

GUJARAT PETROSYNTHESIS LIMITED



ISO COMPANY

**THIRTY THIRD ANNUAL REPORT
2009 - 2010**



Gujarat Petrosynthese Limited

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.

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

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

Thank you,

Dr. R.M. Thakkar
Chairman & Managing Director





NOTICE

NOTICE IS HEREBY given that the 33rd ANNUAL GENERAL MEETING of the Members of Gujarat Petrosynthese Limited will be held at the Registered office of the Company at 24, II main, Doddanekkundi Industrial Area, Bangalore 560048 on Tuesday the 7th September, 2010 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, 2010 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Adhik Shirodkar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Charita Thakkar who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint Auditors and to fix their remuneration.

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 : 22nd July, 2010

(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 31st March, 2002 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 :
 - a) Notify immediately any change in their residential address.
 - b) Quote the Registered Folio Number in every correspondence with the Company.
 - c) Bring their copies of the Annual Reports along with duly filled in attendance slip at the meeting.
8. The Register of Members and share transfer books of the Company will remain closed from 30th August, 2010 to 7th September, 2010 (both days inclusive) for the purpose of the Annual General Meeting.

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 : 22nd July, 2010

(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)

Name of Directors	Mr Adhik Shirodkar	Ms. Charita Thakkar
Date of Birth	15/07/1931	01/11/1960
Date of Appointment	16/04/1983	28/09/1990
Expertise in specific functional areas	Mr. Adhik Shirodkar is a Senior Advocate	Ms. Charita Thakkar has expertise in finance and has business experience of over 18 years.
Qualifications	B. A. (Honors)., LL.B.	MBA (TCU) MMS (Stanford)
Directorship held in other companies (excluding foreign companies)	Nil	Nil
Committee Positions held in other Companies	Nil	Nil



Gujarat Petrosynthese Limited

DIRECTORS' REPORT

To the Members of,
Gujarat Petrosynthese Limited

The Directors have pleasure in presenting the 33rd ANNUAL REPORT of the Company together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

Particulars	(Rs. in Lacs)	
	2009-10	2008-09
Sales Turnover	924.24	720.03
Operating Profit	112.06	64.74
Less : Interest	0.13	0.48
Depreciation	32.69	32.67
Profit before Tax	79.24	31.59
Less : Provision for Tax	15.50	9.45
Provision for Deferred Tax	0.00	1.01
Fringe Benefit Tax	0.00	3.85
Profit After Tax	63.74	17.28
Prior period Adjustments/ Income Tax for earlier years	6.03	(5.86)
Add : Balance in Profit & Loss Account	605.68	592.64
Balance available for appropriation	675.45	604.06
Balance carried to Balance sheet	675.45	604.06

Dividend

Your Directors do not recommend any dividend.

Performance & Future outlook

In spite of a highly competitive environment, the Company has registered an increase of 28% in the Sales turnover. We are continuing in our endeavour to develop and produce quality products to suit the requirements of our customers. With continuous emphasis on widening our customer base, we expect to acquire larger volumes of business.

In recognition of our commitment to preserve, protect and promote the cause of the environment, your Company has been awarded the ISO 14001:2004 (Environment Certification)

The Indian Polymer industry is witnessing a double digit growth and it seems that this trend is likely to continue over the next five years. Your Company is planning to take the benefit from this growth phase by following an investment strategy targeting sustainable long term growth.

Working of 100% subsidiary — GPPL

The polybutene unit continues to face the issue of managing feedstock/raw material costs at a time when the oil industry faces many challenges and the outlook for prices indicates an upward trend due to recent events. There have been suggestions of a deregulation in oil products prices by the Govt. but these were followed by reports to the contrary. To add to this, all of a sudden, the Govt. of Gujarat has announced the withdrawal of input tax credit to the extent of 2%, citing a reversal in the payments promised by the Centre. The matter is being taken up by companies in Gujarat but the situation remains uncertain. All of these happenings fuel more uncertainty and the only thing one can be sure of is that this status is likely to continue, in a situation where there is neither full control nor full liberalisation of the oil sector. One can take some confidence in India's GDP growth but only to some extent. GPPL continues to tackle the issue through prudent cost cutting measures and simultaneously enhancing revenues while continuing to invest in plant and equipment maintenance and upkeep.

Buy Back of Shares

During April-May, 2010, the Company completed the cash offer to buyback upto a maximum of 1,211,762 equity shares of Rs 10/- each fully paid at a price of Rs 40/- per share through the Tender Offer Route on a proportionate basis. During this offer, the Company accepted 8,49,635 equity shares . The post buyback paid up capital of the Company stands at Rs 5,16,91,660/-.

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.



Gujarat Petrosynthese Limited

Particulars of Employees

As required by provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended the names and other particulars 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 consistently and made judgments and estimates which are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

Directors

At the forthcoming Annual General Meeting, Mr. Adhik Shirodkar and Ms. Charita Thakkar retire by rotation as per the provisions of the Companies Act, 1956, and the Articles of Association of the Company, and being eligible offer themselves for reappointment.

Auditors

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



Gujarat Petrosynthese Limited

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

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

Acknowledgments

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

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

Place : Mumbai
Date : 22nd July, 2009

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

ANNEXURE 1 TO THE DIRECTOR'S REPORT

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year 2009-10

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

FORM A

A. POWER AND FUEL CONSUMPTION

1) Electricity		2009-10	2008-09
a) Purchased			
Unit	KWH	657990	529208
Total amount	Rs	3,114,833	2,502,520
Rate / Unit	Rs	4.73	4.73
b) Own Generator Through Diesel Generator			
Units	KWH	130,675	103,000
Unit Per Ltr	KWH	9.63	8.48
Rate / Unit	Rs	3.83	4.45
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)		2009-10	2008-09
Product/Unit : Polymer / Kg			
Electricity	KWH	0.61	0.58
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. Nil. 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	M.Sc.,(B.Com), D.Phil(Zurich) C.Chem, MRSC(London) F.I.MMM (London)	58	13.10.1982	3,099,236	84	Union Carbide
Ms.Urmi.N.Prasad	Executive Director	ACA, M.B.A (INSEAD)	17	01.04.1993	3,055,567	45	
Ms.Ursula Thakkar	Executive Director	BE (Honors) M.B.A. (Harvard)	14	27.09.1996	3,143,894	43	William Kent Intrnl. USA. Washington

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



Gujarat Petrosynthese Limited

- 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 : 22nd July, 2010

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
	March 31,2010	March 31,2010
1. The financial year of the subsidiary ended on	March 31,2010	March 31,2010
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	420,525	3,515,417
(II) For the previous financial year of the Subsidiary since it become Holding Company's Subsidiary.	2,159,551	31,057,219
(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	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
4. (a) Change in the interest of the Holding Company between the end of the last financial year and March 31,2006	NIL	NIL
(b) Material changes occurred between end of the financial year of the Subsidiary and March 31, 2006	NIL	NIL

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai
Date : 22nd July, 2010

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 under noted 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 2009-10, the Board met 4 times on 24th April, 2009, 27th July, 2009, 28th Oct., 2009, 28th Jan., 2010.

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	4	3	1	4	No
Ms. Ursula R. Thakkar	Executive Director	4	2	0	4	No
Ms. Charita R. Thakkar	Non Executive Director	0	0	0	0	No
Ms. Urmi N. Prasad	Executive Director	5	2	0	4	Yes
T N R Rao	Independent Non Executive Director	2	0	0	4	Yes
Dr. A.C. Shah	IndependentNon Executive Director	6	2	2	4	No
Mr. A.N. Shirodkar	IndependentNon Executive Director	0	2	1	2	Yes
Mr. V.H. Pandya	IndependentNon Executive Director	0	2	0	4	No
Mr. M.D. Garde	IndependentNon Executive Director	1	1	0	4	Yes
Dr.(Mrs) M.H. Mehta	IndependentNon Executive Director	0	0	0	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 2009-10 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.



Gujarat Petrosynthese Limited

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, 2010 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	317864	225000		181372	125000	3099236	300336
Ms. Urmi N. Prasad	2250000	155067	405000		120500	125000	3055367	161189
Ms. Ursula Thakkar	2250000	243394	405000		120500	125000	3143894	180700
Ms. Charita Thakkar					17285		17285	159016
Dr. P. S. Palande					17285		17285	650
Dr. A. C. Shah					17285		17285	Nil
Mr. A. N. Shirokar					17285		17285	1058
Mr. V. H. Pandya					17285		17285	196
Mr. M. D. Garde					17285		17285	Nil
Dr. (Mrs.) M. H. Hehta					17285		17285	97790

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

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

The Sitting fees paid for the year 2009-10 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	15000	Dr. A. C. Shah	26000
Mr. V. H. Pnadya	26000	Mr. Adhik Shirodkar	24000
Mr. M. D. Garde	20000		

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 2009-10, four meetings of the Shareholders/ Investors Grievance Committee were held.

5.2 Share Transfer Committee

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

6. General Body Meetings

The last three Annual General Meetings were held as under;

Year	Place of AGM	Date	Time
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
2008-09	24, II Main, Doddanekundi Industrial Area, Bangalore 560048	04.09.09	3.00 PM

At the last Annual General Meeting held on 04.09.09 one item relating to seeking approval of shareholders for buyback of equity shares of the Company was transacted through postal ballots, which was approved by the shareholders.

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 two news papers. Viz. one in English Language newspaper, and the other in Kannada Language newspaper.

9. General Shareholders Information

- 9.1 Annual General Meeting Date : 7th Septemeber, 2010

Annual General Meeting Venue : No. 24, II Main Phase I,
Doddanekkundi Industrial Area,

Mahadevpura Post, Bangalore 560048

- 9.2 Financial Calendar for the year 2010-11 (Tentative)

Results for the quarter ending 30th June, 2010 – Last week of July 2010

Results for the quarter ending 30th Sept., 2010 – Last week of October 2010

Results for the quarter ending 31st Dec., 2010 – Last week of January 2011

Results for the quarter ending 31st March, 2011 – Last week of April 2011

Results for the year ending March 31, 2011 – Last week of May 2011

Annual General Meeting (Next year) – September 2011

- 9.3 Book Closure Date: 30th August, 2010 to 7th September, 2010

- 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 permission is awaited.

Delisting application was made to The Ahmedabad Stock Exchange Ltd. The application was approved, and the permission was received from the Ahmedabad Stock Exchange Ltd.

- 9.6 Stock Code:

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

Trading Code at The Stock Exchange, Vadodara is 506858-GUJPETRO

Note: Annual Listing fees for the year 2010-11 has been duly paid to the Stock Exchange, Mumbai. Annual Listing fees for the Vadodara Stock Exchange Ltd. 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 2009	22.20	21.10	Oct., 2009	-	-
May 2009	-	-	Nov., 2009	28.05	25.50
June 2009	20.05	19.05	Dec., 2009	37.45	29.45
July 2009	20.00	20.00	Jan., 2010	41.20	39.15
Aug., 2009	22.05	21.00	Feb., 2010	39.95	36.20
Sep., 2009	24.30	23.15	March 2010	-	-



Gujarat Petrosynthese Limited

- 9.8 Share Transfer Centre: The Company has in-house share transfer facilities located in its office situated at Plot No. 1, Compartment No. 2, Marol Co-operative Industrial Estate, M.V. Road, J. B. Nagar Post, Andheri (E), Mumbai 400059.
- 9.9 Share Transfer System: Presently the share transfers received are processed and the share certificates are returned within a period of 20 days from the date of receipt, subject to the receipt of valid and complete documents in all respects.
- 9.10 Distribution schedule as on 31.03.2010

Range	No of Shares Held Rs.	% to Capital	No of Shareholders	% to total holders
1 – 5000	18123960	30.11	22061	96.20
5001 – 10000	3912410	6.50	558	2.43
100001 – 20000	2805340	4.66	197	0.86
20001 – 30000	857680	1.43	35	0.15
30001 – 40000	604070	1.00	18	0.08
40001 – 50000	562010	0.94	13	0.06
50001 – 100000	1079090	1.79	15	0.06
100001 & Above	32243450	53.57	36	0.16
Total	60188010	100	22933	100

Particulars	No. of shares held	% to total
FI/ Mutual Funds/ Banks/ Insurance Companies	1121476	18.63
Bodies Corporate	386421	6.42
Individuals	4510904	74.95
Total	60188010	100

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

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai
Date : 22nd July, 2010

DR. R. M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR



Auditors' Certificate on Corporate Governance

To

The Members of Gujarat Petrosynthese Limited

We have examined the compliance of conditions of corporate governance by Gujarat Petrosynthese Limited for the year ended on 31st March, 2010, as stipulated in clause 49 of the listing Agreement of the said Company with Stock Exchange(s).

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement.

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

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

PLACE : BANGALORE
DATE : 22nd July, 2010

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

AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of Gujarat Petrosynthese Ltd, as at 31st March 2010 and also the Profit and Loss Account and cash flow statement of the Company for the year ended on that date annexed there to, in which are incorporated the Balance Sheet and the Profit and Loss account of Bangalore Unit of the Company audited by us separately and the same have been appropriately dealt with. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered necessary and information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information & explanations, which to the best of our knowledge & belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
 - c. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of the written representations received from the Directors, as on 31.03.2010, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31.03.2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and 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, 2010,
 - ii) In the case of the profit and loss account of the profit for the year ended on that date, and
 - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

PLACE: BANGALORE
DATE : 22nd July, 2010

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

ANNEXURE - A TO THE AUDITOR'S REPORT

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

Re. : Gujarat Petrosynthese Limited

1. In respect of its fixed assets:

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

2. In respect of its inventories:

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

3. In respect of Loans granted & taken:

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

4. Internal Control:

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

5. Specified Transactions U/s. 301:

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

6. Deposits from public:

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

7. Internal Audit System:

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

8. Maintenance of Cost Records:

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

9. Statutory Dues:

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

- a) The Company has been regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, customs duty, excise duty, cess and any other statutory dues with appropriate authorities during the year.
- b) Though there are disputed dues, the same are already paid. No disputed dues are pending at the end of the year.



Gujarat Petrosynthese Limited

10. Accumulated Losses & Cash Losses:

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

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

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

12. Loans against Shares:

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

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

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

14. Trading in Securities etc.:

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

The Company holds all investments in its own name.

15. Guarantees for loan to third parties:

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

16. Application of Term Loans:

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

17. Application of Short Term Loans:

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

18. Preferential Allotments:

The Company has not made preferential allotment during the year.

19. Issue of Secured Debentures:

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

20. Money from Public:

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

21. Fraud:

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

For **SARJBA & CO.**,
Chartered Accountants

Sd/-

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

PLACE : BANGALORE
DATE : 22nd July, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Share Capital	A	60,188,010		60,188,010	
Reserves & Surplus	B	<u>140,671,228</u>		<u>133,693,929</u>	
			200,859,238		193,881,939
DEFERRED TAX LIABILITY					
Secured Loans	C		5,757,710		6,362,048
			-		-
			<u>206,616,948</u>		<u>200,243,987</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	D	87,051,802		86,369,863	
Less : Depreciation		<u>31,018,766</u>		<u>28,856,844</u>	
Net Block			56,033,036		57,513,019
INVESTMENTS	E		47,899,351		75,577,910
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	F	2,892,519		2,910,477	
Sundry Debtors	G	15,544,178		10,264,929	
Cash and Bank Balances	H	44,683,856		11,371,479	
Loans and Advances	I	<u>58,994,594</u>		<u>57,705,825</u>	
		122,115,147		82,252,710	
Less :					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	J	13,938,800		10,214,152	
Provisions		<u>5,491,786</u>		<u>4,885,500</u>	
		19,430,586		15,099,652	
NET CURRENT ASSETS			102,684,561		67,153,058
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)			-		-
			<u>206,616,948</u>		<u>200,243,987</u>
Notes to the accounts	Q				

As per our report of even date
For SARJBA & CO.,
 CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-
(A. JAGANNATH BABU)
 PARTNER

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

Sd/-
URMI N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 22nd July, 2010

PLACE : MUMBAI
 DATE : 22nd July, 2010

PLACE : MUMBAI
 DATE : 22nd July, 2010



Gujarat Petrosynthese Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2010

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales		92,423,549		72,003,510	
Other Income	K	22,111,673		17,018,316	
Increase/(Decrease)in Stock of finished goods & WIP	L	<u>(392,696)</u>		<u>(770,077)</u>	
			114,142,526		88,251,749
EXPENDITURE					
Cost of material consumed	M	71,561,006		53,283,969	
Staff cost	N	5,943,575		5,168,292	
Manufacturing & Other Expenses	O	25,431,462		23,273,551	
Interest	P	13,154		47,782	
Depreciation		<u>3,269,430</u>		<u>3,266,721</u>	
			106,218,627		85,040,315
Profit before tax for the year			<u>7,923,899</u>		<u>3,211,433</u>
Provision for Income Tax					
Current Year			1,550,000		945,000
Fringe Benefit Tax			-		275,000
Deferred Tax			-		101,022
Profit / (Loss) after Tax			6,373,899		1,890,411
Balance brought forward from earlier year			60,568,352		59,263,874
Prior period adjustments			(13,688)		(73,279)
Income Tax for Earlier Years			12,750		(514,236)
FBT Tax Refund			-		1,582
Deffered Tax of Earlier Years No Longer Required			604,338		-
Balance available for appropriation			<u>67,545,651</u>		<u>60,568,352</u>
Balance carried to the Balance Sheet			<u>67,545,651</u>		<u>60,568,352</u>
Basic and Diluted Earning Per Share (See Note 12)			1.06		-
Notes to the accounts	Q				

As per our report of even date
For SARJBA & CO.,
 CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-
(A. JAGANNATH BABU)
 PARTNER

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

Sd/-
URMI N. PRASAD
 EXECUTIVE DIRECTOR

PLACE : BANGALORE
 DATE : 22nd July, 2010

PLACE : MUMBAI
 DATE : 22nd July, 2010

PLACE : MUMBAI
 DATE : 22nd July, 2010



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "A" SHARE CAPITAL				
Authorised 80,00,000 (Previous year 80,00,000) Equity Shares of Rs. 10/- each		<u>80,000,000</u>		<u>80,000,000</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>
SCHEDULE "B" RESERVES & SURPLUS				
General Reserve: 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>67,545,651</u>		<u>60,568,352</u>
		<u>140,671,228</u>		<u>133,693,929</u>
SCHEDULE "C" DEFERRED TAX LIABILITY				
DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING ITEMS:				
<u>ASSETS</u>		<u>-</u>		<u>-</u>
		<u>-</u>		<u>-</u>
<u>LIABILITY</u>				
Difference between book and tax depreciation		<u>5,757,710</u>		<u>6,362,048</u>
		<u>5,757,710</u>		<u>6,362,048</u>
NET DEFERRED TAX		<u>5,757,710</u>		<u>6,362,048</u>

SCHEDULE "D"
FIXED ASSETS AS ON 31.03.2010

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2009	Additions	Deductions	TOTAL AS AT 31.03.2010	AS AT 01.04.2010	For the Year	Deductions	AS AT 31.03.2010	AS AT 31.03.2009
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	281,009	-	17,475,507	5,772,991	583,682	-	6,356,673	11,118,834
PLANT & MACHINERY	34,739,700	964,073	-	35,703,773	16,709,724	1,695,929	-	18,405,653	17,298,120
ELECTRICAL INSTALLATION	2,421,730	-	-	2,421,730	1,425,085	115,032	-	1,540,117	881,613
OFFICE EQUIPMENT	1,638,500	170,867	-	1,809,367	455,488	85,945	-	541,433	1,267,934
FURNITURE & FIXTURES	1,932,046	59,183	-	1,991,229	568,147	125,242	-	693,389	1,297,840
COMPUTERS	1,117,605	96,556	-	1,214,161	582,273	196,815	-	779,088	435,072
LABORATORY EQUIPMENTS	2,303,053	-	-	2,303,053	1,337,524	109,395	-	1,446,919	856,134
MOBILES	57,105	38,976	-	96,081	40,887	5,595	-	46,482	49,601
JIGS AND MOULDS	157,356	23,000	-	180,356	157,356	-	-	157,356	23,000
VEHICLES	4,654,852	733,451	1,685,177	3,703,126	1,807,369	351,797	1,107,510	1,051,656	2,651,470
TOTAL	86,369,864	2,367,115	1,685,177	87,051,802	28,856,844	3,269,432	1,107,510	31,018,766	57,513,019
TOTAL AS ON 31.03.2009	85,855,319	720,545	206,000	86,369,863	25,590,123	3,266,721	-	28,856,844	60,265,196



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "E" INVESTMENT (TRADE-LONG TERM)				
Investments in Shares of companies and Units of Mutual Fund (At Cost)				
Investment in Subsidiary Companies (Un-Listed & Not traded)				
1. In GPL Finance and Investment Ltd 9,99,940 (Previous year 9,99,940) Fully paid Equity Shares of Rs. 10/- each		9,999,400		9,999,400
2. In Gujarat Polybutene Pvt. Ltd 22,39,995 (P.Y. Nil) Fully paid up equity shares of Rs. 10 each		22,399,950		22,399,950
		-		-
Other Investments (Listed but not traded)				
1,50,450 fully paid Equity Shares of Rs. 10/- each Southern Agrosynthese Ltd. (See Note 7)		1		1
Investment in Mutual Funds				
SBI Blue Chip Fund 2,50,000 Units of SBI Blue Chip Fund Market Value Rs.NIL (P.Y.Rs.16,67,500)		-		2,500,000
SBIMF Magnum Global Fund 46,296.296 Units of SBIMF Magnum Global Fund Market Value Rs.NIL(P.Y.Rs.6,43,981)		-		1,000,000
SBIMF Magnum Multiplier Plus Scheme-93 45,998.160 Units of SBIMF Magnum Multiplier Scheme Market Value Rs.NIL (P.Y.Rs.15,01,380)		-		1,500,000
LICMF Bond Fund 2,95,485.571 Units of LICMF Bond Fund Market Value Rs.NIL (P.Y.Rs.72,20,485)		-		5,000,000
Templeton India Equity Income Fund 1,46,627.566 Units of Templeton India Income Fund Market Value Rs.NIL (P.Y.Rs.15,59,971)	1,500,000			1,500,000
SBI Magnum Insta Cash Fund 13,07,702.2566 Units of SBI Magnum Insta Cash Fund Market Value Rs.NIL (P.Y.Rs.1,40,89,184)		-		14,678,559
SBI Magnum Insta Cash Fund 2,13,537.4127 Units of SBI Magnum Insta Cash Fund Market Value Rs.NIL (P.Y.Rs.23,00,652)		-		2,500,000
Optimix Star Multi Manager 97,560.9756 Units of Optimix Star Multi Manager Market Value Rs.NIL (P.Y.Rs.6,32,585)	1,000,000			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.8,04,788)	11,500,000			9,000,000
SBIMF Income Fund Growth 2,76,089.0983 Units of SBI Magnum Insta Cash Fund Market Value Rs.NIL (P.Y.Rs.29,74,584)	1,500,000			1,500,000
SBIMF Income Fund Growth 2,76,089.0983 Units of SBI Magnum Insta Cash Fund Market Value Rs.NIL (P.Y.Rs.29,74,584)		-		1,000,000
Fixed Deposit with Gujarat Polybutenes Pvt.Ltd		-		<u>1,000,000</u>
		<u>47,899,351</u>		<u>75,577,910</u>
Less : Provision for Diminution in Value of Investments		-		-
		47,899,351		75,577,910



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "F" INVENTORIES :				
(As taken, valued and certified by the Management)				
Raw Material & Consumable (At Cost)	414,528		807,224	
Finished Goods	2,477,991		2,103,253	
		2,892,519		2,910,477
SCHEDULE "G" SUNDRY DEBTORS				
Debts Outstanding for a period less than six months	14,935,269		9,661,163	
Debts Outstanding for a period exceeding six months (unsecured)				
Considered Good	608,909		603,766	
Less : Provided for	15,544,178		10,264,929	
Total		15,544,178		10,264,929
SCHEDULE "H" CASH & BANK BALANCES				
Cash on Hand	41,588		466,944	
(I) Bank of Baroda (Baroda)	118,729		21,770	
(II) Bank of Baroda (Saki Naka)	156,228		166,214	
(III) State Bank of India (Mumbai)	359,670		348,340	
(IV) HDFC Bank (Mumbai)	40,000		40,000	
(V) UTI Bank (Mumbai)	226,734		498,616	
(VI) HDFC Escrow Account	12,117,620		-	
(VII) In Current Accounts	4,465,687		4,505,875	
(VIII) In Deposit Account with Bank of Baroda	27,157,600		5,323,720	
		44,683,856		11,371,479
SCHEDULE "I" LOAN AND ADVANCES				
(Unsecured -considered goods)				
Advances recoverable in cash or in kind or value to be received	49,667,365		47,471,258	
Inter-Branch a/c	-		-	
Trade Deposits	1,204,643		1,523,662	
Prepaid Expenses	962,830			
Advance Tax Paid	117,000		526,000	
Fringe Benefit Tax paid	238,719		254,500	
Tax Deducted At Source	2,692,858		4,752,683	
Advance Tax Paid F.Y.2009-10	935,000		117,000	
Fringe Benefit Tax Paid F.Y.2009-10	-		385,000	
Tax Deducted At Source F.Y.2009-10	3,176,179		2,675,722	
		58,994,594		57,705,825
SCHEDULE "J"				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
For Goods	9,518,291		5,829,416	
For Expenses	1,961,936		1,885,634	
For Others	2,212,336		1,145,024	
Total	13,692,564		8,860,074	
Unpaid dividend	246,236		1,354,078	
PROVISIONS		13,938,800		10,214,152
Provision for Taxation	5,491,786		3,665,500	
Provision for Taxation F.Y.2008-2009	-		1,220,000	
		5,491,786		4,885,500
		19,430,586		15,099,652



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "K" OTHER INCOME				
Interest on Loans	4,982,574		5,069,127	
Interest on Deposits	1,920,691		1,065,561	
Miscellaneous Income	65,642		81,010	
Profit on Sale of Investments	4,579,843		-	
Dividend recd from Mutual Fund	853,190		1,001,508	
Income from Services	9,600,000		9,600,000	
Reversal of provision no longer required	-		27,453	
Debit/Credit Balance W/Back	109,733		-	
Doubtful Debts written back recovered	-		173,657	
		<u>22,111,673</u>		<u>17,018,316</u>
SCHEDULE "L" INCREASE/(DECREASE) IN STOCK OF FIN. GOODS AND W.I.P				
Closing Stock	414,528		807,224	
Less : Opening Stock	<u>807,224</u>		<u>1,577,301</u>	
		<u>(392,696)</u>		<u>(770,077)</u>
SCHEDULE "M" COST OF MATERIALS CONSUMED				
Opening Stock	2,103,253		2,608,524	
Add : Purchase	<u>71,935,744</u>		<u>52,778,698</u>	
	<u>74,038,997</u>		<u>55,387,222</u>	
Less: Closing Stock	<u>2,477,991</u>		<u>2,103,253</u>	
		<u>71,561,006</u>		<u>53,283,969</u>
SCHEDULE "N" STAFF COST				
Salaries and Wages	5,300,649		4,642,258	
Contribution to Provident and Other Funds	360,298		391,145	
Staff Welfare Expenses	<u>282,628</u>		<u>134,889</u>	
		<u>5,943,575</u>		<u>5,168,292</u>
SCHEDULE "O" MANUFACTURING AND OTHER EXPENSES				
Excise Duty	769,388		641,920	
Power and Fuel	3,611,869		2,998,260	
Repair and Maintainance	1,387,949		2,642,723	
Rates and Taxes	245,223		578,053	
Insurance	305,434		316,663	
AUDITORS REMUNERATION				
Audit Fees	93,755		93,755	
Other Fees	38,605		27,575	
Managerial Remuneration & Perks	9,419,698		8,431,571	
Travelling Expenses	489,824		341,303	
Directors Sitting Fees	117,000		107,500	
Donations	12,550		13,300	
Pollution Control Expenses	-		1,400	

**SCHEDULES TO THE ACCOUNTS**

	Year Ended 31.03.2010		Year Ended 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
General Expenses	7,720,013		5,882,815	
Transportation Freight and Octroi	500,944		466,822	
Speciman Charges	17,600		32,689	
Retainers Fees	176,910		173,985	
Machinery Hire Charges	45,090		50,034	
Loss on Sale of Car	150,321			
Vehicle Expenses	329,289		473,184	
		<u>25,431,462</u>		<u>23,273,551</u>
SCHEDULE "P" - INTEREST				
Processing Fees & Bank Charges	13,154		47,782	
		<u>13,154</u>	<u>47,782</u>	<u>47,782</u>

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.

xiii) 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. Excise duty collected on sales in included in turnover and corresponding payments are expensed. Un-availed credits in the Excise Duty Deposit account are accounted as current assets.

xiv) 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.

xv) Miscellaneous Expenditure:

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

2. Contingent Liabilities not provided in respect of:

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

3. In the opinion of the Management:

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. Buyback of shares-events after balance sheet date :

The Company offered to buyback 12,11,762 number of equity shares representing 20.13% of the total subscribed and paid up equity shares through tender offer. The buyback was since approved by SEBI and offers were received for buyback of 849,635 shares. As on the reporting date applicable legal and financial formalities were completed and the effective shares capital is reduced by Rs. 84,96,350 to Rs 5,16,91,660. After the date of this balance sheet the premium paid on buyback of shares @ Rs. 30/- per share on above equity shares is appropriated out of the available free reserves and surplus as on 31st March 2010, thus reducing the reserves and surplus amount by, Rs. 2,54,89,050 as on reporting date.

As on 31st March 2010, the expenses incurred on buyback procedure including the applicable fees, charges paid/payable to SEBI, Merchant Banker, Registrar and any other service provider is treated as prepaid and suitable accounting of such expenses at actual will be reflected in the financials for the year 2010-11.

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

	Current Year	Previous Year
	Rupees in Lacs	Rupees in Lacs
I. The Managing Director		
Salary	22.50	23.75
Commission	1.81	1.61
Contribution to Provident and Other Funds	2.25	4.05
Perquisites in cash or kind.	4.43	0.58
	<u>30.99</u>	<u>29.99</u>
II. The Executive Directors		
Salary	45.00	41.17
Commission	2.41	2.15
Contribution to Provident and Other Funds	8.10	6.75
Perquisites in cash or kind	6.48	3.17
	<u>61.99</u>	<u>53.24</u>
III. Non Whole-Time Directors		
Commission	1.21	1.08
	<u>1.21</u>	<u>1.08</u>

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

Net Profit as per Profit & Loss Account		Rs. In lakhs
		79.24
Add : Directors Sitting Fees	1.17	
Commission to Non-Whole Time Directors	1.21	
Managing Directors Remuneration	30.99	
Executive Directors Remuneration	61.99	
Diminution in value of assets	<u>-</u>	
		<u>95.37</u>
		174.61
Less: Profits on redemption of MFs and non-operating income		<u>54.33</u>
Net Profit / (Loss)		<u>120.28</u>
Commission Payable to:		
(i) Managing Director @ 1.5%	1.81	
(ii) Two Executive Directors @ 1.0% each	2.41	
(iii) Non-Whole Time Directors 1.0%	1.21	

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

7. 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.
8. Loans and Advances includes due from officers of the Company Rs. Nil (P.Y. Rs. Nil) and dues from companies Rs.4,27,33,571/- (P.Y. Rs. 4,29,49,482/-)
9. Based on the information received by the Company from the creditors in regard to their S. S. I. Status, there are no amounts due to such creditors outstanding for over 30 days exceeding Rs. One lakh as on 31st March, 2010. 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.



Gujarat Petrosynthese Limited

10. 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 2010		31st March 2009	
	Qty (M.T.)	Value	Qty (M.T.)	Value
a) Turnover				
Alloys & Blends				
Sales	562	8,34,28,897	404	6,37,69,547
Job work Charges	737	89,94,652	685	82,33,963
		<u>9,24,23,549</u>		<u>7,20,03,510</u>

Turnover of Polymers includes 86 Kgs (Previous year 146 Kgs) given as free sample.

b) Consumption of Raw Materials

	31st March 2010		31st March 2009	
	Qty (M.T.)	Value	Qty (M.T.)	Value
Commodity & Engineering Products/Plastics of Different Types	567	7,15,61,006	404	5,39,36,512
		<u>7,15,61,006</u>		<u>5,39,36,512</u>

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

	31st March 2010		31st March 2009	
	Value	%	Value	%
Imported	-	-	25,06,318	4.65%
Indigenous	7,15,61,006	100%	5,14,30,194	95.35%
	<u>7,15,61,006</u>	<u>100%</u>	<u>5,39,36,512</u>	<u>100%</u>

d) Opening and Closing Stock of Goods

	31st March 2010		31st March 2009	
	Qty (M.T.)	Value	Qty (M.T.)	Value
Alloys & Blends	1.707	4,14,528	6.418	8,07,224

e) Capacity and Production

	Alloys & Blends	Alloys & Blends
i) Licensed Capacity (in M.T.)	N.A.	N.A.
ii) Installed Capacity (in M.T.)	1800 MT (P.Y.1800 MT)	1800 MT (P.Y.1800 MT)
iii) Production (in M.T.)	1,299 MT (P.Y.1089 MT)	1,089 MT (P.Y.1110 MT)

Actual Production includes Production on Job work basis also.

	31st March 2010		31st March 2009	
f) C.I.F. Value of Imports				
Raw Materials (Banalore Unit)	Nil		24,37,882	
Spares	Nil		69,549	

	31st March 2010		31st March 2009	
g) Expenditure in Foreign Currency				
i) Travelling	Nil		Nil	
ii) Others	Nil		Nil	
h) Earning in Foreign Exchange				
	Nil		Nil	

	31st March 2010		31st March 2009	
i) Amount remitted in Foreign Currencies towards dividend (Net Of Tax).				
ii) Number of Non-resident Equity Shareholders	161		161	
iii) Number of Equity Shares	4,67,409		4,67,409	
iii) Amount Remitted	Nil		Nil	

11. The Company has written off old debit and credit balances of various parties during the year, net debit on this account is of Rs. 65,642/- (Previous Year Rs. 73,280/- net Debit)
12. The Company has written off Receivable and claims amounting to Rs. 512,734 (Previous year nil) as non recoverable and charged to profit & loss account as bad debts.
13. Prior Period Income of Rs. NIL/- (Previous year Rs. 81,010/-)
14. Future lease obligations on assets taken on Finance Lease, over remaining period amounts to Rs. NIL /- (Previous Year Rs. NIL/-)



Gujarat Petrosynthese Limited

15. Earning Per Share :		(Rs. In Lacs)
	2009-2010	2008-2009
a) Net Profit available for equity shareholders (Numerator used for calculation)	63.74	18.90
b) Weighted Average No. of equity shares (Used as denominator for calculating EPS)	60,18,801	60,18,801
c) Basic and Diluted Earnings per share (Rs.) (Equity Share of face value of Rs. 10 each)	1.06	0.31

16. Transaction With Related Parties:

Rs.in Lacs

Related parties Particulars	Subsidiary Company	Relatives	Key Management Personnel
Sales	-	-	-
Expenses			
Remuneration	-	-	92.45
Others	-	-	
Income			
Interest Received (GPPL)	49.04	-	-
Income from Services (GPPL)	96.00	-	-
Finance & Investments			
Advance Given	-	-	-
Advance Received Back (GPL Finance)	-	-	-
Outstanding			
Receivable	427.36	-	-

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

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

18. 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 SARJBA & CO.
CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-
(A. JAGANNATH BABU)
Partner

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

Sd/-
URMI N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010



Gujarat Petrosynthese Limited

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 SARJBA & CO.
CHARTERED ACCOUNTANTS

For and on behalf the Board of Directors

Sd/-
(A. JAGANNATH BABU)
Partner

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

Sd/-
URMI N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010



Gujarat Petrosynthese Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in lacs)

Sl.No.	Particulars	2009-2010	2008-2009
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	79.24	32.11
	Adjustments for :		
	Prior period	(0.09)	(5.86)
	Depreciation	32.69	32.67
	Income Tax and FBT	(15.50)	(12.20)
	(Profit)/Loss on sale of fixed Assets	4.28	-
	(Profit)/Loss on Redemption of Investments	(45.80)	-
	Interest Received	(69.03)	(71.36)
	Interest Paid	0	-
	Operating profits before working capital changes	(14.13)	(24.64)
	Adjustments for:		
	Decrease/(Increase) in Inventories	0.18	12.75
	Decrease/(Increase) in Trade & other receivables	(52.79)	(16.08)
	Decrease/(Increase) in Loans & Advances	(12.89)	(17.49)
	Increase/(Decrease) in Payables	43.31	3.92
	Cash Generated From Operations	(36.32)	(41.54)
	Interest paid	-	-
	Net Cash inflow/(outflow) from operating activities	(36.32)	(41.54)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(23.67)	(7.20)
	Sale of Fixed Assets (net)	1.50	2.06
	(Purchase)/Sale of Investments	276.78	(37.81)
	Profit/(Loss) on sale of investments	45.80	-
	Interest Received	69.03	71.36
	Decrease/(Increase) in loans to Bodies Corporates & Others		
	Miscellaneous Receivables		
	Miscellaneous Payables		
	Net Cash inflow / (outflow) from Investing Activities	369.44	28.41
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings		
	Repayment of Borrowings		
	Public Issue expenses		
	Dividends Paid		
	Net Cash Inflow/(outflow) in cash from Financing Activities	-	-
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	333.12	(13.13)
	Cash and cash equivalents at beginning of year	113.72	126.85
	Cash and cash equivalents at end of year	446.84	113.72

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

For SARJBA & CO.

For and on behalf the Board of Directors

CHARTERED ACCOUNTANTS

Sd/-
(A. JAGANNATH BABU)
Partner

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

Sd/-
URMI N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010

PLACE : MUMBAI
DATE : 22nd July, 2010



Directors' Report

The Directors have pleasure in presenting before you the 7th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

(Rs. in lacs)

Particulars	2009-10	2008-09
Sales	3579.84	5884.27
Operating Profit	145.58	215.73
Less : Interest	92.34	96.24
Depreciation	18.09	20.76
Profit before Tax	35.15	98.73
Less : Provision for Tax	15.00	31.10
Add: Provision for Deferred Tax	0.64	0.57
Less : Fringe Benefit Tax	-	0.82
Profit After Tax	20.93	67.38
Add: Brought Forward Profit	310.57	243.19
Profit available for appropriation	331.50	310.57
Transfer to General Reserve	-	-
Balance Carried to balance sheet	331.50	310.57

Dividend

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

Performance and future outlook

The polybutene unit continues to face the issue of managing feedstock/raw material costs at a time when the oil industry faces many challenges and the outlook for prices indicates an upward trend due to recent events. There have been suggestions of a deregulation in oil products prices by the Govt. but these were followed by reports to the contrary. To add to this, all of a sudden, the Govt. of Gujarat has announced the withdrawal of input tax credit to the extent of 2%, citing a reversal in the payments promised by the Centre. The matter is being taken up by companies in Gujarat but the situation remains uncertain. All of these happenings fuel more uncertainty and the only thing one can be sure of is that this status is likely to continue, in a situation where there is neither full control nor full liberalisation of the oil sector. One can take some confidence in India's GDP growth but only to some extent. GPL continues to tackle the issue through prudent cost cutting measures and simultaneously enhancing revenues while continuing to invest in plant and equipment maintenance and upkeep.

Deposits

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

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

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

Personnel

As required by provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of employees) Rules, 1975 as amended the names and other particulars are given in Annexure II.



Gujarat Polybutenes Private Limited

Directors

Ms. Urmi N. Prasad, 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, 2010, 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, 2010 on a going concern basis.

Secretarial Audit

A Compliance Certificate issued by M/s J J Gandhi & Co., Practising Company Secretaries, Vadodara, pursuant to provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, is attached to this Report and marked as Annexure III.

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 12, 2010

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 2009-10

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

		2009-10	2008-09
1) Electricity			
a) Purchased			
Unit	KWH	3,012,309.00	2,472,728.00
Total amount	Rs	17,410,236.71	14,087,721.70
Rate / Unit	Rs	5.78	5.70
b) Own Generator through Diesal Generator			
Units	KWH	35,244.00	50,806.00
Unit Per Ltr	KWH	2.74	4.75
Rate / Unit	Rs	13.48	13.28
Furnace Oil			
Quantity	MT	400.861	850.46
Total amount	Rs	7,657,302.49	17,857,226.00
Average Rate	Rs	19,102.14	20,997.14
Natrual Gas			
Quantity	scm	1,964,085.00	910,293.00
Total amount	Rs	37,334,697.52	24,872,679.00
Average Rate	Rs	19.01	27.32

B. CONSUMPTION PER UNIT PER PRODUCTION

		2,009-10	2008-09
Standards (If any)			
Product/Unit : Polymer / MT			
Electricity	KWH	577.486	616.538
Furnace Oil	N.A	0.076	0.208
Natrual Gas	scm	372.178	222.398

II. TECHNOLOGY ABSORPTION

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

1.	Specific area in which R & D was carried out by the Company	To produce high grade of polymers
2	Benefit derived as a result of R & D	Manufacture of new products and existing products at lower cost.
3	Future plan of action	Manufacture variety of PIB
4	Expenditure on R & D	Rs.
	a) Capital	-
	b) Recurring	505,976,04
	c) Total	505,976,04
	d) Total R & D Expenditure as a percentage of Total Turnover	0.14%



Gujarat Polybutenes Private Limited

Technology absorption, adoption and innovation.

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

III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the Foreign Exchange outgo was Rs. 46,842/- During the year Company has earned Foreign Exchange of Rs.65,50,479/- During the year.

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

Sd/-
Ms. Dr. S.R. Thakkar
(Executive Chairperson)

PLACE : MUMBAI
DATE : June 12, 2010



AUDITORS REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of **GUJARAT POLYBUTENES PRIVATE LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 31.03.2010, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 ;
 - f) In our opinion and to the best of our information and according to explanations given to us, the said accounts subject to and read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010;
 - 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 12, 2010

ANNEXURE TO THE AUDITOR'S REPORT

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

Re : Gujarat Polybutenes Private Limited

1. In respect of its fixed assets :

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



Gujarat Polybutenes Private Limited

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

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

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

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

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

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

4. **In respect of loans taken**

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

Name of the Company / Party	Amount outstanding at the end of the year
Gujarat Petrosynthese Limited (Holding Co)	Rs. 4,10, 00,000/-
GPL Finance & Investments Ltd (Subsidiary of holding co)	Rs. 31, 00,000/-
Multichem Private Ltd (other co)	Rs. 55, 00,000/-
Mrs. S R Thakkar, Director (Prop. of Industrial And Allied Chemicals)	Rs. 52, 25,000/-
Ms. Charita Thakkar (Relative of a director)	Rs. 15, 00,000/-

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

5. **Internal Control :**

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

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

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

7 **Deposits from public :**

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

8 **Internal Audit System :**

In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature 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 12, 2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDER'S FUNDS					
Share Capital	A	22,400,000		22,400,000	
Reserve & Surplus	B	33,150,460		31,057,219	
			55,550,460		53,457,219
LOANS FUNDS					
Secured Loans	C		19,967,835		26,342,582
Unsecured Loans	D		57,055,966		77,388,537
			132,574,261		157,188,338
APPLICATIONS OF FUNDS					
FIXED ASSETS					
Gross Block	E	23,757,286		22,755,304	
Less : Depreciation		11,426,803		9,617,601	
Net Block			12,330,483		13,137,703
Investments	F		-		14,509,323
CURRENT ASSTS, LOANS & ADVANCES					
Inventories	G	25,731,748		25,367,998	
Sundry Debtors	H	56,360,386		40,625,464	
Cash and Bank Balance	I	40,921,759		77,984,011	
Loans and Advances	J	38,876,212		36,256,549	
Deferred Tax Assets		492,923		428,433	
		162,383,028		180,662,455	
Less : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	K	29,753,353		34,882,432	
Provisions		12,385,897		16,324,397	
		42,139,250		51,206,829	
NET CURRENT ASSETS			120,243,778		129,455,626
MISCELLANEOUS EXPENDITURE	L		-		85,686
			132,574,261		157,188,338
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/-
Mrs. Urmi Prasad
(DIRECTOR)

Sd/-
Ms. Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010



Gujarat Polybutenes Private Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH 2010

	Schedule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales (Excluding Excise Duty)		357,983,821		588,427,301	
Other Income	M	4,309,509		5,819,112	
Increase/(Decrease) in stock of Finished goods & Work -in- Progress	N	(3,687,304)		2,113,550	
			358,606,026		596,359,963
EXPENDITURE					
Cost of material consumed	O	224,174,984		466,902,558	
Staff cost	P	21,259,209		18,974,252	
Manufacturing & other expense	Q	98,528,027		88,824,072	
Interest	R	9,233,501		9,624,500	
Depreciation		1,809,202		2,075,634	
Priliminary expenses Written Off		85,686		85,686	
			355,090,609		586,486,702
Profit(Loss) before tax for the year			3,515,417		9,873,261
Add (Less) : Deferred Tax Assets			64,490		56,580
Add (Less) : Excess Provisions of I Tax - A Y 2008-09			13,334		-
Less :Provision for Income Tax for the year			1,500,000		3,110,000
Less : Provision for Fringe Benefit tax			-		81,903
Profit / (Loss) after Tax			2,093,241		6,737,938
Balance brought forwards from earlier year			31,057,219		24,319,281
Balance carried to the Balance sheet			33,150,460		31,057,219
Basic and Diluted Earning Per Share			0.93		3.01
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/-
Mrs. Urmi Prasad
(DIRECTOR)

Sd/-
Ms. Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010



Gujarat Polybutenes Private Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE " A " SHARE CAPITAL				
Authorised Share Capital				
50,00,000 Equity Shares of Rs. 10/- each.		50,000,000		50,000,000
Issued Subscribed and Paid up : 2240000 (2240000) shares of Rs. 10/- each. (Out of above 2230000 shares are issued to Gujarat Petrosytheses Limited a holding compnay without payment received in cash)		22,400,000		22,400,000
SCHEDULE " B " RESERVE & SURPLUS				
Surplus as per Profit & Loss Account annexed		33,150,460		31,057,219
		33,150,460		31,057,219
SCHEDULE " C " SECURED LOANS				
Cash Credit from UTI Bank Ltd A/c No. 004010300026345 Secured by Hypo. of stocks, Cash & other Current Assets including monies receivable & Fixed deposit Receipt		19,967,835		26,342,582
		19,967,835		26,342,582
SCHEDULE " D " UNSECURED LOANS				
From Gujarat Petrosytheses Ltd (a Holding Company)		730,966		608,320
Fixed Deposit:				
Gujarat Petrosytheses Ltd (a Holding Company)		41,000,000		42,341,162
From Directors & their relatives		6,725,000		12,462,644
From other companies		8,600,000		21,976,411
		57,055,966		77,388,537

SCHEDULE "E" : FIXED ASSETS

Sl. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	For the Year	Deductions	As at 31.03.2010	As at 01.04.2009
1	Land	2,760,066	-	-	2,760,066	-	-	-	2,760,066	2,760,066
2	Building	7,696,702	-	-	7,696,702	2,641,202	505,550	3,146,752	4,549,950	5,055,500
3	Plant & Machinery	3,241,439	830,122	-	4,071,561	2,042,263	435,746	2,478,009	1,593,552	1,199,176
4	Vehicles	1,231,739	-	-	1,231,739	560,942	173,669	734,611	497,128	670,797
5	Laboratory Equipment	2,837,810	-	-	2,837,810	2,020,553	227,361	2,247,914	589,896	817,257
6	Furniture & Fixtures	1,067,360	-	-	1,067,360	587,133	86,921	674,054	393,306	480,227
7	Office Equipments	3,347,432	19,220	-	3,366,652	1,481,483	261,994	1,743,477	1,623,175	1,865,949
8	Computer	572,756	152,640	-	725,396	284,025	117,961	401,986	323,410	288,731
	Total	22,755,304	1,001,982	-	23,757,286	9,617,601	1,809,202	11,426,803	12,330,483	13,137,703
	PREVIOUS YEAR	22,281,471	473,833	-	22,755,304	7,541,967	2,075,634	9,617,601	13,137,703	14,739,504

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE " F " INVESTMENTS (At cost)				
Other than trade investment (Quoted)				
Investment in Mutul Funds				
(1036820.9086 units of SBI MF Magnum Insta Cash Fund) (NAV Rs.1117082)		-		11,051,554
(3446.604 units of Standard Chartered Liquidity Manager Plus) (NAV Rs 3448275)		-		3,457,769
		-		14,509,323



Gujarat Polybutenes Private Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE " G " INVENTORIES				
(As certified by the management)				
Raw Material & consumable		12,714,172		8,663,118
Work in Process		2,175,006		2,045,002
Finished Goods		10,842,570		14,659,878
		<u>25,731,748</u>		<u>25,367,998</u>
SCHEDULE " H " SUNDRY DEBTORS				
Others (Good)		56,360,386		40,625,464
		<u>56,360,386</u>		<u>40,625,464</u>
SCHEDULE " I " CASH & BANK BALANCE				
Cash on hand -BRD	453,720		603,016	
Cash on hand -Mumbai	276	453,996	23,976	626,992
Balance with banks :				
Bank of Baroda A/c No 27940200001651 (Saki Naka, Mumbai)		99,509		4,461,906
Bank of Baroda A/c No 01930200000680 (Baroda)		1,196,123		1,009,773
Bank of Baroda A/c No 01930200000685 (Baroda)		540,228		905,087
HDFC A/c No 0212000019805 (Hyderabad)		267,276		717,631
HDFC A/c No 0211450000024 (Hyderabad)		76,830		12,044
HDFC A/c No 0602560003558 (Mumbai)		2,604,827		2,813,640
HDFC A/c No 0602320015190 (Mumbai)		1,853,617		5,583,447
State bank of India A/c No. 30006842631(Baroda)		58,685		59,235
Axis Bank Ltd A/c No. 013010200034663 (Baroda)		166,973		549,821
Axis Bank Ltd A/c No. 01301020040424 (Baroda)		326,425		199,771
Axis Bank Ltd A/c No. 004010200585156 (Mumbai)		5,999,088		161,931
Fixed Deposits with banks		27,278,182		60,882,733
		<u>40,921,759</u>		<u>77,984,011</u>
SCHEDULE " J " LOAN AND ADVANCES				
(Unsecured-considered goods)				
Advances recoverable in cash or in kind or for value to be received				
Advances to suppliers for goods and expenses		14,854,073		14,238,787
Prepaid expenses		413,023		449,484
Other Deposits		974,299		1,093,071
VAT Input Tax Credit Receivables		7,008,098		340,558
Cevant Receivables-Service Tax		117,496		29,200
Balance with Excise Authorities		1,412,954		1,403,785
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
Advance Tax Paid A Y 2009-10		3,209,623		3,209,623
Advance Tax Paid A Y 2010-11		1,210,941		-
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 2009-10		165,000		165,000
Advance FBT Paid A Y 2010-11		40,000		-
		<u>38,876,212</u>		<u>36,256,549</u>



Gujarat Polybutenes Private Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE “ K”				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
For Goods & Expenses	7,616,798		6,259,278	
Outstanding Liabilities	<u>22,136,555</u>	29,753,353	<u>28,623,154</u>	34,882,432
PROVISIONS				
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	
Provisions for Income Tax (A Y 2009-10)	3,110,000		3,110,000	
Provisions for Income Tax (A Y 2010-11)	1,500,000		-	
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	12,385,897	81,903	16,324,397
		<u>42,139,250</u>	<u>81,903</u>	<u>51,206,829</u>
SCHEDULE “ L “ MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted.)				
Balance as per last Balance Sheet		85,686		171,372
Less: Transferred to Profit & Loss Account		<u>85,686</u>		<u>85,686</u>
		-		<u>85,686</u>
SCHEDULE “ M “ OTHER INCOME				
Interest		3,119,471		3,402,073
Dividend on units of mutual fund		275,501		804,324
Profit on redemptions of Mutual Fund (Investment)		126,582		-
Miscellaneous Income		528,557		1,612,715
Insurance Claim Received		259,398		-
		<u>4,309,509</u>		<u>5,819,112</u>
SCHEDULE “ N “				
INCREASE (DECREASE) IN STOCK OF FINISHED GOODS AND WORK -IN-PROGRESS				
Closing stock		13,017,576		16,704,880
Less :Opening stock		16,704,880		14,591,330
		<u>(3,687,304)</u>		<u>2,113,550</u>
SCHEDULE “ O “				
COST OF MATERIAL CONSUMED				
Opneing Stock		6,795,292		7,961,091
Add : Purchase		228,917,787		465,736,759
		235,713,079		473,697,850
Less : Closing Stock		11,538,095		6,795,292
		<u>224,174,984</u>		<u>466,902,558</u>
SCHEDULE “ P “ STAFF COST				
Salaries and Wages		17,454,871		15,535,611
Contribution to Provident Fund and other Funds		1,119,051		1,107,550
Staff Welfare Expenses		2,685,287		2,331,091
		<u>21,259,209</u>		<u>18,974,252</u>



Gujarat Polybutenes Private Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE “Q” MANUFACTURING & OTHER EXPENSES				
Stores and Spares		1,413,107		1,102,572
Purchase of Processing material		540,169		-
Power and Fuel		63,067,565		57,707,312
Repairs and Maintenance - Plant & Machineries		4,562,703		2,484,327
Repairs and Maintenance - Building		178,373		729,310
Repairs and Maintenance - Others		165,912		191,420
Rates and Taxes		595,274		302,021
Water Charges		1,854,105		1,343,328
Insurance		691,414		866,612
Auditors' remuneration : Audit Fees		25,000		25,000
Director's Remuneration		1,862,211		1,908,962
Management Services Fees		9,600,000		9,600,000
Travelling Expenses		739,760		1,436,496
Donations		-		100,000
Pollution control Expenses		502,482		167,427
Packing Material		2,187,135		2,192,100
Transportation Freight and Octroi		138,927		272,711
Research and Development		505,976		649,855
Retainers Fees		2,396,838		1,991,622
General Expenses		2,368,217		1,429,141
Vehicle Expenses		1,087,544		884,309
Business & Sales Promotion		182,198		143,484
Computer Expenses		187,863		103,554
Conveyance		386,889		379,303
Guest House Expenses		584,350		281,759
Legal and Professional Charges		434,418		446,903
Office/Factory Expenses		500,493		483,121
Printing and Stationery		321,913		235,289
Security Expenses		874,813		778,177
Telephone Expenses		572,378		587,957
		<u>98,528,027</u>		<u>88,824,072</u>
SCHEDULE “ R “ INTEREST				
Interest to banks		655,086		194,391
Interest on Loan		-		16,105
Interest of Fix Deposit		8,384,231		9,026,814
Interest- others		8,711		9,868
Processing Fees & Bank charges		185,473		377,322
		<u>9,233,501</u>		<u>9,624,500</u>

SCHEDULE 'S' NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH ,2010**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.



Gujarat Polybutenes Private Limited

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. NIL (Rs.57, 000/-)

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 for their status under Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

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) Turnover	Year 2009-2010		Year 2008- 2009	
	Qty. (MT)	Value	Qty. (MT)	Value
Sales (Excl. Excise duty)	5302	339,622,690	4111	305,405,218
Sales Other	-	18,361,131	-	283,022,083
b) Consumption of Raw Material				
Raw Materials Incl. LPG	-	224,174,984	-	466,902,558
c) Value of Imported and Indigenous Raw Materials consumed during year				
Imported	-	NIL	-	NIL
Indigenous	100	224,174,984	100	466,902,558
d) Opening and Closing Stock of Goods				
Polybutene	167.343	10,368,186	192.142	13,509,948
Others	29.859	474,384	69.597	1,149,930
e) (A) Capacity and Production - Polybutens				
i) Licensed Capacity (in M T)		Not Applicable		
ii) Installed Capacity (in M T)		7,380 *		
iii) Production (in M T)		5,277 (4093)		

* as certified by management & accepted by Auditors being technical matter.

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

	Year 2009-2010		Year 2008-2009	
	Qty. (MT)	Value	Qty. (MT)	Value
Opening Stock	192	13,509,948	210	12,265,657
Production	5277	336,643,792	4093	303,378,933
Sales	5302	339,622,690	4111	305,405,217
Closing Stock	167	10,368,186	192	13,509,948



Gujarat Polybutenes Private Limited

f) C I F Value of Imports	
Raw Material	NIL
Capital Goods	NIL
g) Expenditure in Foreign Currency.	
Traveling	Rs. 46,842/- (Rs.3,58,337/-)
h) Earnings in Foreign Currency.	Rs. 65,50,479/- (Rs. 85,58,072/-)
i) Amount remitted in Foreign Currency	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.

	As at	As at
	31st March 2010	31st March 2009
8. Deferred Tax Assets		
Tax impact of differences between book depreciation in the Financial Statements and depreciation as per Income Tax	492923	428,433
9. Earning Per Shares		
a) Net Profit available for equity shareholders (Numerator used for calculation)	Rs.20.93 lacs	Rs. 67.38 lacs
b) Weighted Average No. of Equity Shares used as denominator for calculating EPS	22,40,000	22,40,000
c) Basic and Diluted Earnings per share (Rs.) (Equity shares of face value of Rs. 10 each)	Rs.0.93	Rs.3.01

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	19,752,176 (20,701,606)	- -	19,752,176 (20,701,606)
(b) Loans (Net)	41,730,966 (42,949,842)	5,225,000 (12,462,644)	48,287,615 (55,412,126)
(c) Reimbursement to Dr . S. R. Thakkar Executive Chairman	- -	1,862,211 (1,908,962)	1,862,211 (1,908,962)



Gujarat Polybutenes Private Limited

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.12,00,000
House rent allowance	Rs. 6,00,000
Medical exp	Rs. 62,211
Total	<u>Rs.18,62,211</u>

12. (i) No adjustments of provision of Income Tax with advance I T & TDS paid for F Y 2005-06 is made even though I T Assessment order for Asst. Year 2006-07 is received by the company on account of non receipt of refund & pending application for rectification.
- (ii) No Assessment order or intimation u/s 143 (1) are received for A Y 2007-08 & 2009-10 hence no adjustments for provision of I Tax and advance tax of I Tax is made.
- (iii) No order of F B T are received for A Y 2006-07 to 2009-10 hence no adjustments for provision of F B T and advance F B T is made.
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)
MEM. No. 11650

Sd/-
Mrs. Urmi Prasad
(DIRECTOR)

Sd/-
Ms. Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010



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 1 0

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

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 1 7 4 7 1 3
Total Assets 1 7 4 7 1 3

SOURCE OF FUNDS

Paid-up Capital 2 2 4 0 0
Reserves and Surplus 3 3 1 5 0
Secured Loans 1 9 9 6 8
Unsecured Loans 5 7 0 5 6

APPLICATION OF FUNDS

Net Fixed Assets 1 2 3 3 0
Investments N I L
Net Current Assets 1 1 9 7 5 1
Miscellaneous Expenditure N I L
Accumulated Loss N I L
Deferred Tax Balance 4 9 3

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

Turnover (Including Other Income) 3 5 7 9 8 4
Total Expenditure 3 5 5 0 9 1
Profit before Tax 3 5 1 5
Profit after Tax 2 0 9 3
Earning per Share Rs. 1
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

For and on behalf of the Board of Director

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

Sd/-
Mrs. Urmil Prasad
(DIRECTOR)

Sd/-
Ms. Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010



Gujarat Polybutenes Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	For the year ended 31st March, 2010		For the year ended 31st March, 2009	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax :		35.15		98.73
Adjustments for :				
Depreciation	18.09		20.76	
Dividend	(2.76)		(8.04)	
Gain from Sale of Mutual Funds	(1.27)		-	
Interest Income	(31.19)		(34.02)	
Interest Paid	92.34		96.25	
F B T Paid	-		-	
Preliminary Expenses W/Off	0.86		0.86	
Foreign Exchange Loss (Net)	-		-	
Prior Period Exp	-		-	
		<u>76.07</u>		<u>75.81</u>
		111.22		174.54
Operating Profit before Working Capital changes				
Adjustments for :				
(Increase) / Decrease in Current Assets				
Trade & Other Receivable	(157.35)		(118.91)	
Inventories	(3.63)		(20.61)	
Loans & Advances / Others	(80.45)		(121.24)	
		(241.43)		(260.76)
Increase / (Decrease) in Current Liabilities				
Trade Payables	(51.29)			106.58
Cash Generated from Operations	(181.50)			20.36
Interest Paid	(92.34)			(96.25)
Net Cash from Operating Activities	(A)	(273.84)		(75.89)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(10.01)		(4.74)	
Increase in Investment	145.09		(8.04)	
Gain from Mutual fund investments	1.27		-	
Dividend Received	2.76		8.04	
Interest Received on Fixed Deposits	31.19		34.02	
Net Cash generated/				
(used) in Investing Activities	(B)	170.30		29.28
C. CASH FLOW FROM FINANCING ACTIVITIES				
Receipts				
Increase in Secured Borrowings	(63.75)		43.43	
Increase in Unsecured Borrowings	(203.33)		61.60	
Net Cash from Financing Activities		(267.08)		105.03
NET (DECREASE)/INCREASE IN CASH & CASH EQUIVALENTS (A + B + C)		(370.62)		58.42
Cash and Cash Equivalents as at 31.3.2009		779.84		721.42
Cash and Cash Equivalents as at 31.3.2010		409.22		779.84

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/-
Mrs. Urmi Prasad
(DIRECTOR)

Sd/-
Ms. Ursula Thakkar
(DIRECTOR)

Place : Vadodara
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010

Place : Mumbai
Date : June 12, 2010



DIRECTORS' REPORT

The Directors have pleasure in placing before you the 16th Annual Report of the Company, together with the Audited Statement of Accounts for the year ended 31st March 2010.

OPERATIONS DURING THE YEAR

During the year the Company earned an income of Rs.5,10,043/-, and recorded a net Profit of Rs.3,21,849/- during the year.

DIVIDEND

Your Directors do not recommend any dividend.

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

OTHER INFORMATION

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

PERSONNEL

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

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby states as under:

- a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) That the Board had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period.
- c) That the Board had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Board had prepared the annual accounts on a going concern basis.

DEPOSITS

The Company has not accepted any deposit during the year.

SECRETARIAL AUDIT

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

AUDITORS

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

Acknowledgments

Your Directors acknowledges with gratitude the co-operation and assistance received from the Bankers, staff 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 : 22nd July, 2010



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, 2009 and ending on 31st March, 2010. 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 24th April, 2009, 27th July, 2009, 28th Oct., 2009 and 25th March, 2010 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, 2009 was held on 16th Sept., 2009 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.



GPL Finance and Investments Limited

- v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of 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 : 22nd July, 2010

Sd/-
(J. J. Gandhi)
Proprietor

ANNEXURE 'A'

Registers as maintained by the Company

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

ANNEXURE 'B'

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

Sr. No	Form No.	Filed under Section	For	SRN No.	Up loaded with MCA21
1	Form 23AC	220	Balance sheet and its attachment 08	P35171289	01/10/2009
2	Form 66	383A	Compliance Certificate 08	P35170927	01/10/2009
3	Form 20B	159	Annual Return 08	P35170927	09/11/2009

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

1. We have audited the attached Balance Sheet of GPL Finance & Investments Limited as at 31st March, 2010, 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 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956;



- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
and
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

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

Place : Mumbai
Date : 22nd July, 2010

S.B. Prabhu
Partner
Membership No. 35296

**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 not disposed off any of its fixed assets.
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



GPL Finance and Investments Limited

tax, Wealth tax, Service Tax, Excise duty and Cess outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and the records of the Company examined by us, there were no disputed dues in respect of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess not deposited as at 31st March, 2010.
10. There are no accumulated losses of the Company as at 31st March, 2010.
 11. The Company has not taken any loan from financial institution or bank nor has it issued any debentures.
 12. As per the books and records of the Company examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
 14. In our opinion, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other securities during the year and timely entries have been generally made therein. All shares, securities, debentures and other securities have been held by the Company in other securities its own name or are in the process of transfer in its name.
 15. According to the information given to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
 16. On the basis of our examination and according to the information given to us the Company has not taken any term loans.
 17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
 18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
 19. The Company has not issued any debentures during the year.
 20. The Company has not raised any money by public issue during the year.
 21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of fraud on or by the Company during the year.

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

S.B. Prabhu
Partner
Membership No. 35296

Place : Mumbai
Date : 22nd July, 2010



GPL Finance and Investments Limited

BALANCE SHEET AS AT 31st MARCH 2010				
Schedule	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SOURCE OF FUND				
SHAREHOLDERS FUNDS				
Share Capital	1	10,000,000		10,000,000
Reserves & Surplus	2	2,481,400		2,159,551
		<u>12,481,400</u>		<u>12,159,551</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	3	2,332,655	23,765	
Less: Depreciation		<u>42,151</u>	<u>2,258</u>	
Net Block		2,290,504		21,507
INVESTMENTS	4	6,594,856		6,594,856
CURRENT ASSETS, LOANS & ADVANCES				
a) Cash & Bank Balance	5	437,040	479,745	
b) Other Current Assets		28,435	38,033	
c) Loans & Advances		3,788,744	5,656,941	
		<u>4,254,219</u>	<u>6,174,719</u>	
Less : CURRENT LIABILITIES & PROVISIONS	6	658,179	631,531	
		3,596,040	5,543,188	
Profit & Loss Account		-	-	
		<u>12,481,400</u>	<u>12,159,551</u>	
NOTES ON ACCOUNTS				
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants Regn.No: 102860 W				
Sd/- S. B. PRABHU (PARTNER) Membership No.35296	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)		
Place : Mumbai Date : 22nd July, 2010	Place : Mumbai Date : 22nd July, 2010	Place : Mumbai Date : 22nd July, 2010		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010				
Schedule	For the year ended on		For the year ended on	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
	Rupees	Rupees	Rupees	Rupees
INCOME				
Dividends		115,949		126,596
Interest on Loans		394,094		560,778
		<u>510,043</u>		<u>687,374</u>
EXPENDITURE				
Administrative and Other Expenses	7	49,625		72,673
Depreciation		39,893		2,258
		<u>89,518</u>		<u>74,931</u>
PROFIT		420,525		612,443
Add: Prior Period Adjustments		-		23,765
PROFIT BEFORE TAX		420,525		636,208
Less : Provision for Fringe Benefit Tax		-		2,000
Less : Provision for Income Tax		106,000		150,000
Less: Adjustment for Provision		(7,324)		27,000
		<u>98,676</u>		<u>179,000</u>
PROFIT AFTER TAX		321,849		457,208
Balance brought forward from earlier year		2,159,551		1,702,343
Balance carried forward to Balance Sheet		<u>2,481,400</u>		<u>2,159,551</u>
Earning Per Share (See Note 4)		0.32		0.46
NOTES ON ACCOUNTS				
As per our report of even date attached for FORD, RHODES, PARKS & CO. For and on behalf of the Board of Director Chartered Accountants Regn.No: 102860 W				
Sd/- S. B. PRABHU (PARTNER) Membership No.35296	Sd/- DR. R. M. THAKKAR (DIRECTOR)	Sd/- URMI N. PRASAD (DIRECTOR)		
Place : Mumbai Date : 22nd July, 2010	Place : Mumbai Date : 22nd July, 2010	Place : Mumbai Date : 22nd July, 2010		

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010

	As At 31.03.2010	As At 31.03.2009
	Rupees	Rupees
SCHEDULE "1"		
SHARE CAPITAL		
Authorised		
10,00,000 Equity Share of Rs. 10/- each		
a) Issued, Subscribed & Paid-Up		
10,00,000 Equity Shares of Rs. 10/- each fully paid up (Of the above 9,99,940) shares are held by the holding Company Gujarat Petrosynthese Limited)	10,000,000	10,000,000
SCHEDULE "2"		
RESERVES & SURPLUS		
Profit & Loss Account balance	2,481,400	2,159,551

SCHEDULE "3"										
FIXED ASSETS										
Particulars	Balance as on 31.03.2009	Additions	Deductions	As at 31.03.2010	As at 31.03.2009	For the Year	Deductions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Vehicle	23,765	-	-	23,765	2,258	2,258	-	4,516	19,249	21,507
Flats		2,308,890		2,308,890		37,635	-	37,635	2,271,255	-
Total	23,765	2,308,890	-	2,332,655	2,258	39,893	-	42,151	2,290,504	21,507
Total as on 31.03.09	-	23,765	-	23,765	-	2,258	-	2,258		21,507



GPL Finance and Investments Limited

SCHEDULE " 4 "

INVESTMENTS

Long Term Investments

A. Investments in Equity Shares

NAME OF THE COMPANY	NO. OF SHARES	BOOK VALUE AS AT 31.03.2010	NO. OF SHARES	BOOK VALUE AS AT 31.03.2009
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
Grasim 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.,	1000	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
		<u>8,294,856</u>		<u>8,294,856</u>
Less : Provision for Diminution in Value of Shares		<u>1,700,000</u>		<u>1,700,000</u>
		<u>6,594,856</u>		<u>6,594,856</u>
Aggregate Value of				
Quoted Investments		6,887,915		6,887,915
Market Value - Quoted Investments		7,216,081		5,743,021
Un Quoted Investments		<u>1,406,945</u>		<u>1,406,945</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010		
	As at 31.03.2010	As at 31.03.2009
	Rupees	Rupees
SCHEDULE "5"		
CURRENT ASSETS, LOANS AND ADVANCES		
a) Cash and Bank Balances		
Cash on Hand	38,174	19,048
Balance with Scheduled Bank		
In Current Accounts	398,865	460,697
	<u>437,039</u>	<u>479,745</u>
b) Others Current Assets :		
Interest receivable	28,435	38,033
	<u>28,435</u>	<u>38,033</u>
c) Loans & Advances :		
(Unsecured - Considered Good)		
Intercorporate Deposit	3,100,000	4,700,000
Advance recoverable in cash or in		
kind or value to be received	-	291,342
Advance Tax & TDS	688,744	665,599
	<u>3,788,744</u>	<u>5,656,941</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010		
	As at 31.03.2010	As at 31.03.2009
	Rupees	Rupees
SCHEDULE "6"		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors	124,179	24,531
PROVISION:		
Provision for Taxation	534,000	607,000
	<u>658,179</u>	<u>631,531</u>
SCHEDULE "7"		
ADMINISTRATIVE & OTHER EXPENSES		
Accounting Charges	18,000	18,000
Bank Charges	2,843	1,585
Conveyance Charges	2,215	2,460
Printing and Stationery	1,875	2,225
Motor Car Expenses	4,870	27,193
Misc Expenses	2,174	2,174
Legal & Professional Fees	-	7,571
Auditors Remuneration :		
Audit Fees	11,030	11,030
Taxation Services	6,618	-
Out of Pocket Expenses	-	435
	<u>17,648</u>	<u>11,465</u>
	<u>49,625</u>	<u>72,673</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.



GPL Finance and Investments Limited

4) Earnings per Share	Particulars	31.03.2010	31.03.2009
a) Profit/(Loss) attributable to Equity Shareholders (Rs. in Lacs)		3.22	4.57
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		0.32	0.46

5) Related Party Disclosure

Particulars	Holding Company 31.03.2010	Holding Company 31.03.2009	Other Related Parties 31.03.2010	Other Related Parties 31.03.2009
Income				
Interest	-	-	3.94	5.61
Expenses				
Miscellaneous	-	-	-	-
Finance & Investments				
Loan received	-	-	-	-
Loan Repaid	-	-	-	-
Outstandings				
Receivable	-	0.91	31.00	47.00
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
- 6) Previous Years figures have been regrouped wherever necessary.

As per our report of even date attached

for FORD, RHODES, PARKS & CO.

Chartered Accountants

Regn.No: 102860 W

for and on behalf of the Board of Directors

Sd/-

S.B PRABHU

(PARTNER)

Membership No. 35296

Sd/-

Dr. R.M. THAKKAR

(DIRECTOR)

Sd/-

URMI N. PRASAD

(DIRECTOR)

Place : Mumbai

Date : 22nd July, 2010

Place : Mumbai

Date : 22nd July, 2010

Place : Mumbai

Date : 22nd July, 2010



GPL Finance and Investments Limited

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 YEAAR

Public Issue (Issued through Prospectus)

Rights Issue

Bonus Issue

Private Placement (Firm Allotted to be Promoters and their Associates)

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 (including Capital WIP and Pre-operative and expenditure)

Investments

Net Current Assets

Miscellaneous Expenditure

Accumulated Losses

IV. PERFORMANCE OF COMPANY

Turnover (Including Other Income)

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): Not Applicable

Product Description : Finance & Investments

As per our report of even date attached

for **FORD, RHODES, PARKS & CO.**

Chartered Accountants

Regn.No: 102860 W

for and on behalf of the Board of Directors

Sd/-

S.B PRABHU

(PARTNER)

Membership No. 35296

Sd/-

Dr.R.M.THAKKAR

(DIRECTOR)

Sd/-

URMIN.PRASAD

(DIRECTOR)

Place : Mumbai

Date : 22nd July, 2010

Place : Mumbai

Date : 22nd July, 2010

Place : Mumbai

Date : 22nd July, 2010



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

We have examined the attached consolidated Balance Sheet of Gujarat Petrosynthese Limited (the company) and its subsidiaries as at 31st March 2010, the consolidated Profit and Loss and also the consolidated Cash Flow Statement for the Year on 31st March 2010.

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

We did not audit the financial statement of subsidiaries, GPL Finance & Investments Limited whose financial statements reflect total assets of Rs. 1,24,81,400/- as at 31st March 2010 and the total revenue of Rs. 5,10,043/- for the year on 31st March 2010 and Gujarat Polybutenes Private Limited whose financial statements reflect total assets of Rs. 13,25,74,261/- as at 31st March 2010 and the total revenue of Rs. 35,86,06,026/- for the year on 31st March 2010. These Financial statements have been audited by other auditors whose report have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of subsidiary, is based on the report of the other auditors.

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

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

- (a) The Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries as a Group as at 31st March 2010.
- (b) The Consolidated Profit and Loss Account, of the consolidated results of operations of the company and its subsidiaries for the year ended on as on that date; and
- (c) The Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year ended on that date.

For SARJBA & CO
Chartered Accountants

Sd/-

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

Place : Bangalore
Date : 22nd July, 2010



Gujarat Petrosynthese Limited

Consolidated Balance Sheet of Gujarat Petrosynthese Limited and its subsidiary Company as at 31st March, 2010

	Schdeule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHARE HOLDERS' FUNDS					
Share Capital	A	60,188,010		60,188,010	
Reserves & Surplus	B	<u>176,303,090</u>		<u>166,910,701</u>	
			236,491,100		227,098,711
MINORITY INTEREST ON EQUITY	C		650		650
DEFERRED TAX LIABILITY/ASSETS	D		5,264,787		5,933,615
LOANS FUNDS	E		35,292,834		60,781,637
Secured Loans & Unsecured Loan			-		
			<u>277,049,371</u>		<u>293,814,613</u>
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	F	113,141,743		109,148,932	
Less : Depreciation		<u>42,487,720</u>		<u>38,476,702</u>	
Net Block			70,654,023		70,672,230
INVESTMENTS	G		22,094,857		63,282,739
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	H	28,624,267		28,278,475	
Sundry Debtors	I	71,904,564		50,890,393	
Cash and Bank Balances	J	86,042,654		89,835,235	
Loans and Advances	K	<u>59,957,021</u>		<u>57,707,867</u>	
Deffered Tax Liabilities		246,528,506		226,711,970	
Less :					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	L	43,816,332		45,121,115	
Provisions		<u>18,411,683</u>		<u>21,816,897</u>	
		62,228,015		66,938,012	
NET CURRENT ASSETS			184,300,491		159,773,958
MISCELLANEOUS EXPENDITURE			-		85,686
(To the extent not written off or adjusted)					
			<u>277,049,371</u>		<u>293,814,613</u>

Notes to the accounts

As per our report of even date
For **SARJBA & CO**
CHARTERED ACCOUNTANTS
Sd/-
(A. JAGANNATH BABU)
Partner

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 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010



Gujarat Petrosynthese Limited

Consolidated Profit and Loss Account of Gujarat Petrosynthese Limited and its subsidiary Company as at 31st March, 2010

	Schdeule	As at 31.03.2010		As at 31.03.2009	
		Rupees	Rupees	Rupees	Rupees
INCOME					
Sales		450,407,370		660,430,811	
Other Income	M	12,348,651		8,855,675	
Increase/(Decrease)in Stock of finished goods & WIP	N	<u>(4,080,000)</u>		<u>1,343,473</u>	
			458,676,021		670,629,959
EXPENDITURE					
Cost of material consumed	O	295,735,990		520,186,527	
Staff cost	P	27,202,783		24,142,543	
Manufacturing & Other Expenses	Q	114,406,270		102,568,715	
Interest	R	4,266,924		4,604,740	
Depreciation		5,118,525		5,344,609	
Preliminary expenses Written Off		<u>85,686</u>		<u>85,686</u>	
			446,816,178		656,932,820
Add: Prior period adjustments			-		23,765
Profit before tax for the year			<u>11,859,843</u>		<u>13,720,904</u>
Provision for Income Tax					
Add(Less) Deffered Tax Assets			(64,490)		44,442
Add(Less) Excess Provision for Taxation			(20,658)		-
Current Year			3,156,000		4,205,000
Fringe Benefit Tax			-		358,903
Profit / (Loss) after Tax			8,788,991		9,112,559
Balance brought forward from earlier year			93,785,123		85,285,498
Prior period adjustments			(13,689)		(73,280)
Income Tax for Earlier Years			12,750		(541,236)
Income Tax Refund			-		1,582
Deferred Tax of Earlier Years Not Required			604,338		-
Balance available for appropriation			<u>103,177,513</u>		<u>93,785,123</u>
Balance carried to the Balance Sheet			<u>103,177,513</u>		<u>93,785,123</u>
			<u>103,177,513</u>		<u>93,785,123</u>
Notes to the accounts	S				
Basic and Diluted Earning Per Share (See Note 12)			1.46		1.51

As per our report of even date
For **SARJBA & CO**
CHARTERED ACCOUNTANTS
Sd/-
(A. JAGANNATH BABU)
Partner

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 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "A" SHARE CAPITAL				
Authorised				
80,00,000(Previous year 80,00,000)				
Equity Shares of Rs.10/- each		<u>80,000,000</u>		<u>80,000,000</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>
SCHEDULE "B" RESERVES & SURPLUS				
General Reserve:		<u>73,125,577</u>		<u>73,125,577</u>
As per Last Balance Sheet				
Surplus /(Deficit) as per Profit & Loss Account		<u>103,177,513</u>		<u>93,785,124</u>
		<u>176,303,090</u>		<u>166,910,701</u>
SCHEDULE "C" MINORITY INTEREST ON EQUITY				
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>
SCHEDULE "D" DEFERRED TAX ASSETS/LIABILITY				
DEFERRED TAX ASSETS AND LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWNG ITEMS:				
ASSETS				
Provision for Leave Encashment				
Provision for Gratuity				
LIABILITY				
Difference between book and tax depreciation		<u>5,264,787</u>		<u>5,933,615</u>
NET DEFERRED TAX		<u>5,264,787</u>		<u>5,933,615</u>
SCHEDULE "E" SECURED AND UNSECURED LOANS				
Secured Loans				
Cash Credit from Banks:				
(I) UTI Bank (Mumbai)	<u>19,967,834</u>		<u>26,342,582</u>	
(II) From a Director & Relatives	<u>1,500,000</u>		<u>12,462,644</u>	
(III) From a Holding Company	<u>-</u>			
(IV) From a Other Companies	<u>13,825,000</u>		<u>21,976,411</u>	
		<u>35,292,834</u>		<u>60,781,637</u>

SCHEDULE " F "
FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 1.04.2009	Additions	Deductions	As at 31.03.2009	For the Year	Deductions	As at 31.03.2010	As at 31.03.2009
LEASE HOLD LAND	15,734,495	-	-	-	-	-	15,734,495	-
FREEHOLD LAND	7,178,990	-	-	-	-	-	7,178,990	-
FACTORY BUILDING	24,891,200	281,009	-	8,414,193	1,089,232	-	15,668,784	-
FLATS	-	2,308,890	-	-	37,635	-	2,271,255	-
PLANT & MACHINERY	37,981,139	1,794,195	-	18,751,987	2,131,675	-	18,891,670	-
ELECTRICAL INSTALLATION	2,421,730	-	-	1,425,085	115,032	-	881,613	-
OFFICE EQUIPMENT	4,985,932	190,087	-	1,936,970	347,939	-	2,891,110	-
FURNITURE & FIXTURES	2,999,406	59,183	-	1,155,280	212,163	-	1,691,146	-
LABORATORY EQUIPMENTS	5,140,863	-	-	3,358,077	336,756	-	1,446,030	-
JIGS AND MOULDS	157,356	23,000	-	157,356	-	-	23,000	-
MOBILES	57,105	38,976	-	40,886	5,594	-	49,601	-
COMPUTERS	1,690,361	249,196	-	866,298	314,776	-	758,483	-
VEHICLES	5,910,356	733,451	1,685,177	2,370,569	527,724	1,107,510	3,167,847	-
TOTAL	109,148,932	5,677,987	1,685,177	38,476,702	5,118,527	1,107,510	70,654,023	-
TOTAL AS ON 31.03.2009	108,136,790	1,218,143	206,000	33,132,090	5,344,609	-	70,672,230	74,994,700



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "G" INVESTMENT (TRADE-LONG TERM)				
A. Listed and Quoted				
NAME OF THE COMPANY	NO.OF SHARES	BOOK VALUE AS AT 31.03.2010	NO.OF SHARES	BOOK VALUE AS AT 31.03.2009
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
Grasim 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
Pratibha 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



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
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
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	0.00	100	0.00
Uniflex Cables Ltd	100	42,600.00	100	42,600.00
		8,294,856		8,294,856
B. Listed But Not Traded				
1,50,450 fully paid Equity Shares of Rs.10/- each Sourthern Agrosynthese Ltd.		1		1
C. Investments in Mutual Funds				
SBI Blue Chip Fund				
2,50,000 Units of SBI Blue Chip Fund		-		2,500,000
SBIMF Magnum Global Fund				
46,296,296 units of SBIMF Magnum Global Fund		-		1,000,000
SBIMF Magnum Multiplier Plus Scheme-93				
45,998.160 units of SBIMF Magnum Multiplier Scheme		-		1,500,000
LICMF Bond Fund				
2,95,485.571 units of LICMF Bond Fund		-		5,000,000
Templeton India Equity Income Fund		1,500,000		1,500,000
SBI Magnum Insta Cash Fund		-		25,730,113
SBI Magnum Insta Cash Fund		-		2,500,000
SBI Magnum Insta Cash Fund		-		1,000,000
Optimix Star Multi Manager		1,000,000		1,000,000
Fixed Deposit with SBM & SBI		11,500,000		9,000,000
Reliance Vision Fund		1,500,000		1,500,000
SBIMF Income Fund Growth		-		1,000,000
Standard Chartered Liquidity		-		3,457,769
		23,794,857		64,982,739
Less: Provision for Diminution in Value of Investments		1,700,000		1,700,000
		22,094,857		63,282,739



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "H" INVENTORIES				
(As taken, valued and certified by the Management)				
Raw Material & Consumable (At Cost)	13,128,700		9,470,342	
Work-in-Process	2,175,006		2,045,002	
Finished goods	13,320,561		16,763,131	
		28,624,267		28,278,475
SCHEDULE "I" SUNDRY DEBTORS				
Debts Outstanding for a period exceeding six months				
Considered Good	608,909		603,766	
Debts Outstanding for a period less than six months				
Considered Good	71,295,655		50,286,627	
Considered Doubtful	-		-	
	71,904,564		50,890,393	
Less: Provided for	-		-	
	71,904,564		50,890,393	
Others(Unsecured) considered goods	-		-	
		71,904,564		50,890,393
SCHEDULE "J" CASH & BANK BALANCES				
Cash on Hand	533,758		1,112,984	
Balance with Banks				
(I) State Bank of India (Mumbai)	359,670		348,340	
(II) Bank of Baroda (Baroda)	118,729		21,770	
(III) Bank of Baroda (Saki Naka)	156,228		166,214	
(IV) HDFC Bank (Mumbai)	2,644,827		2,853,640	
(V) UTI Bank (Mumbai)	226,734		498,616	
(VI) In Current Accounts	4,864,552		4,966,572	
(VII) Bank of Baroda (Baroda A/c No.685)	540,228		1,009,773	
(VIII) Bank of Baroda(Baroda A/c.No.680)	1,196,123		905,087	
(IX) HDFC Bank (Hyd)	267,276		717,631	
(X) HDFC Bank (Mumbai)	1,853,617		5,583,447	
(XII) State Bank of India (Baroda)	58,685		59,235	
(XIII) UTI Bank (Baroda)	166,973		549,821	
(XIII) UTI Bank (Mumbai)	5,999,088		161,931	
(XIV) Bank of Baroda (Mumbai)	99,509		4,461,906	
(XV) HDFC Bank (Hyd)	76,830		12,044	
(XVI) UTI Bank (Brd-Self)	326,425		199,771	
(XVII) In Deposit Account with Bank of Baroda	27,157,600		5,323,720	
(XVIII) In Deposit Account with Bank	27,278,182		60,882,733	
(XIX) HDFC Escrow Account	12,117,620		-	
		86,042,654		89,835,235
SCHEDULE "K" LOAN AND ADVANCES				
(Unsecured considered goods)				
Advances recoverable in cash or in kind or value to be received				
	36,384,649		35,719,173	
Trade Deposits	2,178,942		1,973,146	
Balance with Excise Authorities	8,421,052		1,403,785	
Advance Tax Paid	3,378,623		3,088,000	
Tax Deducted At Source	3,114,716		5,567,828	
Fringe Benefit Tax	403,719		419,500	
Advance Tax Paid -FY.2009-2010	2,196,704		5,867,000	
Tax Deducted At Source-FY:2009-2010	3,721,120		3,157,235	
Fringe Benefit Tax- FY.2009-2010	40,000		483,000	
Cenvat receivable-Service Tax	117,496		29,200	
		59,957,021		57,707,867



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "L"				
CURRENT LIABILITIES AND PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors				
For Goods	17,135,089		12,088,694	
For Expenses	2,086,114		1,910,165	
For Others	24,348,892		29,768,178	
	<u>43,570,096</u>		<u>43,767,037</u>	
Unpaid dividend	246,236		1,354,078	
		<u>43,816,332</u>		<u>45,121,115</u>
PROVISIONS				
Provision for Taxation	16,796,683		17,252,994	
Provision for Taxation (FY:2008-2009)	1,615,000		4,563,903	
Provision for Others	-		-	
		<u>18,411,683</u>		<u>21,816,897</u>
		<u>62,228,015</u>		<u>66,938,011</u>
SCHEDULE "M" OTHER INCOME				
Interest on Deposits/Loans	394,094		560,778	
Interest on Deposits	5,040,162		4,467,634	
Interest on I.T.Refund	-		-	
Miscellaneous Income	853,598		1,693,725	
Rent received	-		-	
Dividend recd from Mutual Fund	1,244,640		1,932,428	
Profit on Sale of Investments	4,579,843		-	
Profit on redemption of Mutual Funds	126,582		-	
Income from Services	-		-	
Reversal of Provision no longer required	-		27,453	
Doubtful Debts written back recovered	-		173,657	
Debit/Credit Balances Writtenoff	109,732		-	
		<u>12,348,651</u>		<u>8,855,675</u>
SCHEDULE "N" INCREASE/(DECREASE) IN STOCK OF FIN.GOODS,W.I.P AND TRADING SHARES				
Closing Stock	13,432,104		17,512,104	
Less: Opening Stock	<u>17,512,104</u>		<u>16,168,631</u>	
		<u>(4,080,000)</u>		<u>1,343,473</u>
SCHEDULE "O" COST OF MATERIALS CONSUMED				
Opening Stock	8,898,545		10,569,615	
Add: Purchases	300,853,531		518,515,457	
	<u>309,752,076</u>		<u>529,085,072</u>	
Less: Closing Stock	14,016,086		8,898,545	
		<u>295,735,990</u>		<u>520,186,527</u>
SCHEDULE "P" STAFF COST				
Salaries and Wages	23,255,966		20,177,869	
Contribution to Provident and Other Funds	1,479,348		1,498,695	
Staff Welfare Expenses	2,467,469		2,465,979	
		<u>27,202,783</u>		<u>24,142,543</u>



Gujarat Petrosynthese Limited

SCHEDULES TO THE ACCOUNTS

	As at 31.03.2010		As at 31.03.2009	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE "Q" MANUFACTURING AND OTHER EXPENSES				
Stores and Spares	1,953,276		1,102,572	
Power, Fuel and Water	66,679,434		60,705,572	
Repairs & Maintenance	6,294,937		6,047,780	
Rates and Taxes	840,497		880,074	
Excise Duty	769,388		641,920	
Water Charges	1,854,105		1,343,328	
Insurance	996,848		1,183,275	
AUDITORS REMUNERATION	-			
Audit Fees	129,785		129,785	
Other Fees	38,605		27,575	
Out of Pocket Expenses	-		435	
Taxation Services	6,618			
Managerial Remuneration & Perks	11,281,909		10,340,533	
Directors Sitting Fees	117,000		107,500	
Travelling Expenses	1,229,584		1,777,799	
Donations	12,550		113,300	
Pollution Control Expenses	502,482		168,827	
Transportation Freight and Octroi	639,871		739,533	
Research and Development	505,976		649,855	
Retainers Fees	2,573,748		2,165,607	
General Expenses	16,344,943		10,131,393	
Speciman Charges	17,600		32,689	
Loss on Sale of Car	150,321		-	
Machinery Hire Charges	45,090		50,034	
Vehicle Expenses	1,421,704		1,384,686	
Packing Material	-		2,844,643	
		<u>114,406,270</u>		<u>102,568,715</u>
SCHEDULE "R" INTEREST				
Interest to Banks	663,797		194,391	
Interest on Security Deposit & Other Interest	3,401,657		3,983,660	
Proccessing Fees & Bank Charges	201,470		426,689	
		<u>4,266,924</u>		<u>4,604,740</u>



Gujarat Petrosynthese Limited

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 subsidiaries GPL Finance and Investments Ltd. and Gujarat Polybutenes Private Limited.

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

Principles:

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

2. Other Significant Accounting Policies:

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

3. Notes to Accounts:

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

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

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



Gujarat Petrosynthese Limited

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.NIL (P.Y.Rs 57,000/-).
- 8) Based on the information received by the Company from the creditors in regard to their S.S.I Status, there are no amounts due to such creditors outstanding for over 30 days exceeding Rs. One lakh as on 31st March, 2010 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 2010	31st March 2009
Number of Non-resident Equity Shareholders	161	161
Number of Equity Shares	467,409	467,409
Amount Remitted	NIL	NIL

10) Prior Period Items: A net debit amount of Rs. 19,719 /- (Previous year Rs. 49,515/)

11) Segment Reporting:

A. Primary Segment Information

Business Segment	Polybutene	Alloys & Blends	Total
Segment Revenue			
Sales	357,983,821	92,423,549	450,407,370
Less: Inter Segment sales			
Net Sales	357,983,821	92,423,549	450,407,370
Segment Results			
Profit/(Loss) before Interest & Tax	12,748,918	11,511,731	24,260,649
Less: Interest	9,233,501	5,763	9,239,264
Profit/(Loss) before Tax	3,515,417	11,378,608	14,894,025
Provision for Taxation			
Current year	1,486,666	1,550,000	3,036,666
Deferred Tax	(64,490)		(64,490)
Profit/(Loss) after Tax	2,093,241	9,828,608	11,921,849
Other Information			
Segment Assets	132,081,338	9,828,608	141,909,946
Segment Liabilities	132,081,338	9,828,608	141,909,946
Capital Expenditure	1,001,982	201,709	1,203,691
Depreciation	11,426,803	25,616,012	37,042,815
Other significant non-cash expenses			



Gujarat Petrosynthese Limited

B. Secondary Segment Information:

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

C. Other Disclosures:

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

12 Earning Per Share:		(Rs. In Lacs)
	2009-2010	2008-2009
a) Net Profit available for equity Shareholders (Numerator used for calculation)	87.89	91.13
b) Weighted Average No. of equity shares Used as denominator for calculating EPS(Including shares to be issued to erstwhile KPL shareholders)	60,18,801	60,18,801
c) Basic and Diluted Earning per share (Rs) (Equity Share of face value of Rs.10 each)	1.46	1.51

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 31st 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 **SARJBA & CO**
CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Sd/-
(A. JAGANNATH BABU)
Partner

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

Sd/-
URMI .N. PRASAD
EXECUTIVE DIRECTOR

PLACE : BANGALORE
DATE : JULY 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010



Gujarat Petrosynthese Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

S.NO.	PARTICULARS	2009-2010	2008-2009
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net Profit before Tax	118.60	137.21
	Adjustments for :		
	Prior period	(0.01)	(6.13)
	Prov. for diminution in value of investments	-	-
	Depreciation	51.19	53.44
	Income Tax and FBT	(31.35)	(45.64)
	Bad Debts written off		
	Preliminary expenses written off	0.86	0.86
	(Profit)/Loss on sale of fixed Assets	-	-
	(Profit)/Loss on Redemption of Investments	(47.06)	-
	Interest Received	(66.79)	(69.61)
	Bad Debts recovered		
	Interest Paid	42.67	46.05
	Operating profits before working capital changes	68.10	116.18
	Adjustments for:		
	Decrease/(Increase) in Inventories	(3.46)	(7.86)
	Decrease/(Increase) in Trade & other receivables	(210.14)	(134.99)
	Decrease/(Increase) in Loans & Advances	(22.49)	(152.85)
	Increase/(Decrease) in Payables	(47.10)	144.23
	Cash Generated From Operations	(215.09)	(35.28)
	Interest paid	42.67	46.05
	Net Cash inflow/(outflow) from operating activities	(257.76)	(81.33)
B.	CASH FLOW FROM INVESTMENT ACTIVITIES		
	Purchase of Fixed Assets	(56.78)	(12.18)
	Sale of Fixed Assets (net)	5.78	2.06
	(Purchase)/Sale of Investments	411.88	217.38
	Profit/(Loss) on sale of investments	47.06	-
	Interest Received	66.79	69.61
	Decrease/(Increase) in loans to Bodies Corporates & Others		
	Miscellaneous Receivables		
	Miscellaneous Payables		
	Bad Debts recovered		
	Net Cash inflow / (outflow) from Investing Activities	474.73	276.87
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	(254.89)	106.48
	Repayment of Borrowings	-	-
	Public Issue expenses		
	Dividends Paid		
	Net Cash Inflow/(outflow) in cash from Financing Activities	(254.89)	106.48
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(37.92)	302.03
	Cash and cash equivalents at beginning of year	898.35	596.32
	Cash and cash equivalents at end of year	860.42	898.35

As per our report of even date
For **SARJBA & CO**
CHARTERED ACCOUNTANTS
Sd/-
(A. JAGANNATH BABU)
Partner

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 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010

PLACE : MUMBAI
DATE : JULY 22, 2010



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 33rd Annual General Meeting of the Company held at Registered office of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Tuesday the 7th September, 2010 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 33rd Annual General Meeting of the Company at No. 24, IInd Main, Phase I, Doddanekundi Industrial Area, Mahadevapura Post, Bangalore - 560 048. on Tuesday the 7th September, 2010 at 3.00 PM and at any adjournment thereof.

Signed this _____ of _____ 2010

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, IInd Main, Phase I,
Doddanekkundi Industrial Area, Mahadevapura, Bangalore - 560 048.