</b>	<b>2007-2008</b>
a) Net Profit available for equity shareholders (Numerator used for calculation)	<b>18.90</b>	54.33
b) Weighted Average No. of equity shares (Used as denominator for calculating EPS)	<b>60,18,801</b>	60,18,801
c) Basic and Diluted Earnings per share (Rs.) (Equity Share of face value of Rs. 10 each)	<b>0.31</b>	0.90

13. Transaction With Related Parties:

			Rs.in Lacs
Related parties			
Particulars	Subsidiary Company	Relatives	Key Management Personnel
<b>Sales</b>	-	-	-
<b>Expenses</b>			
Remuneration	-	-	83.75
Others	-	-	-
<b>Income</b>			
Interest Received (GPPL)	50.69	-	-
Income from Services (GPPL)	96.00	-	-
<b>Finance &amp; Investments</b>			
Advance Given	-	-	-
Advance Received Back (GPL Finance)	-	-	-
<b>Outstanding</b>			
Receivable	429.49	-	-

Related Party Information (where transactions have taken place during the year)

- (a) Subsidiary Company  
GPL Finance And Investments Limited  
Gujarat Polybutenes Pvt.Ltd
- (b) Relatives  
Dr. (Ms.) S. R. Thakkar
- (c) Key Management Personnel  
Dr. R. M. Thakkar  
Ms. Urmi N. Prasad  
Ms. Ursula Thakkar

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

15. Previous Year's have been re-grouped and re-arranged wherever necessary.

Signature to Schedule "A" to "Q"

As per our report of even date  
**For S. ANANTHA RAO & CO.**  
CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

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

Sd/-  
**URMI N. PRASAD**  
EXECUTIVE DIRECTOR

PLACE : BANGALORE  
DATE : 27th July, 2009

PLACE : MUMBAI  
DATE : 27th July, 2009

PLACE : MUMBAI  
DATE : 27th July, 2009

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I. REGISTRATION DETAILS**

Registration No.  State Code   
 Balance Date

**II. CAPITAL RAISED DURING THE YEAR**

Public   
 Right Issue

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

Total Liabilities   
 Total Assets

**SOURCE OF FUNDS**

Paid-up Capital (including share application money)   
 Reserves and Surplus

Secured Loans   
 Unsecured Loans

Deferred Tax Liability

**APPLICATION OF FUNDS**

Net Fixed Assets   
 Investments

Net Current Assets   
 Miscellaneous Expenditure

**IV. PERFORMANCE OF COMPANY**

Turnover   
 Total Expenditure

Profit / (Loss) before Tax   
 Profit / (Loss) after Tax

Earning per Share Rs.   
 Dividend Rate %

**V. GENERIC NAME OF PRINCIPAL PRODUCTS OF COMPANY (as per Monetary Terms)**

Item Code No. (ITC Code)	Product Description	Item Code No. (ITC Code)	Product Description
390710	ALLOYS & BLENDS	390740	ALLOYS & BLENDS

As per our report of even date  
**For S. ANANTHA RAO & CO.**  
 CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-  
**(A. JAGANNATH BABU)**  
 CHARTERED ACCOUNTANT

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

Sd/-  
**URMI N. PRASAD**  
 EXECUTIVE DIRECTOR

PLACE : BANGALORE  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

(Rs. in lacs)

Sl.No.	Particulars	2008-2009	2007-2008
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit before Tax	32.11	76.07
	Adjustments for :		
	Prior period	(5.86)	(4.02)
	Prov. for diminution in value of investments	-	-
	Depreciation	32.67	33.27
	Income Tax and FBT	(12.20)	(21.75)
	Bad Debts written off	-	-
	Preliminary expenses written off	-	-
	(Profit)/Loss on sale of fixed Assets	-	-
	(Profit)/Loss on Redemption of Investments	-	(4.12)
	Interest & dividends Received	(71.36)	(81.63)
	Bad Debts recovered	-	-
	Interest Paid	-	-
	<b>Operating profits before working capital changes</b>	<b>(24.64)</b>	<b>(2.18)</b>
	Adjustments for:		
	Decrease/(Increase) in Inventories	12.75	(4.37)
	Decrease/(Increase) in Trade & other receivables	(16.08)	(1.23)
	Decrease/(Increase) in Loans & Advances	(17.49)	(16.28)
	Increase/(Decrease) in Payables	3.92	43.66
	<b>Cash Generated From Operations</b>	<b>(41.55)</b>	<b>19.60</b>
	Interest paid	-	-
	<b>Net Cash inflow/(outflow) from operating activities</b>	<b>(41.55)</b>	<b>19.60</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Purchase of Fixed Assets	(7.20)	(17.05)
	Sale of Fixed Assets (net)	2.06	1.50
	(Purchase)/Sale of Investments	(37.81)	(28.98)
	Profit/(Loss) on sale of investments	-	4.12
	Interest Received	71.36	81.63
	Bad Debts recovered	-	-
	<b>Net Cash inflow / (outflow) from Investing Activities</b>	<b>28.41</b>	<b>41.22</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	-	-
	Repayment of Borrowings	-	-
	Public Issue expenses	-	-
	Dividends Paid	-	-
	<b>Net Cash Inflow/(outflow) in cash from Financing Activities</b>	<b>-</b>	<b>-</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(13.13)</b>	<b>60.82</b>
	Cash and cash equivalents at beginning of year	126.85	66.03
	Cash and cash equivalents at end of year	113.71	126.85

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

As per our report of even date  
**For S. ANANTHA RAO & CO.**  
 CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-  
**(A. JAGANNATH BABU)**  
 CHARTERED ACCOUNTANT

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

Sd/-  
**URMI N. PRASAD**  
 EXECUTIVE DIRECTOR

PLACE : BANGALORE  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

PLACE : MUMBAI  
 DATE : 27th July, 2009

## Directors' Report

The Directors have pleasure in placing before you the 6<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS

Particulars	2008-09 Rs.	2007-08 Rs.
Sales	5884.27	5723.99
Operating Profit	215.73	276.84
Less : Interest	96.24	93.08
Depreciation	20.76	24.75
Profit before tax	98.73	159.01
Add/(Less) : Provision for Tax	31.10	54.39
Provision for Deferred Tax	0.57	1.45
Fringe Benefit tax paid	0.82	0.79
 Profit after Tax	 67.38	 105.28
Prior period adjustments / Income Tax for Earlier Years	-	-
Add / (Less) : Balance in Profit & Loss Account	243.19	137.91
Balance available for Appropriation	<u>310.57</u>	<u>243.19</u>
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<u>310.57</u>	<u>243.19</u>

### 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

### OPERATIONS:

GPPL was faced with a major challenge due to changes in the taxation structure affecting its raw material. However this challenge was effectively met and we remain grateful to the Govt. of Gujarat and our feed stock supplier Reliance Industries Limited for the support extended to resolve the issue. We continue to work on enhancing revenues through targeting new markets and products. However these projects are long term in nature and immediate returns are not envisaged.

### 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.

### Personnel

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

**Directors**

Ms. Ursula Thakkar Director of the Company retires by rotation at the forthcoming Annual General Meeting. The Board recommends her re-appointment.

**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 :

1. in the preparation of annual accounts, for the financial year ended 31st March, 2009, the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors have prepared the accounts for the financial year ended 31st March, 2009 on a going concern basis.

**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 Private Limited**

Sd/-

**Dr. S. R. THAKKAR**  
Executive Chairperson

Place : Mumbai

Date : June 15, 2009

**ANNEXURE - I TO THE DIRECTOR'S REPORT**

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year 2008-09

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

## FORM A

## A. POWER AND FUEL CONSUMPTION

		2008-09	2007-08
1) Electricity			
a) Purchased			
Unit	KWH	2,472,728.00	2,433,174.00
Total amount	Rs	14,087,721.70	12,992,171.00
Rate / Unit	Rs	5.70	5.34
b) Own Generator through Diesel Generator			
Units	KWH	50,806.00	21,778.00
Unit Per Ltr	KWH	4.75	2.04
Rate / Unit	Rs	13.28	13.54
Furnace Oil			
Quantity	MT	850.46	904.01
Other / Internal Generator	Rs	17,857,226.00	16,753,671.00
Average Rate	Rs	20,997.14	18,532.62
Natural Gas			
Quantity	scm	910,293.00	943,051.00
Other / Internal Generator	Rs	24,872,679.00	18,604,765.00
Average Rate	Rs	27.32	19.73

## B. CONSUMPTION PER UNIT PER PRODUCTION

		2,008.09	2007-08
Standards (If any)			
Product/Unit : Polymer / MT			
Electricity	KWH	616.54	569.03
Furnace Oil	N.A	0.21	0.21
Natural Gas	scm	222.40	218.59

## II. TECHNOLOGY ABSORPTION

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

1.	Specific area in which R & D was carried out by the Company	To produce high grade of polymers
2.	Benefit derived as a result of R & D	Manufacture of new products and existing products at lower cost.
3.	Future plan of action	Manufacture variety of PIB
4.	Expenditure on R & D	
	a) Capital	
	b) Recurring	649,855.00
	c) Total	<u>649,855.00</u>
	d) Total R & D Expenditure as a percentage of Total Turnover	0.11%

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	<p>In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.</p> <p>a) Technology Furnished</p> <p>b) Year of Import</p> <p>c) Has technology been fully absorbed</p> <p>d) If not fully absorbed, areas where this has consequent impact on cost of production of goods further plans of action.</p>	N.A.

**III. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year, the Foreign Exchange outgo was Rs. 3,58,337/- . During the year Company has earned Foreign Exchange of Rs. 85,58,072/- During the year.

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

Sd/-  
**Dr. S. R. THAKKAR**  
 EXECUTIVE CHAIRPERSON

PLACE : MUMBAI  
 DATE : June 15, 2009

**AUDITORS REPORT TO THE MEMBERS**

We have audited the attached Balance Sheet of **GUJARAT POLYBUTENES PRIVATE LIMITED** as at 31<sup>st</sup> March, 2009 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 31.03.2009, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31<sup>st</sup> March 2009 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 31<sup>st</sup> March, 2009;
    - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For Suresh Thakkar & Co.**  
**Chartered Accountants**  
Sd/-  
**(SURESH THAKKAR)**  
PROPRIETOR  
M. No. 11650

PLACE : VADODARA  
DATE : June 15, 2009

**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 their relatives which are covered in the register maintained u/s 301 of the Companies Act, 1956.

<b>Name of the Company / Party</b>	<b>Amount outstanding at the end of the year</b>
Gujarat Petrosynthese Limited (Holding Co)	Rs. 10,07,884/-
Gujarat Petrosynthese Limited (Holding Co)	Rs. 4,13,33,278/-
GPL Finance & Investments Ltd (Subsidiary of holding co)	Rs. 47,38,033/-
Multichem Private Ltd (other co)	Rs. 1,72,38,378/-
Mrs. S R Thakkar, Director (Prop. of Industrial And Allied Chemicals)	Rs. 50,02,274/-
Dr R. M.Thakkar (Director)	Rs. 59,46,657/-
Ms. Charita Thakkar (Relative of a director)	Rs. 15,13,713/-

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

**5. Internal Control :**

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

**6. Specified Transactions U/s.301:**

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

**7. Deposits from public :**

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

**8. Internal Audit System :**

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

**9. Maintenance of Cost Records :**

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

**10. Statutory Dues :**

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

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

**11. Accumulated Losses & Cash Losses :**

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

**12. Payments to the financial institutions, Bank etc. :**

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

**13. Loans against Shares :**

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

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

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

**15. Trading in Securities etc :**

The Company is not trading in securities and other investments as its business activity. The Company has made investments in units of mutual funds only and such investments are in its own name.

**16. Guarantees for loan to third parties :**

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

**17. Application of Term Loans :**

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

**18. Application of Short Term Loans :**

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

**19. Preferential Allotments :**

The Company has not made preferential allotment during the year.

**20. Issue of Secured Debentures :**

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

**21. Money from Public :**

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

**22. Fraud :**

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

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

PLACE : VADODARA  
DATE : June 15, 2009

## BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDER'S FUNDS</b>					
Share Capital	A	22,400,000		22,400,000	
Reserve & Surplus	B	31,057,219		24,319,281	
			53,457,219		46,719,281
<b>LOANS FUNDS</b>					
Secured Loans	C	26,342,582		21,999,541	
Unsecured Loans	D	77,388,537		71,228,763	
		157,188,338		139,947,585	
<b>APPLICATIONS OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	E	22,755,304		22,281,471	
Less : Depreciation		9,617,601		7,541,967	
Net Block			13,137,703		14,739,504
Investments	F		14,509,323		13,704,999
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>					
Inventories	G	25,367,998		23,306,707	
Sundry Debtors	H	40,625,464		28,735,047	
Cash and Bank Balance	I	77,984,011		72,142,406	
Loans and Advances	J	36,256,549		24,132,516	
Deferred Tax Assets		428,433		371,853	
		180,662,455		148,688,529	
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>					
Current Liabilities	K	34,882,432		24,224,325	
Provisions		16,324,397		13,132,494	
		51,206,829		37,356,819	
<b>NET CURRENT ASSETS</b>			129,455,626		111,331,710
<b>MISCELLANEOUS EXPENDITURE</b>	L		85,686		171,372
			157,188,338		139,947,585
Significant Accounting Policies and Notes on Accounts	S				

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

For and on behalf of the Board of Director

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

Sd/-  
**Dr. R. M. THAKKAR**  
(DIRECTOR)

Sd/-  
**Dr. Mrs. S.R. THAKKAR**  
(EXECUTIVE CHAIRMAN)

Place : Vadodara  
Date : June 15, 2009

Place : Mumbai  
Date : June 15, 2009

Place : Mumbai  
Date : June 15, 2009

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2009**

	Schedule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Sales ( Excluding Excise Duty )		588,427,301		572,399,306	
Other Income	M	5,819,112		3,032,394	
Increase/( Decrease) in stock of Finished goods & Work -in- Progress	N	2,113,550		(15,175,240)	
			596,359,963		560,256,460
<b>EXPENDITURE</b>					
Cost of material consumed	O	466,902,558		434,451,861	
Staff cost	P	18,974,252		17,656,127	
Manufacturing & other expense	Q	88,824,072		80,378,812	
Interest	R	9,624,500		9,307,836	
Depreciation		2,075,634		2,475,366	
Preliminary expenses Written Off		85,686		85,686	
			586,486,702		544,355,688
<b>Profit(Loss) before tax for the year</b>			<b>9,873,261</b>		<b>15,900,772</b>
Add (Less) : Deferred Tax Assets			56,580		144,853
Less :Provision for Income Tax for the year			3,110,000		5,438,500
Less : Provision for Fringe Benefit tax			81,903		78,500
<b>Profit / ( Loss ) after Tax</b>			<b>6,737,938</b>		<b>10,528,625</b>
Balance brought forwards from earlier year			24,319,281		13,790,656
Balance carried to the Balance sheet			<b>31,057,219</b>		<b>24,319,281</b>
Basic and Diluted Earning Per Share			3.01		4.71
Significant Accounting Policies and Notes on Accounts	S				

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

For and on behalf of the Board of Director

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

Sd/-  
**Dr. R. M. THAKKAR**  
(DIRECTOR)

Sd/-  
**Dr. Mrs. S.R. THAKKAR**  
(EXECUTIVE CHAIRMAN)

Place : Vadodara  
Date : June 15, 2009

Place : Mumbai  
Date : June 15, 2009

Place : Mumbai  
Date : June 15, 2009

**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE " A " SHARE CAPITAL</b>		
<b>Authorised Share Capital</b>		
50,00,000 Equity Shares of Rs. 10/- each.	<u>50,000,000</u>	<u>50,000,000</u>
Issued Subscribed and Paid up : 2240000 ( 2240000) shares of Rs. 10/- each. (Out of above 2230000 shares are issued to Gujarat Petrosyntheses Limited a holding company without payment received in cash)	<u>22,400,000</u>	<u>22,400,000</u>
<b>SCHEDULE " B " RESERVE &amp; SURPLUS</b>		
Surplus as per Profit & Loss Account annexed	<u>31,057,219</u>	24,319,281
	<u>31,057,219</u>	<u>24,319,281</u>
<b>SCHEDULE " C " SECURED LOANS</b>		
Cash Credit from UTI Bank Ltd A/c No. 26345 Secured by Hypo. of stocks, Cash & other Current Assets including monies receivable & Fixed deposit Receipt	<u>26,342,582</u>	21,999,541
	<u>26,342,582</u>	<u>21,999,541</u>
<b>SCHEDULE " D " UNSECURED LOANS</b>		
From Gujarat Petrosyntheses Ltd ( a Holding Company)	<u>608,320</u>	1,087,151
<b>Fixed Deposit:</b>		
Gujarat Petrosyntheses Ltd ( a Holding Company)	<u>42,341,162</u>	42,007,882
From Directors & their relatives	<u>12,462,644</u>	10,292,872
From other companies	<u>21,976,411</u>	17,840,858
	<u>77,388,537</u>	<u>71,228,763</u>

**SCHEDULE "E" : FIXED ASSETS**

Sl. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2008	Additions	Deductions	As at 31.03.2009	As at 01.04.2008	For the Year	Deductions	As at 31.03.2009	As at 01.04.2008
1	Land	2,760,066	-	-	2,760,066	-	-	-	2,760,066	2,760,066
2	Building	7,696,702	-	-	7,696,702	2,079,480	561,722	2,641,202	5,055,500	5,617,222
3	Plant & Machinery	3,125,939	115,500	-	3,241,439	1,599,441	442,822	2,042,263	1,199,176	1,526,498
4	Vehicles	1,231,739	-	-	1,231,739	326,602	234,340	560,942	670,797	905,137
5	Laboratory Equipment	2,752,554	85,256	-	2,837,810	1,717,444	303,109	2,020,553	817,257	1,035,110
6	Furniture & Fixtures	1,067,360	-	-	1,067,360	481,002	106,131	587,133	480,227	586,358
7	Office Equipments	3,326,332	21,100	-	3,347,432	1,180,848	300,635	1,481,483	1,865,949	2,145,484
8	Computer	320,779	251,977	-	572,756	157,150	126,875	284,025	288,731	163,629
	Total	22,281,471	473,833	-	22,755,304	7,541,967	2,075,634	9,617,601	13,137,703	14,739,504
	PREVIOUS YEAR	21,910,964	370,507	-	22,755,304	5,066,601	2,475,366	9,617,601	13,137,703	16,844,363

**SCHEDULES TO THE ACCOUNTS**

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
<b>SCHEDULE " F " INVESTMENTS ( At cost )</b>		
<b>Other than trade investment ( Quoted )</b>		
<b>Investment in Mutul Funds</b>		
1036820.9086 units of SBI MF Magnum Insta Cash Fund during the year ( NAV Rs.1117082)	<u>11,051,554</u>	10,425,403
978487.1467 units of SBI MF Magnum Insta Cash Fund during the year ( NAV Rs.10472161 )		
3446.604 units of Standard Chartered Liquidity Manager Plus (3446.607 units aquired during the year) ( NAV Rs 3448275 )	<u>3,457,769</u>	3,279,596
3268.479 units of Standard Chartered Liquidity Manager Plus (3268.478 units aquired during the year) ( NAV Rs 3269133 )	<u>14,509,323</u>	<u>13,704,999</u>

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE " G " INVENTORIES</b>				
<b>(As certified by the management)</b>				
Raw Material & consumable		8,663,118		8,715,377
Work in Process		2,045,002		2,130,157
Finished Goods		14,659,878		12,461,173
		<u>25,367,998</u>		<u>23,306,707</u>
<b>SCHEDULE " H " SUNDRY DEBTORS</b>				
Others ( Good )		40,625,464		28,735,047
		<u>40,625,464</u>		<u>28,735,047</u>
<b>SCHEDULE " I " CASH &amp; BANK BALANCE</b>				
Cash on hand -BRD	603,016		492,947	
Cash on hand -Mumbai	23,976	626,992	26,458	519,405
Balance with banks :				
Bank of Baroda A/c No 21915( Saki Naka, Mumbai)		4,461,906		164,070
Bank of Baroda A/c No 93388( Baroda )		1,009,773		1,128,801
Bank of Baroda A/c No 93434( Baroda )		905,087		328,074
HDFC A/c No 019805 ( Hyderabad)		717,631		132,263
HDFC A/c No 024 ( Hyderabad)		12,044		10,566
HDFC A/c No 0602560003558 ( Mumbai)		2,813,640		759,255
HDFC A/c No 0602320015190 ( Mumbai)		5,583,447		4,599,548
State bank of India A/c No. 30006842631( Baroda)		59,235		59,785
Axis Bank Ltd A/c No. 013010200034663 ( Baroda)		549,821		222,417
Axis Bank Ltd A/c No. 01301020040424 ( Baroda)		199,771		238,575
Axis Bank Ltd A/c No. 585156 ( Mumbai)		161,931		37,655,546
Fixed Deposits with banks		60,882,733		26,324,101
		<u>77,984,011</u>		<u>72,142,406</u>
<b>SCHEDULE " J " LOAN AND ADVANCES</b>				
<b>(Unsecured-considered goods)</b>				
Advances recoverable in cash or in kind or for value to be received				
Advances to suppliers for goods and expenses		14,579,345		6,068,681
Prepaid expenses		449,484		487,038
Other Deposits		1,093,071		970,571
Cevant Receivables-Service Tax		29,200		132,465
Balance with Excise Authorities		1,403,785		2,046,720
Advance Tax Paid A Y 2006-07		2,665,037		2,665,037
Advance Tax Paid A Y 2007-08		6,210,704		6,210,704
Advance Tax Paid A Y 2008-09		5,856,336		4,956,336
Advance Tax Paid A Y 2009-10		3,209,623		-
Advance FBT Paid A Y 2006-07		287,964		287,964
Advance FBT Paid A Y 2007-08		210,000		210,000
Advance FBT Paid A Y 2008-09		97,000		97,000
Advance FBT Paid A Y 2008-09		165,000		-
		<u>36,256,549</u>		<u>24,132,516</u>

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE " K "</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors			4,817,392	
For Goods & Expenses	6,259,278			
Outstanding Liabilities	<u>28,623,154</u>	34,882,432	<u>19,406,933</u>	24,224,325
<b>PROVISIONS</b>				
Provisions for Income Tax ( A Y 2006-07)	1,531,530		1,531,530	
Provisions for Income Tax ( A Y 2007-08)	5,711,000		5,711,000	
Provisions for Income Tax ( A Y 2008-09)	5,438,500		5,438,500	
Provisions for Income Tax ( A Y 2009-10)	3,110,000			
Provisions for FBT ( A Y 2006-07)	287,964		287,964	
Provisions for FBT ( A Y 2007-08)	85,000		85,000	
Provisions for FBT ( A Y 2008-09)	78,500		78,500	
Provisions for FBT ( A Y 2009-10)	81,903		-	
		<u>16,324,397</u>		13,132,494
		<u>51,206,829</u>		<u>37,356,819</u>
<b>SCHEDULE " L " MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted.)				
Balance as per last Balance Sheet		171,372		257,058
Less: Transferred to Profit & Loss Account		<u>85,686</u>		<u>85,686</u>
		<u>85,686</u>		<u>171,372</u>
<b>SCHEDULE " M " OTHER INCOME</b>				
Interest		3,402,073		1,498,279
Dividend on units of mutual fund		804,324		544,661
Miscellaneous Income		1,612,715		989,454
		<u>5,819,112</u>		<u>3,032,394</u>
<b>SCHEDULE " N "</b>				
<b>INCREASE (DECREASE) IN STOCK OF FINISHED GOODS AND WORK -IN-PROGRESS</b>				
Closing stock		16,704,880		14,591,330
Less :Opening stock		<u>14,591,330</u>		<u>29,766,570</u>
		<u>2,113,550</u>		<u>(15,175,240)</u>
<b>SCHEDULE " O "</b>				
<b>COST OF MATERIAL CONSUMED</b>				
Opneing Stock		7,961,091		5,286,938
Add : Purchase		465,736,759		437,126,014
		473,697,850		442,412,952
Less : Closing Stock		<u>6,795,292</u>		<u>7,961,091</u>
		<u>466,902,558</u>		<u>434,451,861</u>
<b>SCHEDULE " P " STAFF COST</b>				
Salaries and Wages		15,535,611		14,040,086
Contribution to Provident Fund and other Funds		1,107,550		1,154,737
Staff Welfare Expenses		2,331,091		2,461,304
		<u>18,974,252</u>		<u>17,656,127</u>

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "Q" MANUFACTURING &amp; OTHER EXPENSES</b>				
Stores and Spares		1,102,572		1,219,490
Power and Fuel		57,707,312		48,895,045
Repairs and Maintenance - Plant & Machineries		2,484,327		657,835
Repairs and Maintenance - Building		729,310		14,097
Repairs and Maintenance - Others		191,420		677,434
Rates and Taxes		302,021		729,469
Water Charges		1,343,328		1,167,724
Insurance		866,612		1,558,133
Auditors' remuneration : Audit Fees		25,000		25,000
Director's Remuneration		1,908,962		1,847,130
Management Services Fees		9,600,000		9,600,000
Travelling Expenses		1,436,496		1,136,877
Donations		100,000		-
Pollution control Expenses		167,427		280,799
Packing Material		2,192,100		3,235,192
Transportation Freight and Octroi		272,711		272,433
Research and Development		649,855		214,205
Retainers Fees		1,991,622		1,907,744
General Expenses		1,429,141		2,634,360
Vehicle Expenses		884,309		858,110
Business & Sales Promotion		143,484		186,330
Computer Expenses		103,554		205,518
Conveyance		379,303		382,723
Guest House Expenses		281,759		204,763
Legal and Professional Charges		446,903		343,116
Office/Factory Expenses		483,121		502,556
Printing and Stationery		235,289		278,276
Security Expenses		778,177		694,550
Telephone Expenses		587,957		649,903
		<b>88,824,072</b>		<b>80,378,812</b>
<b>SCHEDULE " R " INTEREST</b>				
Interest to banks		194,391		95,671
Interest on Loan		16,105		74,703
Interest of Fix Deposit		9,026,814		8,761,217
Interest- others		9,868		9,935
Processing Fees & Bank charges		377,322		366,310
		<b>9,624,500</b>		<b>9,307,836</b>

**SCHEDULE 'S' NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH ,2009**
**1. ACCOUNTING POLICIES**

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

**2. Contingent Liabilities:**

All known liabilities are provided for in accounts and there are no contingent liabilities.

3. **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.

4. **Loans of Officers**

Loans and Advances includes due from officers of the Company Rs.57,000/- (NIL)

5. **Outstanding of M S M Enterprises**

Based on the information received by the Company, the Company has not received any intimation from suppliers regarding 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.

6. **Additional Information**

The additional information pursuant to provisions of paragraphs 3, 4C & 4D of part II of the Schedule VI to the Companies Act, 1956 are given to the extent as applicable to the Company.

a) <b>Turnover</b>	Year 2008-2009		Year 2007- 2008	
	Qty. (MT)	Value	Qty. (MT)	Value
Sales (Excl. Excise duty)	4111	305,405,218	4669	294,018,923
Sales Other		283,022,083		278,380,380
<b>b) Consumption of Raw Material</b>				
Raw Materials Incl. LPG	-	466,902,558	-	434,451,861
<b>c) Value of Imported and Indigenous Raw Materials consumed during year</b>				
Imported	-	NIL	-	NIL
Indigenous	100	466,902,5581	100	434,451,861
<b>d) Opening and Closing Stock of Goods</b>				
Polybutene	192.142	13,509,948	210.129	12,265,657
Others	69.597	1,149,930	13.455	195,516
<b>e) (A) Capacity and Production - Polybutens</b>				
i) Licensed Capacity (in M T)		Not Applicable		
ii) Installed Capacity (in M T)		7,380 *		
iii) Production (in M T)		4,093 (4314)		

\* as certified by management & accepted by Auditors being technical matter.  
Actual production includes production of conversion basis also.

(B) **Production, Sales and Stocks (Including Conversion Charges of Polybutens)**

	Year 2008-2009		Year 2007-2008	
	Qty. (MT)	Value	Qty. (MT)	Value
Opening Stock	210	12,265,657	565	2,976,570
Production	4093	303,378,933	4314	265,889,618
Sales	4111	305,405,217	4669	294,018,926
Closing Stock	192	13,509,948	210	12,265,657

f) <b>C I F Value of Imports</b>	
Raw Material	NIL
Capital Goods	NIL
g) <b>Expenditure in Foreign Currency.</b>	
Traveling	Rs. 358,337/-
h) <b>Earnings in Foreign Currency.</b>	Rs.8,558,072
i) <b>Amount remitted in Foreign Currency</b>	NIL

#### 7. 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.

	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March 2009</b>	<b>31<sup>st</sup> March 2008</b>
8. <b>Deferred Tax Assets</b>		
Tax impact of differences between book depreciation in the Financial Statements and depreciation as per Income Tax	<b>428,433</b>	371,853
9. <b>Earning Per Shares</b>		
a) Net Profit available for equity shareholders (Numerator used for calculation)	<b>Rs.67.38 lacs</b>	Rs. 105.28 lacs
b) Weighted Average No. of Equity Shares used as denominator for calculating EPS	<b>2,240,000</b>	2,240,000
c) Basic and Diluted Earnings per share (Rs.) (Equity shares of face value of Rs. 10 each)	<b>Rs. 3.01</b>	Rs.4.71

#### 10. Transactions with Related Parties.

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

##### A. Relationship

- i) Enterprises having significant control over the Company  
Gujarat Petrosynthese Ltd.
- ii) Key Management Personnel

Name	Designation
Dr. S R Thakkar	Executive Chairman
Dr. R M Thakkar	Director
Ms. Urmi Prasad	Director
Ms. Ursula Thakkar	Director

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

Related Party Transactions	Enterprises having Significant control over the Company	Key Management Personnel	Total
(a) Transfer of Exp. From Holding Company	20,701,606 (20,750,581)	-	20,701,606 (20,750,581)
(b) Loans ( Net )	42,949,482 (43,095,033)	12,462,644 (10,292,872)	55,412,126 (53,387,905)
(c) Reimbursement to Dr. S. R. Thakkar Executive Chairman	-	1,908,962 (1,847,130)	1,908,962 (1,847,130)

**11. Managerial Remuneration :**

- (a) In view of the inadequacy of profits for the year, calculated in accordance with Section 349 of the Companies Act, 1956, no commission is payable to the Director/Chair Person for the year. Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 pursuant to Clause 4A of Part II in Schedule VI to the said Act is not considered necessary, hence not given.
- (b) Profit and Loss Account includes payments and provisions on account of remuneration to the Chair Person and Managing Director as under :

Salary	Rs.1,200,000
House rent allowance	Rs. 600,000
Medical exp	<u>Rs. 108,962</u>
Total	<u>Rs.1,908,962</u>

12. 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.
13. (A) Balances of certain debtors, creditors, & loans & advances are subject to confirmations, reconciliation and adjustments, if any, having consequential impact on profits of the year, assets & liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect material difference affecting the current year's financial statements.
- (B) In the opinion of the Board, the current assets & loans & advances have a value on relation in ordinary course of business at least equal to the amounts at which they are stated. The provision for the depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
14. Previous year's figures have been re-grouped and re-arranged wherever necessary.
15. Figures have been rounded off to the nearest rupee.
16. 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 Schedule "A" to "S"

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

For and on behalf of the Board of Director

Sd/-  
**SURESH THAKKAR**  
(PROPRIETOR)

Sd/-  
**Dr. R. M. THAKKAR**  
(DIRECTOR)

Sd/-  
**Dr. Mrs. S.R. THAKKAR**  
(EXECUTIVE CHAIRMAN)

Place : Vadodara  
Date : June, 15, 2009

Place : Mumbai  
Date : June, 15, 2009

Place : Mumbai  
Date : June, 15, 2009

# Gujarat Polybutenes Private Limited



Statement pursuant to Part IV of the Schedule VI to the Companies Act, 1956.  
Balance Sheet Abstract and Company's General Business Profile

## I. REGISTRATION DETAILS

Registration No.      4 5 6 7 5 State Code  0 4  
Balance Date  3 1  0 3  2 0 0 9

## II. CAPITAL RAISED DURING THE YEAR

Public Issue/Bonus Issue    N I L    Rights Issue/Private Placement    N I L

## III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities    2 0 8 4 0 Total Assets    2 0 8 4 0

### SOURCE OF FUNDS

Paid-up Capital    2 2 4 0 0

Secured Loans    2 6 3 4 3

### APPLICATION OF FUNDS

Net Fixed Assets    1 3 1 3 8

Net Current Assets    1 2 9 0 2 7

Accumulated Loss    N I L

Reserves and Surplus    3 1 0 5 7

Unsecured Loans    7 7 3 8 8

Investments    1 4 5 0 9

Miscellaneous Expenditure    8 6

Deferred Tax Balance    4 2 8

## IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (Including Other Income)    5 8 8 4 2 7

Profit before Tax    9 8 7 3

Earning per Share Rs.    3

Total Expenditure    5 8 6 4 8 6

Profit after Tax    6 7 3 8

Dividend Rate %    N I L

## V. GENERIC NAME OF PRINCIPAL PRODUCTS OF COMPANY

Item Code No. (ITC Code)    3 9 0 2 2 0  
Product Description    P O L Y M E R

As per our report of even date attached

for **SURESH THAKKAR & CO.**

Chartered Accountants

Sd/-

**SURESH THAKKAR**  
(PROPRIETOR)

Place : Vadodara

Date : June, 15, 2009

For and on behalf of the Board of Director

Sd/-

**Dr. R. M. THAKKAR**  
(DIRECTOR)

Place : Mumbai

Date : June, 15, 2009

Sd/-

**Dr. Mrs. S.R. THAKKAR**  
(EXECUTIVE CHAIRMAN)

Place : Mumbai

Date : June, 15, 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	For the year ended 31st March, 2009		For the year ended 31st March, 2008	
	Rupees	Rupees	Rupees	Rupees
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax :		98.73		159.00
Adjustments for :				
Depreciation		20.76		24.75
Dividend	(8.04)		(5.45)	
Interest Income	(34.02)		(14.98)	
Interest Paid	96.25		93.08	
Preliminary Expenses W/Off	0.86		0.86	
Prior Period Exp	-	75.81	-	98.26
		<u>174.54</u>		<u>257.26</u>
<b>Operating Profit before Working Capital changes</b>				
Adjustments for :				
(Increase) / Decrease in Current Assets				
Trade & Other Receivable	(118.91)		(75.65)	
Inventories	(20.61)		136.41	
Loans & Advances / Others	(121.24)		(74.25)	
		(260.76)		(13.49)
Increase / (Decrease) in Current Liabilities				
Trade Payables		106.58		39.67
<b>Cash Generated from Operations</b>		20.36		283.44
Interest Paid		(96.25)		(93.08)
<b>Net Cash from Operating Activities (A)</b>		<b>(75.89)</b>		190.36
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(4.74)		(3.71)	
Increase in Investment	(8.04)		(55.45)	
Dividend Received	8.04		5.45	
Interest Received on Fixed Deposits	34.02		14.98	
<b>Net Cash generated/ (used) in Investing Activities (B)</b>		<b>29.28</b>		(38.73)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipts				
Increase in Secured Borrowings	43.43		220.00	
Increase in Unsecured Borrowings	61.60		(116.06)	
<b>Net Cash from Financing Activities</b>		<b>105.03</b>		103.94
<b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS (A + B + C)</b>		<b>58.42</b>		255.57
<b>Cash and Cash Equivalents as at 31.3.2008</b>		<b>721.42</b>		465.85
<b>Cash and Cash Equivalents as at 31.3.2009</b>		<b>779.84</b>		721.42

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

Chartered Accountants

Sd/-

**SURESH THAKKAR**  
(PROPRIETOR)

Place : Vadodara

Date : June, 15, 2009

For and on behalf of the Board of Director

Sd/-

**Dr. R. M. THAKKAR**  
(DIRECTOR)

Place : Mumbai

Date : June, 15, 2009

Sd/-

**Dr. Mrs. S.R. THAKKAR**  
(EXECUTIVE CHAIRMAN)

Place : Mumbai

Date : June, 15, 2009

**DIRECTORS' REPORT**

The Directors have pleasure in placing before you the 15<sup>th</sup> Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2009.

**OPERATIONS DURING THE YEAR**

During the year the Company earned an income of Rs.6,87,374/-, and recorded a net Profit of Rs.4,84,208/- during the year.

**DIVIDEND**

Your Directors do not recommend any dividend.

**DIRECTORS**

Ms Urmi N. Prasad, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. The Board recommends her reappointment.

**OTHER INFORMATION**

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

**PERSONNEL**

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

**DIRECTORS RESPONSIBILITY STATEMENT**

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

1. in the preparation of annual accounts, for the financial year ended 31<sup>st</sup> March, 2009, the applicable accounting standards have been followed and given proper explanation relating to material departures;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2009 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. 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 the Bankers, staff members, and all those associated with the Company during the year under review.

By Order of the Board  
**GPL Finance and Investments Limited**  
Sd/-  
**DR. R. M. THAKKAR**  
DIRECTOR

Place : Mumbai  
Date : 27<sup>th</sup> July, 2009

**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, 2008 and ending on 31st March, 2009. 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 4 times on 24<sup>th</sup> June, 2008, 24<sup>th</sup> July, 2008, 31<sup>st</sup> Oct., 2008 and 27<sup>th</sup> Jan., 2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required (and not opted) to close its Register of Members, during the financial year under review.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 29<sup>th</sup> September, 2008 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/ or persons or firms or companies referred 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.
  - 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 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 from holding Company during the financial year ending 31st March, 2008 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.
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 : 27<sup>th</sup> July, 2009

Sd/  
**(J. J. Gandhi)**  
Proprietor

**ANNEXURE 'A'**

Registers as maintained by the Company

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

**ANNEXURE 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31<sup>st</sup> March, 2009.

Sr. No	Form No.	Filed under Section	For	SRN No.	Up loaded with MCA21
1	Form 23AC	220	Balance sheet and its attachment 08	P23502099	25/10/08
2	Form 66	383A	Compliance Certificate 08	P23210701	22/10/08
3	Form 20B	159	Annual Return 08	P24864712	01/11/08

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

1. We have audited the attached Balance Sheet of GPL Finance & Investments Limited as at 31<sup>st</sup> March, 2008, together with the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments referred to in paragraph (3) above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report are in compliance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
  - e) On the basis of the written representations received from the directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956;

- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;  
and
  - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

**For Ford, Rhodes, Parks & Co.**  
Chartered Accountants

**S.B. Prabhu**  
Partner

Membership No. 35296

Place : Mumbai  
Date : 27<sup>th</sup> July, 2009

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

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

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

1. During the year the Company has disposed off its fixed assets which does not affect the going concern status of the Company.
2. The Company does not have any inventory.
3. The Company has neither granted nor taken any loans secured or unsecured to and from companies firms or other parties covered in the register maintained under section 301 of the companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of shares and fixed assets and for the sale of shares. The Company does not have any sale of services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. On the basis of our examination of the books of account and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of Section 301 of the Act have not been so entered in the said register since there are no such transactions.
6. The Company has not accepted any deposits from the public within the meaning of the provisions of Sections 58A and 58AA of the Act or any other relevant provisions of the Act.
7. The Company is not listed on any stock exchange and but its paid up capital and reserves exceeded Rs. 50 lakhs at the commencement of the financial year. Its average annual turnover for three consecutive financial years immediately preceding the financial year not exceeded Rs. 5 crores. The Company does not does not have an internal audit system.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us by the management and on the basis of examination of the books of accounts carried out by us, the Company does not have any employee on its payroll. Hence the question of depositing Provident

Fund and Employees' State Insurance dues does not arise. The Company has been regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Cess and other statutory dues, wherever applicable, with the

- appropriate authorities. There were no undisputed arrears of statutory dues in respect of Income tax, Sales tax, Wealth tax, Service Tax, Excise duty and Cess outstanding as at 31<sup>st</sup> March, 2008 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 31<sup>st</sup> March, 2009.
10. There are no accumulated losses of the Company as at 31<sup>st</sup> March, 2009.
  11. The Company has not taken any loan from financial institution or bank nor has it issued any debentures.
  12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
  14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other securities during the year and timely entries have been generally made therein. All shares, securities, debentures and other securities have been held by the Company in other securities its own name or are in the process of transfer in its name.
  15. According to the information given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
  16. On the basis of our examination and according to the information given to us the Company has not taken any term loans.
  17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
  18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
  19. The Company has not issued any debentures during the year.
  20. The Company has not raised any money by public issue during the year.
  21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of fraud on or by the Company during the year.

**For Ford, Rhodes, Parks & Co.**  
Chartered Accountants

**S.B. Prabhu**  
Partner  
Membership No. 35296

Place : Mumbai  
Date : 27<sup>th</sup> July, 2009



BALANCE SHEET AS AT 31st MARCH 2009					
		As at 31.03.2009		As at 31.03.2008	
	Schedule	Rupees	Rupees	Rupees	Rupees
<b>SOURCE OF FUND</b>					
SHAREHOLDERS FUNDS					
Share Capital	1	10,000,000		10,000,000	
Reserves & Surplus	2	2,159,551		1,702,343	
		<b>12,159,551</b>		<b>11,702,343</b>	
<b>APPLICATION OF FUNDS</b>					
FIXED ASSETS					
Gross Block	3	23,765		-	
Less: Depreciation		2,258		-	
Net Block			21,507		
INVESTMENTS	4	6,594,856		6,594,856	
<b>CURRENT ASSETS,</b>					
<b>LOANS &amp; ADVANCES</b>					
a) Cash & Bank Balance		479,745		1,128,474	
b) Sundry Debtors		-		-	
c) Other Current Assets		38,033		32,369	
d) Loans & Advances		5,656,941		4,396,555	
			6,174,719		5,557,398
Less : CURRENT LIABILITIES & PROVISIONS	6	631,531		449,911	
			5,543,188		5,107,487
Profit & Loss Account					
		<b>12,159,551</b>		<b>11,702,343</b>	
<b>NOTES ON ACCOUNTS</b>					
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants					
Sd/- S. B. PRABHU (PARTNER) Membership No.35296	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)			
Place : Mumbai Date : 27th July, 2009	Place : Mumbai Date : 27th July, 2009	Place : Mumbai Date : 27th July, 2009			

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009					
		For the year ended on		For the year ended on	
	Schedule	31.03.2009	31.03.2008	31.03.2009	31.03.2008
		Rupees		Rupees	
<b>INCOME</b>					
Dividends		126,596		52,312	
Interest recd on Loans		560,778		483,288	
Profit on Sale of Vehicle		-		191,257	
Profit on Sale of Investments		-		1,460,463	
		<b>687,374</b>		<b>2,187,320</b>	
<b>EXPENDITURE</b>					
Administrative & other expenses	7	72,673		58,431	
Depreciation		2,258		3,290	
		<b>74,931</b>		<b>61,721</b>	
<b>PROFIT</b>		<b>612,443</b>		<b>2,125,599</b>	
Add : Prior Period Adjustments		23,765		-	
<b>PROFIT BEFORE TAX</b>		<b>636,208</b>		<b>2,125,599</b>	
Less : Deferred Tax Adjusted		-	(2,388)	-	
Less : Provision for Fringe Benefit Tax		2,000		1,000	
Less : Provision for Income Tax		150,000		275,000	
Add: Prev. Year Tax Provision		-		-	
		<b>152,000</b>		<b>273,612</b>	
<b>PROFIT AFTER TAX</b>		<b>484,208</b>		<b>1,851,987</b>	
Less: Tax Adjustment		27,000		73,283	
		<b>457,208</b>		<b>1,778,704</b>	
Balance brought forward from earlier year		1,702,343		(76,361)	
Balance carried forward to Balance Sheet		<b>2,159,551</b>		<b>1,702,343</b>	
Earning Per Share (See Note 4)		0.48		1.85	
<b>NOTES ON ACCOUNTS</b>					
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants					
Sd/- S. B. PRABHU (PARTNER) Membership No.35296	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)			
Place : Mumbai Date : 27th July, 2009	Place : Mumbai Date : 27th July, 2009	Place : Mumbai Date : 27th July, 2009			

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009			
		As At 31.03.2009	As At 31.03.2008
		Rupees	Rupees
<b>SCHEDULE "1"</b>			
<b>SHARE CAPITAL</b>			
Authorised			
10,00,000 Equity Share of Rs. 10/- each			
a) Issued, Subscribed & Paid-Up			
10,00,000 Equity Shares of Rs. 10/- each		10,000,000	10,000,000
fully paid up (Of the above 9,99,940) shares			
are held by the holding Company Gujarat Petrosynthese Limited)			
<b>SCHEDULE "2"</b>			
<b>RESERVES &amp; SURPLUS</b>			
Profit & Loss Account balance		2,159,551	1,702,343

SCHEDULE "3"										
FIXED ASSETS										
Particulars	Balance as on 31.03.2008	Additions	Deductions	As at 31.03.2009	As at 31.03.2008	For the Year	Deductions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Vehicle	-	23,765	-	23,765	-	2,258	-	2,258	21,507	-
Total	-	23,765	-	23,765	-	2,258	-	2,258	21,507	-
Total as on 31.03.08	58,745		58,745		6,712	3,290	10,002			

**SCHEDULE " 4 "**
**INVESTMENTS**

Long Term Investments

A. Investments in Equity Shares

NAME OF THE COMPANY	NO. OF		NO. OF	
	SHARES	BOOK VALUE AS AT 31.03.2009	SHARES	BOOK VALUE AS AT 31.03.2008
Andhra Sugars Ltd	500	56,600	500	56,600
Air Deccan	100	29,081	100	29,081
Alfa Lavel	150	172,895	150	172,895
Andhra Bank Ltd.	5363	500,406	5363	500,406
Avant Feed Ltd.	1000	87,116	1000	87,116
Alstom Project	50	20,687	50	20,687
Astrazen Pha	300	202,990	600	202,990
Bhagy Nagar	200	15,618	200	15,618
Castrol India Ltd	2050	487,897	2050	487,897
CESC	50	35,379	50	35,379
Disa India	100	148,549	100	148,549
Exide Industries	10	161	10	161
Foseco India	500	198,700	500	198,700
Good Value Marketing Co. Ltd.,	3450	181,540	3450	181,540
Grasint Cement	15	54,671	15	54,671
Gujnrecoke	420	42,693	300	42,693
Hindustan Organic Chemicals Ltd.,	1500	54,433	1500	54,433
Haryana Petro Chemicals Ltd.,	1200	21,060	1200	21,060
Hind Oil Export	100	16,799	10	16,799
ICRA	20	22,454	20	22,454
Kodak Bank	15	19,900	15	19,900
Maharashtra Polybutenes Ltd	5	742	100	742
Man Aluminium Ltd	50	-	50	-
Mircelectr	200	8,090	200	8,090
Nagarjuna Finance Ltd.,	10000	362,850	1000	362,850
National Thermal Power	134	8,308	134	8,308
Orchid Chemical	100	37,365	100	37,365
Pratibha Industries Ltd	100	43,944	100	43,944
Reliance Industries Ltd	1430	1,612,572	1430	1,612,572
Reliance Energy Ltd	150	234,473	150	234,473
Reliance Communication Ltd.	1050	774,253	1050	774,253
Reliance Natural Resource Ltd	200	48,545	200	48,545
Reliance Petroleum Ltd	100	22,563	100	22,563
Siemens	550	492,938	550	492,938
Srinivas Shipping Project Ltd	200	45,715	200	45,715
Sterlite Industries Ltd	125	88,281	125	88,281
Subros Ltd	1500	75,520	1500	75,520
State Bank of India	100	216,707	100	216,707
Suman Motels Ltd.,	900	16,495	900	16,495
Southern Magnesium & Chemicals Ltd.,	75000	825,000	75000	825,000
Triveni Sheet Glass Works Ltd.,	700	61,655	700	61,655
Larsen & Toubro Ltd	550	752,077	275	752,077
Colgate Palmolive	150	63,908	150	63,908
Sun Pharmaceuticals	100	90,630	100	90,630
Sun Pharma Advance Research Co	100	-	100	-
Uniflex Cables Ltd	1000	42,600	100	42,600
		<b>8,294,856</b>		<b>8,294,856</b>
Less : Provision for Diminution in Value of Shares		<b>1,700,000</b>		<b>1,700,000</b>
		<b>6,594,856</b>		<b>6,594,856</b>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST.MARCH, 2009		
	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees
<b>SCHEDULE "5"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
a) Cash and Bank Balances		
Cash on Hand	19,048	721
Balance with Scheduled Bank in		
Current Accounts	460,697	1,127,753
	<u>479,745</u>	<u>1,128,474</u>
b) Sundry Debtors - Considered Good		
Debts Outstanding for a period Less		
than Six Months	-	-
	<u>-</u>	<u>-</u>
c) Others Current Assets :		
Interest receivable from GPPL	38,033	32,369
	<u>38,033</u>	<u>32,369</u>
d) Loans & Advances :		
(Unsecured - Considered Good)		
Amount Due From Gujarat		
Polybutenes Pvt Ltd	4,700,000	4,000,000
Gujarat Petrosynthese Limited	91,342	91,342
Advance recoverable in cash or in		
kind or value to be received	200,000	-
Advance Tax & TDS	665,599	296,177
Advance Tax & TDS-FY:2008-2009	167,522	-
Prepaid Expenses	-	9,036
	<u>5,656,941</u>	<u>4,396,555</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009		
	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees
<b>SCHEDULE "6"</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES :</b>		
Sundry Creditors	24,531	21,911
<b>PROVISIONS</b>		
Provision for Taxation	607,000	428,000
	<u>631,531</u>	<u>449,911</u>
<b>SCHEDULE "7"</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Accounting charges	18000	0
Bank Charges	1,585	546
Conveyance charges	2,460	-
Printing & Stationery	2,225	100
Motor Car Expenses	27,193	15,834
Misc Expenses	2,174	29,653
Legal & Professional Fees	7,571	500
<b>Auditors Remuneration :</b>		
Audit Fees	11,030	8,427
Taxation Services	-	3,371
Out of Pocket Expenses	435	-
	<u>11,465</u>	<u>11,798</u>
	<u>72,673</u>	<u>58,431</u>

**SCHEDULE 7 NOTES TO ACCOUNTS**

1. SIGNIFICANT ACCOUNTING POLICIES

- A) The accounts have been prepared under the historical cost convention and in accordance with generally accepted Accounting Practices.
- B) Income
  - i) All income including dividend is accounted for on accrual basis.
- C) Expenses
 

All expenses are accounted on accrual basis.
- D) Fixed Assets
 

Fixed Assets are stated at the cost of acquisition.
- E) Depreciation
 

Depreciation is provided on the Straight Line Method.
- F) Investments
 

Long Term Investments are stated "At Cost". Permanent Diminution in the Value of these investments is provided for.
- G) Deferred Tax
 

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.

2) In the opinion of the Board :

- i) All Current assets, loans and advances are approximately of the value stated if realised 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.

3) No Members 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.

5) Earnings per Share	Particulars	<u>31.03.2009</u>	<u>31.03.2008</u>
a) Profit/(Loss) attributable to Equity Shareholders (Rs. in Lacs)		4.57	17.79
b) No. of Equity Shares outstanding during the year		1,000,000	1,000,000
c) Nominal Value of Equity Shares		10	10
d) Weighted Average number of Equity Shares used as denominator for calculating EPS		1,000,000	1,000,000
e) Basic/Diluted Earnings per Share		0.46	1.78

6) Related Party Disclosure

Particulars	Holding Company 31.03.2009	Holding Company 31.03.2008	Other Related Parties 31.03.2009	Other Related Parties 31.03.2008
<b>Income</b>				
Interest	-	-	5.61	4.83
<b>Expenses</b>				
Miscellaneous	-	-	-	-
<b>Finance &amp; Investments</b>				
Loan received	-	-	-	-
Loan Repaid	-	-	-	-
<b>Outstandings</b>				
Receivable	0.91	0.91	47.00	40.00
Payable	-	-	-	-

Related Party Information

- (a) Holding Company  
 (b) Other related Parties with whom transactions have been carried out during the year  
 Fellow Subsidiary Company Gujarat Polybutenes Pvt Ltd  
 7) Previous Years figures have been regrouped wherever necessary.

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

Chartered Accountants

Sd/-

**S.B PRABHU**

(PARTNER)

Membership No. 35296

Place : Mumbai

Date : 27<sup>th</sup> July, 2009

for and on behalf of the Board of Directors

Sd/-

**Dr. R.M. THAKKAR**

(DIRECTOR)

Place : Mumbai

Date : 27<sup>th</sup> July, 2009

Sd/-

**URMI N. PRASAD**

(DIRECTOR)

Place : Mumbai

Date : 27<sup>th</sup> July, 2009

Additional Information pursuant to part IV of Schedule VI to the Companies Act, 1956.

**I. REGISTRATION DETAILS**

Registration No.       State Code     
 Balance Date

**II. CAPITAL RAISED DURING THE YEAR**

Public Issue (Issued through Prospectus)	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	Rights Issue	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Bonus Issue	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	Private Placement (Firm Allotted to be Promoters and their Associates)	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**

Total Liabilities	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/>	Total Assets	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/>
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**SOURCE OF FUNDS**

Paid up Capital (Including share application money)	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserves and Surplus	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="0"/>
Secured Loans	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>	Unsecured Loans	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Deferred Tax Liability	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>		

**APPLICATION OF FUNDS**

Net Fixed Assets (including Capital WIP and Pre-operative and expenditure)	<input type="text" value=""/> <input type="text" value="2"/> <input type="text" value="2"/>	Investments	<input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="9"/> <input type="text" value="5"/>
Net Current Assets	<input type="text" value=""/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="3"/>	Miscellaneous Expenditure	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>
Accumulated Losses	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>		

**IV. PERFORMANCE OF COMPANY**

Turnover	<input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="7"/>	Total Expenditure	<input type="text" value=""/> <input type="text" value="7"/> <input type="text" value="5"/>
Profit / (Loss) before Tax	<input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="6"/>	Profit / (Loss) after Tax	<input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="7"/>
Earning per Share Rs.	<input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="4"/> <input type="text" value="8"/>	Dividend Rate %	<input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/> <input type="text" value=""/>

**V. GENERIC NAME OF PRINCIPAL PRODUCTS OF COMPANY**

(as per Monetary Terms)

Item Code No.: Not Applicable

Service Description : Finance & Investments

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

for and on behalf of the Board of Directors

Chartered Accountants

Sd/-

Sd/-

**S.B PRABHU**

**Dr. R.M. THAKKAR**

Sd/-

(PARTNER)

(DIRECTOR)

**URMI N. PRASAD**

Membership No. 35296

Place : Mumbai

Place : Mumbai

Place : Mumbai

Date : 27<sup>th</sup> July, 2009

Date : 27<sup>th</sup> July, 2009

Date : 27<sup>th</sup> July, 2009

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

We have examined the attached consolidated Balance Sheet of Gujarat Petrosynthese Limited (the Company) and its subsidiaries as at 31<sup>st</sup> March 2009, the consolidated Profit and Loss and also the consolidated Cash Flow Statement for the Year on 31<sup>st</sup> March 2009.

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 Rs1,21,59,551/- as at 31<sup>st</sup> March 2009 and the total revenue of Rs. 6,87,374/- for the year on 31<sup>st</sup> March 2009 and Gujarat Polybutenes Private Limited whose financial statements reflect total assets of Rs.15,67,59,906/- as at 31<sup>st</sup> March 2009 and the total revenue of Rs. 59,63,59,963/- for the year on 31<sup>st</sup> March 2009. 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 31<sup>st</sup> March 2009.
- (b) the Consolidated Profit and Loss Account, of the consolidated results of operation 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 S.Anantha Rao & Co.,**  
Chartered Accountants  
Sd/-  
**(A. Jagannath Babu)**  
Chartered Accountant  
M. No. 20115

Place : Bangalore  
Date : 27th July 2009

**Consolidated Balance Sheet of Gujarat Petrosynthese Limited  
and It's subsidiary Company as at 31st March, 2009**

	Schdeule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>SOURCES OF FUNDS</b>					
<b>SHARE HOLDERS' FUNDS</b>					
Share Capital	A	60,188,010		60,188,010	
Reserves & Surplus	B	<u>166,910,701</u>		<u>158,411,075</u>	
			227,098,711		218,599,085
<b>MINORITY INTEREST ON EQUITY</b>	C		650		650
<b>DEFERRED TAX LIABILITY/ASSETS</b>	D		5,933,615		5,889,173
<b>LOANS FUNDS</b>	E		<u>60,781,637</u>		<u>50,133,271</u>
			<u>293,814,613</u>		<u>274,622,179</u>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
Gross Block	F	109,148,932		108,136,790	
Less : Depreciation		<u>38,476,702</u>		<u>33,132,090</u>	
Net Block			70,672,230		75,004,700
<b>INVESTMENTS</b>	G		63,282,739		85,021,223
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
Inventories	H	28,278,475		27,492,532	
Sundry Debtors	I	50,890,393		37,391,755	
Cash and Bank Balances	J	89,835,235		59,632,279	
Loans and Advances	K	57,707,867		42,422,864	
Deferred Tax Liabilities		<u>226,711,970</u>		<u>166,939,430</u>	
Less :					
<b>CURRENT LIABILITIES AND PROVISIONS</b>					
Current Liabilities	L	45,121,115		33,288,551	
Provisions		<u>21,816,897</u>		<u>19,225,994</u>	
		<u>66,938,012</u>		<u>52,514,545</u>	
<b>NET CURRENT ASSETS</b>			159,773,958		114,424,885
<b>MISCELLANEOUS EXPENDITURE</b>			85,686		171,372
(To the extent not written off or adjusted)					
			<u>293,814,613</u>		<u>274,622,179</u>

Notes to the accounts

As per our report of even date  
For **S.ANANTHA RAO & CO**  
CHARTERED ACCOUNTANTS  
Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

For and on behalf of Board of Directors  
Sd/-  
**Dr. R. M. THAKKAR**  
CHAIRMAN &  
MANAGING DIRECTOR

Sd/-  
**URMI .N. PRASAD**  
EXECUTIVE DIRECTOR

PLACE : BANGALORE  
DATE : JULY 27, 2009

PLACE : MUMBAI  
DATE : JULY 27, 2009

PLACE : MUMBAI  
DATE : JJULY 27, 2009

**Consolidated Profit and Loss Account of Gujarat Petrosynthese Limited  
and It's subsidiary Company as at 31st March, 2009**

	Schdeule	As at 31.03.2009		As at 31.03.2008	
		Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>					
Sales		660,430,811		649,660,733	
Other Income	M	8,855,675		9,013,423	
Increase/(Decrease)in Stock of finished goods & WIP	N	1,343,473		(15,055,412)	
			670,629,959		643,618,744
<b>EXPENDITURE</b>					
Cost of material consumed	O	520,186,527		492,200,920	
Staff cost	P	24,142,543		22,347,062	
Manufacturing & Other Expenses	Q	102,568,715		93,168,244	
Interest	R	4,604,740		4,377,776	
Depreciation		5,344,609		5,805,560	
Preliminary expenses Written Off		85,686		85,686	
			656,932,820		617,985,248
Add: Prior period adjustments			23,765		-
Profit before tax for the year			13,720,904		25,633,496
Provision for Income Tax					
Add(Less) Deferred Tax Assets			44,442		
Current Year			4,205,000		7,633,500
Fringe Benefit Tax			358,903		334,000
Profit / (Loss) after Tax			9,112,559		17,665,996
Balance brought forward from earlier year			85,285,498		63,069,976
Prior period adjustments			(73,280)		(29,112)
Income Tax for Earlier Years			(541,236)		-
Income Tax Refund			1,582		(446,623)
Deferred Tax of Earlier Years Not Required			-		2,025,261
Diminuation in Value of Investments No Longer Required			-		3,000,000
Balance available for appropriation			93,785,124		85,285,498
Balance carried to the Balance Sheet			93,785,124		85,285,498
			93,785,124		85,285,498
Notes to the accounts	S				
Basic and Diluted Earning Per Share (See Note 12)			1.51		2.94

As per our report of even date  
For **S.ANANTHA RAO & CO**  
CHARTERED ACCOUNTANTS  
Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

PLACE : BANGALORE  
DATE : JULY 27, 2009

For and on behalf of Board of Directors  
Sd/-  
**Dr. R. M. THAKKAR**  
CHAIRMAN &  
MANAGING DIRECTOR

Sd/-  
**URMI .N. PRASAD**  
EXECUTIVE DIRECTOR

PLACE : MUMBAI  
DATE : JULY 27, 2009

PLACE : MUMBAI  
DATE : JJULY 27, 2009

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "A" SHARE CAPITAL</b>				
Authorised				
75,00,000(Previous year 75,00,000)				
Equity Shares of Rs.10/- each		<u>75,000,000</u>		<u>75,000,000</u>
Issued Subscribed & Paid up:				
60,18,801 (Previous year 60,18,801)				
Equity Shares of Rs.10/- each fully paid up		<u>60,188,010</u>		<u>60,188,010</u>
<b>SCHEDULE "B" RESERVES &amp; SURPLUS</b>				
General Reserve:	<u>73,125,577</u>	<u>73,125,577</u>		<u>73,125,577</u>
As per Last Balance Sheet				
Surplus /(Deficit) as per Profit & Loss Account		<u>93,785,124</u>		<u>85,285,498</u>
		<u>166,910,701</u>		<u>158,411,075</u>
<b>SCHEDULE "C" MINORITY INTEREST ON EQUITY</b>				
GPL Finance & Investments Ltd				
60 Equity Shares (2003-2004 : 60) held by minority Interest (0.01% holding, 2003-2004 :0.01% holding)	<u>600</u>		<u>600</u>	
Gujarat Polybutenes Pvt.Ltd	<u>50</u>		<u>50</u>	
		<u>650</u>		<u>650</u>
<b>SCHEDULE "D" DEFERRED TAX ASSETS/LIABILITY</b>				
DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING ITEMS:				
<b>ASSETS</b>				
Provision for Leave Encashment				
Provision for Gratuity				
<b>LIABILITY</b>				
Difference between book and tax depreciation	<u>5,933,615</u>	<u>5,933,615</u>		<u>5,889,173</u>
NET DEFERRED TAX		<u>5,933,615</u>		<u>5,889,173</u>
<b>SCHEDULE "E" SECURED AND UNSECURED LOANS</b>				
Secured Loans				
Cash Credit from Banks:				
(I) State Bank of India				
(II) Bank of Baroda (Bombay)				
(III) Bank of Baroda (Baroda)				
(IV) UTI Bank (Mumbai)	<u>26,342,582</u>		<u>21,999,541</u>	
(V) From a Director & Relatives	<u>12,462,644</u>		<u>8,780,733</u>	
(VI) From a Holding Company				
(VII) From a Other Companies	<u>21,976,411</u>		<u>19,352,997</u>	
		<u>60,781,637</u>		<u>50,133,271</u>

**SCHEDULE " F "**  
**FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.04.2008	Additions	Deductions	As at 31.03.2009	As at 31.03.2008	For the Year	Deductions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
LEASE HOLD LAND	15,734,495			15,734,495				-	15,734,495	15,734,495
FREEHOLD LAND	7,178,990			7,178,990				-	7,178,990	7,178,990
FACTORY BUILDING	24,891,200			24,891,200	7,278,175	1,136,018		8,414,193	16,477,007	17,613,025
PLANT & MACHINERY	37,842,163	344,976	206,000	37,981,139	16,659,029	2,092,958		18,751,987	19,229,152	21,183,134
ELECTRICAL INSTALLATION	2,421,730			2,421,730	1,310,053	115,032		1,425,085	996,645	1,111,677
OFFICE EQUIPMENT	4,900,482	85,450		4,985,932	1,564,343	372,627		1,936,970	3,048,962	3,336,139
FURNITURE & FIXTURES	2,980,843	18,563		2,999,406	927,438	227,842		1,155,280	1,844,126	2,043,405
LABORATORY EQUIPMENTS	5,055,607	85,256		5,140,863	2,945,573	412,504		3,358,077	1,782,786	2,110,034
JIGS AND MOULDS	157,356			157,356	157,356	-		157,356	-	-
MOBILES	24,331	32,774		57,105	24,331	16,555		40,886	16,219	-
COMPUTERS	1,322,352	368,009		1,690,361	574,032	292,266		866,298	824,063	748,320
VEHICLES	5,627,241	283,115		5,910,356	1,691,760	678,809		2,370,569	3,539,787	3,935,481
<b>TOTAL</b>	<b>108,136,790</b>	<b>1,218,143</b>	<b>206,000</b>	<b>109,148,932</b>	<b>33,132,090</b>	<b>5,344,609</b>	<b>-</b>	<b>38,476,702</b>	<b>70,672,230</b>	<b>74,994,700</b>
TOTAL AS ON 31.03.2008	106,656,003	2,075,549	594,762	108,136,790	27,722,575	5,805,560	396,045	33,132,090	75,004,700	79,598,720

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "G" INVESTMENT (TRADE-LONG TERM)</b>				
<b>A. Listed and Quoted</b>				
<b>NAME OF THE COMPANY</b>	<b>NO.OF SHARES</b>	<b>BOOK VALUE AS AT 31.03.2009</b>	<b>NO.OF SHARES</b>	<b>BOOK VALUE AS AT 31.03.2008</b>
Andhra Sugars Ltd	500	56,600.00	500	56,600.00
Air Deccan	100	29,081.00	100	29,081.00
Alfa Lavel	150	172,895.15	150	172,895.15
Andhra Bank Ltd.	5363	500,406.00	5363	500,406.00
Avant Feed Ltd.	1000	87,116.00	1000	87,116.00
Alstom Project	50	20,687.00	50	20,687.00
Astrazen Pha	600	202,990.00	600	202,990.00
Bhagy Nagar	200	15,618.00	200	15,618.00
Castrol India Ltd	2050	487,896.67	2050	487,896.67
CESC	50	35,378.50	50	35,378.50
Disa India	100	148,548.81	100	148,548.81
Exide Industries	10	161.00	10	161.00
Foseco India	500	198,699.86	500	198,699.86
Good Value Marketing Co. Ltd.,	3450	181,540.00	3450	181,540.00
Graşim Cement	15	54,670.75	15	54,670.75
Gujnrecoke	300	42,693.00	300	42,693.00
Hindustan Organic Chemicals Ltd.,	1500	54,433.25	1500	54,433.25
Haryana Petro Chemicals Ltd.,	1200	21,060.00	1200	21,060.00
Hind Oil Export	10	16,799.00	10	16,799.00
ICRA	20	22,453.90	20	22,453.90
Kodak Bank	15	19,899.75	15	19,899.75
Maharashtra Polybutenes Ltd	100	742.00	100	742.00
Man Aluminium Ltd	50	-	50	-
Mircelectr	200	8,090.00	200	8,090.00
Nagarjuna Finance Ltd.,	1000	362,850.00	1000	362,850.00
National Thermal Power	134	8,308.00	134	8,308.00
Orchid Chemical	100	37,365.00	100	37,365.00
Pratiha Industries Ltd	100	43,943.53	100	43,943.53
Reliance Industries Ltd	1430	1,612,571.80	1430	1,612,571.80
Reliance Energy Ltd	150	234,472.65	150	234,472.65
Reliance Communication Ltd.	1050	774,253.11	1050	774,253.11
Reliance Natural Resource Ltd	200	48,544.45	200	48,544.45
Reliance Petroleum Ltd	100	22,563.00	100	22,563.00
Siemens	550	492,937.50	550	492,937.50
Srinivas Shipping Project Ltd	200	45,715.00	200	45,715.00
Sterlite Industries Ltd	125	88,280.80	125	88,280.80
Subros Ltd	1500	75,519.92	1500	75,519.92

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
State Bank of India	100	216,706.75	100	216,706.75
Suman Motels Ltd.,	900	16,495.00	900	16,495.00
Southern Magnesium & Chemicals Ltd.,	75000	825,000.00	75000	825,000.00
Triveni Sheet Glass Works Ltd.,	700	61,655.00	700	61,655.00
Larsen & Toubro Ltd	275	752,076.88	275	752,076.88
Colgate Palmolive	150	63,908.00	150	63,908.00
Sun Pharmaceuticals	100	90,630.00	100	90,630.00
Sun Pharma Advance Research Co	100	-	100	0.00
Uniflex Cables Ltd	100	42,600.00	100	42,600.00
		<u>8,294,856</u>		<u>8,294,856</u>
<b>B. Listed But Not Traded</b>				
1,50,450 fully paid Equity Shares of Rs.10/- each Southern Agrosynthese Ltd.		1		1
<b>C. Investments in Mutual Funds</b>				
Blue Chip Fund				
2,50,000 Units of SBI Blue Chip Fund		2,500,000		2,500,000
SBIMF Magnum Global Fund				
46,296,296 units of SBIMF Magnum Global Fund		1,000,000		1,000,000
SBIMF Magnum Multiplier Plus Scheme-93				
45,998.160 units of SBIMF Magnum Multiplier Scheme		1,500,000		1,500,000
UTI Contra Fund		-		-
LICMF Bond Fund				
2,95,485.571 units of LICMF Bond Fund		5,000,000		5,000,000
Templeton India Equity Income Fund		1,500,000		1,500,000
SBI Magnum Insta Cash Fund		25,730,113		24,267,142
SBI Magnum Insta Cash Fund		2,500,000		2,500,000
SBI Magnum Insta Cash Fund		1,000,000		1,000,000
Optimix Star Multi Manager		1,000,000		1,000,000
Fixed Deposit with SBM & SBI		9,000,000		6,055,527
Reliance Vision Fund		1,500,000		1,500,000
SBIMF Income Fund Growth		1,000,000		1,000,000
Fixed Deposit with Gujarat Polybutenes Pvt.Ltd		-		-
Fixed Deposit with UTI Bank (Mumbai)		-		26,324,101
Standard Chartered Liquidity		3,457,769		3,279,596
		<u>64,982,739</u>		<u>86,721,223</u>
Less: Provision for Diminution in Value of Investments		1,700,000		1,700,000
		<u>63,282,739</u>		<u>85,021,223</u>

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "H" INVENTORIES</b>				
(As taken, valued and certified by the Management)				
Raw Material & Consumable (At Cost)	9,470,342		11,323,901	
Work-in-Process	2,045,002		2,130,157	
Finished goods	16,763,131		14,038,474	
		<b>28,278,475</b>		<b>27,492,532</b>
<b>SCHEDULE "I" SUNDRY DEBTORS</b>				
Debts Outstanding for a period exceeding six months				
Considered Good	603,766		370,113	
Debts Outstanding for a period less than six months				
Considered Good	50,286,627		37,021,642	
Considered Doubtful	-		-	
	<b>50,890,393</b>		<b>37,391,755</b>	
Less: Provided for	-		-	
	<b>50,890,393</b>		<b>37,391,755</b>	
Others(Unsecured) considered goods	-		-	
		<b>50,890,393</b>		<b>37,391,755</b>
<b>SCHEDULE "J" CASH &amp; BANK BALANCES</b>				
Cash on Hand	1,112,984		957,900	
Balance with Banks				
(i) State Bank of India (Mumbai)	348,340		202,530	
(ii) Bank of Baroda (Baroda)	21,770		293,779	
(iii) Bank of Baroda (Saki Naka)	166,214		22,780	
(iv) HDFC Bank (Mumbai)	2,853,640		799,255	
(v) UTI Bank (Mumbai)	498,616		1,858,415	
(vi) In Current Accounts	4,966,572		6,122,045	
(vii) Bank of Baroda (Baroda A/c No.93388)	1,009,773		1,128,801	
(viii) Bank of Baroda(Baroda A/c.No.93434)	905,087		328,074	
(ix) HDFC Bank (Hyd)	717,631		132,263	
(x) HDFC Bank (Mumbai)	5,583,447		4,599,548	
(xi) State Bank of India (Baroda)	59,235		59,785	
(xii) UTI Bank (Baroda)	549,821		222,417	
(xiii) UTI Bank (Mumbai)	161,931		37,655,546	
(xiv) Bank of Baroda (Mumbai)	4,461,906		-	
(xv) HDFC Bank (Hyd)	12,044		10,566	
(xvi) UTI Bank (Brd-Self)	199,771		238,575	
(xvii) In Deposit Account with Bank of Baroda	5,323,720		-	
(xviii) In Deposit Account with Bank	60,882,733		5,000,000	
		<b>89,835,235</b>		<b>59,632,279</b>
<b>SCHEDULE "K" LOAN AND ADVANCES</b>				
(Unsecured considered goods)				
Advances recoverable in cash or in kind or value to be received				
	35,719,173		28,458,902	
Trade Deposits	1,973,146		2,469,815	
Balance with Excise Authorities	1,403,785		2,046,720	
Advance Tax Paid	3,088,000		5,867,000	
Tax Deducted At Source	5,567,828		2,964,962	
Fringe Benefit Tax	419,500		483,000	
Advance Tax Paid -FY.2008-2009	5,867,000		-	
Tax Deducted At Source-FY:2008-2009	3,157,235		-	
Fringe Benefit Tax- FY.2008-2009	483,000		-	
Centat receivable-Service Tax	29,200		132,465	
		<b>57,707,868</b>		<b>42,422,864</b>

## SCHEDULES TO THE ACCOUNTS

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "L"</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors				
For Goods	12,088,694		9,286,650	
For Expenses	1,910,165		1,889,307	
For Others	29,768,178		20,758,518	
	43,767,037		31,934,473	
Unpaid dividend	1,354,078		1,354,078	
		45,121,115		33,288,551
<b>PROVISIONS</b>				
Provision for Taxation	17,252,994		11,258,494	
Provision for Taxation (FY:2008-2009)	4,563,903		7,967,500	
Provision for Others	-		-	
		21,816,897		19,225,994
		66,938,011		52,514,545
<b>SCHEDULE "M" OTHER INCOME</b>				
Interest on Deposits/Loans	560,778		483,288	
Interest on Deposits	4,467,634		1,899,949	
Interest on I.T.Refund	-		-	
Miscellaneous Income	1,693,725		1,056,302	
Rent received	-		279,930	
Dividend recd from Mutual Fund	1,932,428		2,685,556	
Profit on Sale of Investments	-		1,460,463	
Profit on redemption of Mutual Funds	-		956,678	
Reversal of Provision no longer required	27,453		-	
Doubtful Debts written back recovered	173,657		191,257	
		8,855,675		9,013,423
<b>SCHEDULE "N" INCREASE/(DECREASE) IN STOCK OF FIN.GOODS,W.I.P AND TRADING SHARES</b>				
Closing Stock	17,512,104		10,185,631	
Less: Opening Stock	16,168,631		31,224,043	
		1,343,473		(15,055,412)
<b>SCHEDULE "O" COST OF MATERIALS CONSUMED</b>				
Opening Stock	10,569,615		7,578,219	
Add: Purchases	518,515,457		495,192,316	
	529,085,072		502,770,535	
Less: Closing Stock	8,898,545		10,569,615	
		520,186,527		492,200,920
<b>SCHEDULE "P" STAFF COST</b>				
Salaries and Wages	20,177,869		18,193,971	
Contribution to Provident and Other Funds	1,498,695		1,481,492	
Staff Welfare Expenses	2,465,979		2,671,599	
		24,142,543		22,347,062

	As at 31.03.2009		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
<b>SCHEDULE "Q" MANUFACTURING AND</b>				
<b>OTHER EXPENSES</b>				
Stores and Spares	1,102,572		1,236,001	
Power, Fuel and Water	60,705,572		52,264,930	
Repairs & Maintenance	6,047,780		3,476,505	
Pates and Taxes	880,074		900,184	
Excise Duty	641,920		1,821,460	
Water Charges	1,343,328		1,167,724	
Insurance	1,183,275		1,928,449	
<b>AUDITORS REMUNERATION</b>				
Audit Fees	129,785		145,787	
Other Fees	-		3,371	
Out of Pocket Expenses	435		-	
Managerial Remuneration & Perks	10,340,533		9,191,064	
Directors Sitting Fees	107,500		55,500	
Travelling Expenses	1,777,799		1,642,669	
Donations	113,300		25,050	
Pollution Control Expenses	168,827		280,799	
Transportation Freight and Octroi	739,533		1,078,151	
Research and Development	649,855		214,205	
Retainers Fees	2,165,607		1,991,442	
General Expenses	10,158,968		10,699,152	
Speciman Charges	32,689			
Machinery Hire Charges	50,034			
Vehicle Expenses	1,384,686		1,245,991	
Packing Material	2,844,643		3,799,810	
		<u>102,568,715</u>		<u>93,168,244</u>
<b>SCHEDULE "R" INTEREST</b>				
Interest to Banks	194,391		95,671	
Interest on Security Deposit & Other Interest	3,983,660		3,717,344	
Processing Fees & Bank Charges	426,589		564,761	
		<u>4,604,740</u>		<u>4,377,776</u>

## Schedules to the Consolidated Accounts

**SCHEDULE "S" 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 subsidiary 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 and book debts 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.

Since most of the business operations of the polybutene business (GPPL) continue to be carried on from the GPL corporate office Mumbai due to logistical and operational convenience, the common expenses

have been shared in the ratio of 15% to Gujarat Petrosynthese Limited and 85% to Gujarat Polybutenes Pvt.Ltd. An amount of 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 Rs.57,000/- (P.Y.Rs.Nil/-).
- 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 31<sup>st</sup> March, 2009 Based on such information, there is no liability for interest on delayed payments which would be payable under "The Interest on Delayed Payments to Small Scale and Ancillary Industrial undertakings ordinance, 1992. Moreover, the Company has not received any claims in respect of interest.
- 9) Amount remitted in Foreign Currencies towards dividend (Net of Tax).

	31st March 2008	31st March 2008
Number of Non-resident Equity Shareholders	161	161
Number of Equity Shares	467,409	467,409
Amount Remitted	NIL	NIL

10) Prior Period Expenses is Rs.49,515/- (Previous year Loss Rs.29,112/-)

11) Segment Reporting:

**A. Primary Segment Information**

For information on primary segment please refer to note no.14 of schedule "R" of the Company.

Business Segment	Polybutene	Alloys & Blends	Total
<b>Segment Revenue</b>			
Sales	588,427,301	72,003,510	660,430,811
Less: Inter Segment sales			
Net Sales	588,427,301	72,003,510	660,430,811
<b>Segment Results</b>			
Profit/(Loss) before Interest & Tax	19,497,762	9,906,853	29,404,615
Less: Interest	9,624,500	42,391	9,666,891
Profit/(Loss) before Tax	9,873,262	9,864,462	19,737,724
<b>Provision for Taxation</b>			
Current year	3,191,903	1,220,000	4,411,903
Deferred Tax	(56,580)	101022	44,442
<b>Profit/(Loss) after Tax</b>	6,737,939	1,890,411	15,281,379
<b>Other Information</b>			
Segment Assets	156,759,906	8,644,462	165,404,368
Segment Liabilities	156,759,906	8,644,462	165,404,368
Capital Expenditure	473,833	307,008	780,841
Depreciation	9,617,600	23,240,580	32,858,180
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:	(Rs. In Lacs)	
	2008-2009	2007-2008
a) Net Profit available for equity Shareholders (Numerator used for calculation)	91.13	178.13
b) Weighted Average No. of equity shares Used as denominator for calculating EPS(Including shares to be issued to erstwhile KPL shareholders)	6,018,801	6,018,801
c) Basic and Diluted Earning per share (Rs) (Equity Share of face value of Rs.10 each)	1.51	2.96

13. Transaction with Related Parties:

The related party disclosure, please refer to note no.13 in Schedule "Q" 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 31<sup>st</sup> March 09 is Rs.59.34 lacs

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

17) Previous year's figures have been re-grouped and re-arranged wherever necessary.

Signature to Schedule "A" to "S"

As per our report of even date

For **S.ANANTHA RAO & CO**  
CHARTERED ACCOUNTANTS

Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

PLACE : BANGALORE  
DATE : 27th JULY, 2009

For and on behalf of Board of Directors

Sd/-  
**Dr. R. M. THAKKAR**      Sd/-  
**URMI .N. PRASAD**

CHAIRMAN &  
MANAGING DIRECTOR      EXECUTIVE DIRECTOR

PLACE : MUMBAI      PLACE : MUMBAI  
DATE : 27th JULY, 2009      DATE : 27th JULY, 2009

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

S.NO.	PARTICULARS	2008-2009	2007-2008
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit before Tax	137.21	256.33
	Adjustments for :		
	Prior period	(6.13)	(4.76)
	Prov. for dimunition in value of investments	-	30.00
	Depreciation	53.45	58.06
	Income Tax and FBT	(45.64)	(79.68)
	Bad Debts written off		
	Preliminary expenses written off	0.86	0.86
	(Profit)/Loss on sale of fixed Assets	-	(1.91)
	(Profit)/Loss on Redemption of Investments	-	(24.17)
	Interest Received	(69.61)	(50.69)
	Bad Debts recovered		
	Interest Paid	46.05	43.78
	<b>Operating profits before working capital changes</b>	<b>116.19</b>	<b>227.82</b>
	Adjustments for:		
	Decrease/(Increase) in Inventories	(7.86)	132.04
	Decrease/(Increase) in Trade & other receivables	(134.99)	(76.82)
	Decrease/(Increase) in Loans & Advances	(152.85)	(113.97)
	Increase/(Decrease) in Payables	144.23	145.07
	<b>Cash Generated From Operations</b>	<b>(35.28)</b>	<b>314.15</b>
	Interest paid	46.05	43.78
	<b>Net Cash Inflow/(outflow) from operating activities</b>	<b>(81.33)</b>	<b>270.37</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITES</b>		
	Purchase of Fixed Assets	(12.18)	(20.76)
	Sale of Fixed Assets (net)	2.06	3.90
	(Purchase)/Sale of Investments	217.38	(234.42)
	Profit/(Loss) on sale of investments	-	24.17
	Interest Received	69.61	50.69
	Decrease/(Increase) in loans to Bodies Corporates & Others		
	Miscellaneous Receivables		
	Miscellaneous Payables		
	Bad Debts recovered		
	<b>Net Cash inflow / (outflow) from Investing Activities</b>	<b>276.87</b>	<b>(176.41)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	106.49	142.04
	Repayment of Borrowings	-	-
	Public Issue expenses		
	Dividends Paid		
	<b>Net Cash Inflow/(outflow) in cash from Financing Activities</b>	<b>106.49</b>	<b>142.04</b>
	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>302.03</b>	<b>236.00</b>
	Cash and cash equivalents at beginning of year	596.32	360.32
	Cash and cash equivalents at end of year	898.35	596.32

As per our report of even date  
For **S. ANANTHA RAO & CO**  
CHARTERED ACCOUNTANTS  
Sd/-  
**(A. JAGANNATH BABU)**  
CHARTERED ACCOUNTANT

PLACE : BANGALORE  
DATE : JULY 27, 2009

For and on behalf of Board of Directors  
Sd/-  
**Dr. R. M. THAKKAR**  
CHAIRMAN &  
MANAGING DIRECTOR

Sd/-  
**URMI .N. PRASAD**  
EXECUTIVE DIRECTOR

PLACE : MUMBAI  
DATE : JULY 27, 2009

PLACE : MUMBAI  
DATE : JULY 27, 2009



# GUJARAT PETROSYNTHESE LIMITED

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

## ATTENDANCE SLIP

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

Members Registered Folio No. \_\_\_\_\_

No. of Shares held. \_\_\_\_\_

Name of the attending Member \_\_\_\_\_

Name of Proxy \_\_\_\_\_

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

I hereby record my presence at the 32nd 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 Friday the 4<sup>th</sup> September, 2009 at 3.00 PM

(Member's / Proxy's Signature)

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

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



# GUJARAT PETROSYNTHESE LIMITED

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

## PROXY FORM

No. of Shares : \_\_\_\_\_

Regd. Folio No. : \_\_\_\_\_

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

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

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

of \_\_\_\_\_

As my / our proxy to attend and vote for me/us and my/our behalf of at the 32nd Annual General meeting of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Friday the 4<sup>th</sup> September, 2009 at 3.00 PM and at any adjournment thereof.

Signed this \_\_\_\_\_ of \_\_\_\_\_ 2009

Affix a Rs.  
One  
Revenue  
Stamp

Signature



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

**BOOK POST**



*If undelivered, please return to:*

**GUJARAT PETROSYNTHESIS LIMITED**

Regd. Office : No. 24, 11nd Main, Phase I,  
Doddanekkundi Industrial Area, Mahadevapura, Bangalore - 560 048.