

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Shareholders of **MAHARASHTRA POLYBUTENES LIMITED** will be held on Thursday, 27th September, 2012 at 11.00 a.m. at Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and Audited Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. V.B. Dalal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956 M/s. B.K.G & Associates, Chartered Accountants, Mumbai be and is hereby appointed as the Statutory Auditors of the Company in place of retiring Statutory Auditors M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration to be fixed by Board."

B. SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies act 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make loan(s) and/or give any guarantee(s) provide any security(ies) in connection with loan(s) made to and/or acquire by way of subscription, purchase or otherwise the securities of the Group Associate Companies, up to a limit not exceeding Rs. 50 crores notwithstanding that the aggregate of the loans, guarantees or securities so far given or to

be given to and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section and per company limits may not exceed Rs 25 crores.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the proposed investment or loan or guarantees to be provided and further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

By Order of the Board of Directors

Neema Tiwari
Company Secretary

Place : Navi Mumbai

Date : August 13, 2012

NOTES :

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE MEETING.**
- ii. Corporate Members intending to send their authorized representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf of the meeting.
- iii. Explanatory Statement as required under section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- iv. Members are requested to bring their Attendance Slip along with their copy of Annual Report at the Meeting.

- v. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- vi. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- vii. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11 a.m. and 1 p.m. upto the date of the meeting.
- viii. The Company has notified closure of Register of Member and Share Transfer Books from Monday, 24th September, 2012 to Thursday, 27th September, 2012 (both days inclusive).
- ix. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited, immediately
 1. The change in the residential status on return to India for permanent settlement;
 2. The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
- x. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form2B (which will be made available on request) to the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited.

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 173(2) OF THE COMPANIES ACT, 1956**

ITEM NO. 3

M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai the Statutory Auditors of the Company have expressed their inability to continue as the Statutory Auditors of the Company from the financial year 2012-2013 due to their pre-occupations in other assignments and also informed the Company that they do not have any objection for appointing any person as Statutory Auditors of the Company from financial year 2012-2013.

The Board is of the view that M/s. B K G & Associates, Chartered Accountants, Mumbai are reputed CA firm and their knowledge and experience would be of immense benefit and value to the Company and therefore recommends their appointment as Statutory Auditors of the Company.

The Company has received a special notice from a shareholder of the Company, in terms of the provisions of the Companies Act, 1956, signifying his intention to propose the appointment of M/s. B K G & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

M/s. B K G & Associates, Chartered Accountants, Mumbai have also expressed their willingness to act Statutory Auditors of the Company, if appointed, and further confirmed that the said appointment would be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

Since this being the appointment of Auditors other than the retiring Auditor, calls for Special Notice under section 225 and accordingly the same has been covered as Special Business in the Notice for calling the Annual General Meeting.

None of the Directors are interested or concerned in this item of business.

ITEM NO. 4

As per the provisions of Section 372A of the Companies Act, 1956 the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of -

- i) Sixty percent of the aggregate of the paid up capital and free reserves or,
- ii) One hundred percent of its free reserves, whichever is more,
if Special Resolution is passed by the shareholders of the lending Company.

Since the limits mentioned in the resolution are in excess of above prescribed limits, approval of members is required. This permission is sought to the provisions of Section 372A of the Companies Act, 1956 to give powers to the Board of Directors for making further investments, loans and guarantees. The investments, loans and guarantees are proposed to be made out of own/surplus funds internal accruals/borrowed funds, the objective of which is optimum utilization of surplus funds of the Company and also to achieve long term strategic and business objectives. The Investments, loans and guarantees will be made on terms and conditions most beneficial to the Company/at prevailing market rates pursuant to the provisions of Section 372A of the Companies Act, 1956. it is considered advisable and necessary to obtain the consent of the members by a special resolution giving the necessary authority to the Board of Directors to give guarantees or provide securities upto an aggregate limit of Rs. 50 crores(total) notwithstanding that the aggregate of the loans, guarantees or securities so far given or to be given to and/or securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section and per company limits may not exceed Rs 25 crores.

None of the Directors are interested or concerned in this item of business, except Mr. Brijmohan Rathi who is Director in Group Associate Companies.

DIRECTORS' REPORT

To
The Members

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on March 31, 2012.

1. FINANCIAL HIGHLIGHTS

(₹ in Lacs)

PARTICULARS	Year ended 31.03.2012	Year ended 31.03.2011
Sales	7423.91	9021.86
Other Income	34.00	0.59
Profit Before Depreciation and Tax	619.63	670.65
Less: Depreciation	169.39	152.2
Profit Before Tax	450.24	518.45
Sundry credit balance written off/(back)	(0.61)	0.87
Provision for MAT	91.58	103.16
Provision for deferred Tax	149.75	(271.80)
Profit after Tax	209.51	686.23
Proposed Dividend	Nil	77.95
Dividend Distribution Tax	Nil	12.95
Balance carried forward to Balance Sheet	209.51	595.33

The Balance in Profit & Loss Account for the year is ₹ 209. 51 Lacs (Previous year ₹ 595.33 Lacs), after adjusting of ₹ 62.40 Lacs (Previous Year ₹ 60.89 Lacs). Balance of ₹1219.41 Lacs (Previous Year ₹ 947.50 Lacs) is carried to Balance Sheet.

2. PERFORMANCE FOR THE FINANCIAL YEAR 2011-12

The company has achieved a turnover of Rs. 7423.91 Lacs for the year ended March 31, 2012 as against Rs 9021.86 Lacs for the previous year. The year witnessed decline in operation due to non-availability of raw material. The Company expects better performance in the current year with good capacity utilization and improved consumption.

The plant adheres to excellent safety norms and conducts periodical safety & technical audits, training programme on chemical and safety exercises. The plant adopts zero effluent & waste minimization concepts. The company produces various grades of PIB like HV 10, HV 30, HV 100 and HV 200. The feedstock prices remained high during the year; however the company was able to manage and cater to the customers' requirements and expectations.

3. DIVIDEND

Due to the ongoing expansion/diversification plans and raw material situation, the Board of Directors are of the opinion that shareholders would be best served by retaining the surpluses back into the company. Hence no dividend has been proposed.

4. FIXED DEPOSIT

The Company has not accepted any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review.

5. FUTURE BUSINESS PLANS OF THE COMPANY

During the period under review, the Company's manufacturing activities were affected due to short supply of raw material and the Company has produced 4683 MTs of Polyisobutenes (PIB). And for the current year the company has a target to outperform previous year's production level as the availability of raw material is improving but the high prize of raw material remains as a big concern.

With a view to further expand the operations and to raise the top line as well as the bottom line the company is foraying into trading of various chemicals and energy products like High-density polyethylene (HDPE), low density polyethylene (LDPE), base oil, furnace oil, polymers, LPG, coal etc.

The company has a ready market for these products as it enjoys excellent business rapport with the potential customers. The management is determined to expand its core customer base. The company is also tapping the huge export market. Trading will contribute substantially to the top line and satisfactorily to the bottom line.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibilities Statement, it is hereby confirmed:

- i) that in the preparation of accounts for the period ended March 31, 2012, the applicable Accounting Standards have been followed and there are no material departures;
- ii) that the selected Accounting Policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit of the Company for that period;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- iv) that the accounts have been prepared on a going-concern basis.

7. PERSONNEL

During the year under review, none of the employees received remuneration of or in excess of the limits prescribed as per the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

8. AUDITORS AND AUDITORS' REPORT

The present Statutory Auditors of the Company, M/s. Parekh Shah & Lodha, Chartered Accountants, Mumbai, have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company on their retirement at the forthcoming Annual General Meeting. The Board has accepted the same and it is proposed to appoint M/s B K G & Associates, Chartered Accountants, as Statutory Auditors of the Company.

The observation made by the Statutory Auditors in their report are self explanatory and do not need any further clarification.

9. COST AUDIT

M/s C. G. Pampat & Co, Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for the financial year 2011-12 in respect of 'Polyisobutene' manufactured by the Company.

The Cost Statements for the financial year 2011-12 will be filed before 27.09.2012 with appropriate authorities.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 217 (1) (e) of the Act read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, form part of this Report.

11. CORPORATE GOVERNANCE

Being observant and responsible, the company is committed to high standards of the corporate ethics, professionalism and transparency. As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on Corporate Governance forms part of the Annual Report A certificate from the Statutory Auditors of the Company confirming the compliance of conditions of corporate governance under Clause 49 of the Listing Agreement is also attached to this Report.

12. EMPLOYEE RELATIONSHIP

The Company enjoyed very cordial relations with the employees during the year under review and the Management wishes to place on record its sincere appreciation of the efforts put in by workers, staff and executives for achieving excellent results under demanding circumstances.

13. DIRECTORS

Mr. V.B. Dalal, Director, retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

The Board of Directors of the Company expresses their deep condolences on the sad demise of Sri Pyarelal Rathi, Director of the Company, who passed away on 10th July, 2012 and place on record their appreciation for valuable services rendered by Shri Pyarelal Rathi during his tenure as a Director of the Company.

14. LISTING WITH STOCK EXCHANGE

The equity shares of the Company are listed with the Bombay Stock Exchange. The Company has made application with National Stock Exchange of India for listing thereon.

15. DEMATERIALISATION OF SHARES

The company has dematerialized its shares with both depositories viz. CDSL and NSDL.

16. ACKNOWLEDGEMENTS

The Directors would like to express their sincere appreciation and gratitude for the support and co-operation received from the Central and State Governments Department, Civic Corporation and authorities, Banks, Customers, Suppliers, Associates, Vendors and Members during the year under review. The Directors also wish to thank and place on record their appreciation for all the employees for their committed and sincere services and continued cooperation throughout the year.

For and on behalf of the Board

Place : Navi Mumbai
Date : August 13, 2012

Brijmohan Rathi
Chairman and Managing Director

ANNEXURE 'A'

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2012.

A. CONSERVATION OF ENERGY

- (a) Energy Conservation Measures taken :
 - "Waste streams were incinerated and the heat was recovered as fuel equivalent.
 - "Electricity consumption was brought down through planned production and judicious usage of equipments.
- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not Envisaged.
- (c) Impact of energy conservation measures :

Specific energy consumption of fuel oil per ton of steam generated and electricity consumption had come down due to measures adopted in A (a)(i) and (ii) above.
- (d) Total energy consumption per unit of production: As per Form A.