

GUJARAT PETROSYNTHESIS LIMITED



ISO COMPANY

**THIRTY THIRD ANNUAL REPORT
2009 - 2010**



Gujarat Petrosynthese Limited

BOARD OF DIRECTORS

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

BANKERS

AXIS BANK LTD.

LEGAL ADVISOR

KANGA & CO

AUDITORS

SARJBA & CO.,

REGD. OFFICE & WORKS

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

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,
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By order of the Board of Directors
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(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

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.

Financial Results	(Rs. in Lacs)	
Particulars	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

Gujarat Petrosynthese Limited

II. TECHNOLOGY ABSORPTION

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

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

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