



## GUJARAT PETROSYNTHESIS LIMITED

Reg. Off: No.24, II Main, Doddanekkundi Industrial Area,  
Phase I, Mahadevapura Post, Bangalore-560 048.

Ph: 91 – 80 - 28524133 Fax: 91– 80 -28524171

E-mail : [info@gpl.in](mailto:info@gpl.in), Website: [www.gpl.in](http://www.gpl.in)

CIN No. L23209KA1977PLC043357



24<sup>th</sup> September, 2018

To  
The Bombay Stock Exchange Ltd.  
Corporate Services,  
New Trading Ring, Rotunda Building,  
25<sup>th</sup> Floor, P. J. Tower, Dalal Street,  
Fort, Mumbai 400001  
Fax : (022) 22723121/ 22722037/ 22722041

Dear Sir,

**Ref : Gujarat Petrosynthese Limited (506858)**

**Sub: Adoption of Annual report by shareholders in 41<sup>st</sup> Annual General Meeting.**

Pursuant to regulation 34 (1) of securities and exchange board of India (Listing obligation and disclosure requirements) regulation 2015, please find enclosed the Annual Report of the Company, for the financial year 2017-18

Kindly take the above Annual Report on your record and oblige.

Thanking You,

Yours Faithfully,

**For Gujarat Petrosynthese Limited**



**Ankita Gokani**

**Company Secretary**

Encl: A.A.

# **GUJARAT PETROSYNTHESIS LIMITED**



ISO COMPANY

**FORTY FIRST ANNUAL REPORT  
2017-18**

<b>BOARD OF DIRECTORS</b>	Dr. R.M. THAKKAR	Chairman and Non-Executive Director
	Ms. URMI N. PRASAD	Joint Managing Director
	Ms. CHARITA THAKKAR	Joint Managing Director
	Mr. T.N.R. RAO (up to 25/07/2018)	Independent Director
	Mr. M.D. GARDE	Independent Director
	Mr. V. RAGHU	Independent Director

<b>BANKERS</b>	AXIS BANK LIMITED STATE BANK OF INDIA CANARA BANK IDBI BANK BANK OF BARODA HDFC BANK
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<b>AUDITORS</b>	M/S Dayal and Lohia Mumbai
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<b>COMPANY SECRETARY</b>	Ms. Ankita Gokani
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<b>REGD. OFFICE &amp; WORKS</b>	NO. 24, II MAIN PHASE I, DODDANEKUNDI INDUSTRIAL AREA, MAHADEVPURA POST, BENGALURU - 560 048 Ph No. : 080-28524133, Email : info@gpl.in; secretarial@gujaratpetrosynthese.com
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<b>CIN No.</b>	L23209KA1977PLC043357
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Scrip Code : 506858

Dear Shareholder(s),

**Sub.:** Mandatory update of PAN and Bank details

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

As per the records of the Company / RTA, your folio needs to be updated with the PAN and complete bank account details.

Hence you are requested to submit the following documents within 21 days of receipt of this communication:

- The form which has been provided overleaf of this letter, dully filled in and signed by all the shareholders
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Original cancelled cheque leaf with the name of first /sole shareholder printed on it and in absence of personalized cheque, a copy of bank passbook showing name & account details of the account holder attested by bank
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact our RTA at the following address:

Bigshare Services Pvt. Ltd  
1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai – 400 059  
Tel. No. 91 22 62638200, email : investor@bigshareonline.com

On receipt of the above document we will update the same in our records.

**Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.**

Thank you.

P.T.O.

**FORM FOR FURNISHING PAN AND BANK DETAILS**

Bigshare Services Pvt. Ltd  
 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
 Makwana Road, Marol, Andheri East, Mumbai – 400 059.

Dear Sir/Madam,

Unit: **Gujarat Petrosynthese Limited**

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

Folio No.	
Mobile No.	
E-Mail id	

<b>Bank Account Details : (for electronic credit of dividends)</b>										
Name of the Bank										
Name of the Branch										
Account Number (as appearing in cheque book)										
Account Type (Please tick as applicable)					<b>Saving</b>		<b>Current</b>		<b>Cash Credit</b>	
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Digit IFSC Code					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<b>Name</b>	<b>PAN</b>	<b>Signature (as per specimen registered with the Company / RTA)</b>
<b>First Holder :</b>			
<b>Joint Holder 1 :</b>			
<b>Joint Holder 2 :</b>			

Date:

Place:

**Note :** The above details will not be updated if the supporting documents are not attached and or not duly signed by the shareholder (including joint holders).

NOTICE

**NOTICE IS HEREBY** given that the 41<sup>st</sup> ANNUAL GENERAL MEETING of the Members of Gujarat Petrosynthese Limited will be held at the Registered office of the Company at 24, II Main, Doddanekkundi Industrial Area, Bangalore 560048 on Friday, the 21<sup>st</sup> September, 2018 at 3.00 PM to transact the following business;

**ORDINARY BUSINESS**

**1. To consider and adopt:**

- (a) **the audited standalone financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and**
- (b) **the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the auditors thereon.**

**2. To appoint Ms. Urmi N. Prasad, (DIN 00319482), who retires by rotation and being eligible, offers herself for re-appointment as a Director.**

**SPECIAL BUSINESS:**

**3. Re-appointment of Mr. M.D.Garde as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Moreshwar Garde (DIN: 00689103), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2019 to 31st March 2024, and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** subject to approval by the shareholders of the Company by passing a special resolution at the forthcoming Annual General Meeting of the Company, consent of the Board be and is hereby given for continuation of holding of office of an Independent Director by Mr. Moreshwar Garde (DIN: 00689103), who has attained the age of 70 (Seventy) years.

**4. Re-appointment of Mr. V. Raghu as an Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. V. Raghu (DIN: 02012383), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed to hold office for five consecutive years for a term from April 1, 2019 to 31st March 2024, and whose office shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** subject to approval by the shareholders of the Company by passing a special resolution at the forthcoming Annual General Meeting of the Company, consent of the Board be and is hereby given for continuation of holding of office of Independent Director by Mr. V. Raghu (DIN 02012383) who has attained the age of 70 (Seventy) years.

Regd. Office:  
24, II main, Doddanekkundi Industrial Area,  
Bangalore 560 04  
CIN: L23209KA1977PLC043357  
Website: [www.gpl.in](http://www.gpl.in); Email: [info@gpl.in](mailto:info@gpl.in)  
Tel: 022-22049309

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

**(Dr. R. M. Thakkar)**  
Chairman & Non-Executive Director  
Din: 00248949

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

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**NOTES**

1. **Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is attached hereto.**
  2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll on his/her behalf and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.**
  3. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
  4. 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.
  5. As per the requirement of the Regulation 46 of the SEBI Listing Regulations, 2015 the Company is updating information on its website [www.gpl.in](http://www.gpl.in). This portal contains along with business information, quarterly unaudited results, Financial Statements containing Notice, Directors' Report, Auditor's Report, quarterly shareholding pattern, contact details of the Compliance Officer for communicating investor grievances.
  6. In terms of Section 152 of the Act, Ms. Urmi N. Prasad, Director, retires by rotation at the Meeting and being eligible, offers herself for reappointment. Details of Directors retiring by rotation / re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.
  7. Member/Proxies/Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy(ies) of their Annual Report.
  8. 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 at the Meeting.
  9. The Register of Members and share transfer books of the Company will remain closed from 14<sup>th</sup> September, 2018 to 21<sup>st</sup> September, 2018 (both days inclusive) for the purpose of the Annual General Meeting.
  10. The Company's Registrar and Share Transfer Agent for its share registry (both, physical as well as electronic) is M/s. Bigshare Services Pvt. Ltd. (Bigshare) having its office at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400059, Phone : (022) 62638200, Email-[investor@bigshareonline.com](mailto:investor@bigshareonline.com) (Unit: Gujarat Petrosynthese Limited).
  11. **Members holding shares in physical mode:**
    - a. **are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Bigshare, as mandated by the Securities and Exchange Board of India (SEBI) for every participant in securities market.**
    - b. **are advised to make nomination in respect of their shareholding in the Company.**
  12. **Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Bigshare, for consolidation into a single folio.**
  13. **Members who have not registered / updated their e-mail addresses with Bigshare, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars, etc., electronically. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.**
  14. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the Company's registrar and share transfer agent in this regard.
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15. Voting Options

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide to its members a facility to exercise their right to vote on resolutions proposed to be passed at the Meeting by electronic means (“e-voting”). The members may cast their vote(s) using an electronic voting system from a place other than the venue of the Meeting (‘remote e-voting’).
- ii. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again.
- iii. A member can opt for only single mode of voting, that is, through remote e-voting or voting at the Meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as “INVALID”
- iv. The Company has engaged the services of Bigshare Services Private Limited (‘Bigshare’) as the Agency to provide e-voting facility

14. The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 18<sup>th</sup> September, 2018 (9.00am) and ends on Thursday, 20<sup>th</sup> September, 2018 (5.00pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 14<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (<b>refer serial no. printed on the name and address sticker/ Postal Ballot Form/Email</b>) in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul>



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## 15. COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING

### INSTRUCTIONS

- i. The e-Voting period commences on Tuesday, 18<sup>th</sup> September, 2018 (9.00am) and ends on Thursday, 20<sup>th</sup> September, 2018 (5.00pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cutoff date Friday, 14<sup>th</sup> September, 2018 may cast their vote electronically. Thereafter, the e-Voting module shall be disabled for voting. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- ii. The voting rights of shareholders shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.
- iii. M/s J J Gandhi & Co. Practicing Company Secretary (Membership No.: 3519; CP No: 2515) having address: F-46, India Bulls Mega Mall, Besides Dinesh Mill, Nr. Jetalpur Under Bridge, Jetalpur, Vadodara – 390 007, has been appointed as the Scrutinizer to scrutinize the e-Voting process.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.
- v. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.gpl.in](http://www.gpl.in) and on the website of CDSL <https://www.evotingindia.com> within two days of the passing of the resolutions at the AGM of the Company. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
- vi. For Members holding shares in physical form, the password and details can be used only for e-Voting on the resolutions given in this notice.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act")**

**As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. 3 and 4 of the accompanying Notice**

**Item No.3**

Re-appointment of Mr. M. D. Garde as an Independent Director of the Company

The Members of the Company, at the 37th Annual General Meeting held on September 25<sup>th</sup>, 2014 had approved the appointment of Mr. M.D.Garde as an Independent Director of the Company, whose term is due to expire on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Company's act 2013 and in view of Mr Garde's broad and deep experience and, continued valuable guidance to the management, it is proposed to re-appoint him for the second term as an independent Director on the Board of Gujarat Petrosynthese Ltd for a period of five years upto 31st March, 2024.

In the opinion of the Board, Mr. M.D.Garde fulfills the conditions specified in the Act and he is independent of the management. Copy of the draft letter for appointment of Mr. M.D.Garde as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. M.D.Garde as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No. 3 of the Notice as a Special Resolution.

Except Mr. M.D.Garde, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.3.

**Item No.4**

Re-appointment of Mr. V. Raghu as an Independent Director of the Company

The Members of the Company, at the 37th Annual General Meeting held on September 25<sup>th</sup>, 2014 had approved the appointment of Mr. V. Raghu as an Independent Director of the Company, whose term is due to expire on 31st March, 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In line with the aforesaid provisions of the Company's Act 2013 and in view of Mr. Raghu's broad and deep experience and continued valuable guidance to the management, it is proposed to re-appoint him for the second term as an independent Director on the Board of Gujarat Petrosynthese Ltd for a period of five years upto 31st March, 2024.

In the opinion of the Board, Mr. V. Raghu fulfills the conditions specified in the Act and he is independent of the management. Copy of the draft letter for appointment of Mr. V. Raghu as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day excluding Saturday.



## Gujarat Petrosynthese Limited

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. V. Raghu as an Independent Director. Accordingly, the Board recommends passing of the Resolution at Item No.4 of the Notice as a Special Resolution.

Except Mr. V. Raghu, being an appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No.4.

Annexure to the Notice

Details of Directors Retiring by Rotation/seeking appointment at the ensuing Annual General Meeting (in pursuance of Regulation 36 of the SEBI(LODR) Regulations, 2015.

Name of Director	Ms. Urmi N. Prasad
Date of Birth	26.09.1964
Date of first appointment	01.04.1993
Expertise in specific functional areas Qualifications Directorship of other boards as on March 31, 2018.	Accounts, Finance, Business Administration and Strategic Planning. B. Com. ACA, MBA (INSEAD France) Gujarat Polybutenes Pvt. Ltd.GPL Finance & Investments Ltd. Guardian Finance Ltd.Multichem Pvt. Ltd. Yashashree Commercial Services Pvt. Ltd.
Membership / Chairmanship of Committees of other Boards as on March 31, 2018	Nil

Details of Directors seeking re-appointment in the Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement)

Name of Directors	Mr. M D Garde	Mr. V. Raghu
Date of Birth	19/09/1945	30/09/1946
Date of Appointment	31/10/2007	25/05/2013
Expertise in specific functional areas	Insurance	Mechanical and Management
Qualifications	BE (Electrical) MBA	BE (Mechanical), MBA
Directorship held in other companies	Gujarat Polybutenes Pvt. Ltd.	Gujarat Polybutenes Pvt. Ltd. Multitech Industries India Pvt. Ltd. Wahi Sons Private Limited. Elevate Business Solutions Private Limited. Stanley Lifestyles Limited. V Max Consultants Private Limited.
Committee Positions held in other Companies	NIL	NIL

### Disclosure in terms of Regulation 36 of the SEBI(LODR) Regulations, 2015.

None of the Directors have inter-se relationship except Ms. Urmi N Prasad & Ms. Charita Thakkar, who are daughters of Dr. R M Thakkar.

**Regd. Office:**  
24, II main, Doddanekkundi Industrial Area,  
Bangalore 560 04  
CIN: L23209KA1977PLC043357  
Website: [www.gpl.in](http://www.gpl.in) ; Email: [info@gpl.in](mailto:info@gpl.in)  
Tel: 022-22049309

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

**Mr. R. M. Thakkar**  
Chairman & Non-Executive Director  
DIN No. 00248949

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

## BOARDS' REPORT

To the Members of,  
**Gujarat Petrosynthese Limited**

The Directors present the 41<sup>st</sup> Annual Report of the Company together with the Audited Financial Statement of the Company for the year ended 31st March, 2018.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2018 is summarised below:

Particulars	(Rs. in '000)	
	for the year ended on 31/03/2018	for the year ended on 31/03/2017
Revenue from operations	1,88,903	1,77,112
Other income	1,035	2,183
<b>Total income (I+II)</b>	<b>1,89,938</b>	<b>1,79,295</b>
<b>EXPENSES</b>		
Cost of Materials Consumed	1,55,135	1,42,994
Changes in Inventories of Finished & WIP Products	(516)	(332)
Employee benefits expense	26,699	24,003
Finance costs	76	14
Depreciation	2,272	2,712
Other expenses	25,549	33,031
<b>Total expenses (IV)</b>	<b>2,09,215</b>	<b>2,02,422</b>
<b>Profit/(loss) before exceptional item and tax (III-IV)</b>	<b>(19,277)</b>	<b>(23,127)</b>
<b>Exceptional Items</b>	19,784	27,906
<b>Profit/(loss) before tax (V-VI)</b>	<b>507</b>	<b>4,779</b>
<b>Tax Expense:</b>		
(1) Current tax	319	939
Less : MAT Credit available to utilise	-	-
(2) MAT Credit available to utilise pertaining to previous year	(1,054)	
(3) Deferred tax	(6,025)	(609)
(4) Earlier year taxes	1,031	-
<b>Profit/(loss) for the year (VII-VIII)</b>	<b>6,236</b>	<b>4,449</b>
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR (IX+X)</b>	<b>6,236</b>	<b>4,449</b>
Earnings per equity shares (Face Value of Rs.10/- each)		
Basic and Diluted earnings per share	1.04	0.75

### Dividend

Your Directors do not recommend any dividend.

### Performance & Future Outlook

The last year ended with a rise in sales revenue by 7% from Rs 1771 lakhs to Rs 1889 lakhs despite dealing with a shortage of raw material as well as a reduction in orders due to the commencement of the GST. The sales have since picked up and the Company has achieved sales of Rs 590 lakhs in the first quarter this year, an increase of over 30% compared to the first quarter last year. The Company continues its efforts in maintaining product quality and customer satisfaction and is targeting sales of over 2000 tons during the current year, barring unforeseen circumstances.

The Company is undertaking the sale of unused assets to unlock their value and use the proceeds in a manner more productive and beneficial to the Company. In line with the same, the Company was able to sell its unused office premises and an un-utilized parcel of land situated at Vadodara.

### Performance & Future Outlook of the wholly owned subsidiaries

#### Gujarat Polybutenes Private Limited

The operations of the Company have been shut down since February 2016 due to the non availability of feedstock at competitive prices. The Company is actively examining various avenues for business activities.

#### GPL Finance and Investments Limited

The Company ended the last financial year with a profit before tax of Rs 6,18,060 on a revenue of Rs 8,67,130

### Transfer to Reserve

No amount has been transferred to reserves during the year under review.

## Business

During the year under review, there is no change in the business activities of the Company.

## Material changes and commitment occurred after the end of Financial Year and upto the date of Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and upto the date of this report.

## Consolidated Financial Statement

In accordance with the provisions of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014, statement containing salient features of the financial statements of subsidiary companies is disclosed separately in **Annexure I** and forms part of the annual report. The consolidated financial statements are prepared in accordance with the Accounting Standard (AS) - 21 issued by the Institute of Chartered Accountants of India.

## Deposits

The Company has neither accepted nor renewed any deposits during the year under review to which the provisions of the Companies (Acceptance of Deposits) Rules 2014 applies.

## Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

Pursuant to provisions of section 186 of the Companies Act, 2013, during the year under review, details of loans and investments by the Company to other body corporate are as follows:

Sl.No.	Particulars	Amount
1.	Gujarat Polybutene Private limited(Wholly Owned Subsidiary Company)	3,90,00,000

## Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Joint Venture Company or Associate Company. But the Company has following 100% Subsidiary Companies.

1. Gujarat Polybutenes Private Limited.
2. GPL Finance and Investments Limited

## Changes in share capital

During the year under review, there is no change in the share capital of the Company.

## Transfer to Investor Education & Protection Fund.

In terms of Section 125 of the Companies Act, 2013, there is no amount required to be transferred to the Investor Education and Protection Fund established by the Central Government.

## Change in Directors and Kmp:

The Composition of the Board during the year was as per the provisions of Regulation 17(1) of listing regulation read with the Companies Act, 2013.

Mr. M D Garde and Mr. V. Raghu existing Independent Directors of the Company are recommended by the Nomination and Remuneration Committee, for their re-appointment as independent Directors by the shareholders of the Company at the forthcoming Annual General Meeting pursuant to the requirement of the provisions of Section 149 of the Companies Act, 2013. The Board recommends their appointments.

During the year the Company Secretary Ms. Shweta Kalgutkar resigned, and Ms. Ankita Gokani was appointed as the Company Secretary of the Company.

Mr. T N R Rao (DIN 01230757) resigned as an Independent Director of the Company with effect from 25th July, 2018. Mr. Rao has been a Director of our Company since 2007. As a member of the Board and Chairman of the Stakeholders Relationship Committee, he lent his vast knowledge and experience to the Company. The Board appreciates the contribution and efforts made by him during his tenure as an Independent Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Urmi N. Prasad (DIN 00319482), shall retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for reappointment.

Mr. M D Garde and Mr. V. Raghu, Independent Directors of the Company have given declarations that they continue to meet with the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

## Disclosure of Pecuniary Relationship

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company during the year. Also, no payment except sitting fees was made to any of the non-executive directors of the Company.

### Statement on declaration by the Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(6) & (7) of the Companies Act, 2013 which were taken on record by the Board.

### Statement on annual evaluation of the Board, Committees and its Directors:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual directors pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 read with Rule 8(4) of The Companies (Accounts) Rules, 2014 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, transparency, adhering to good corporate governance practices etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of Committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, leadership quality, attitude, initiatives decision making, commitment, achievements etc. In addition, the Chairman was also evaluated on the key aspects of his role.

### Independent Directors' Meeting

Independent Directors have given declarations that they meet with the criteria as mentioned in Section 149(6) of the Companies Act, 2013.

During the year under review, the Independent Directors met on March 18, 2018, *inter alia*, to discuss:

- Evaluation of performance of the Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of quality, consent and timelines of flow of information between the Management and the Board that is necessary for the Board for effective performance of its duties.
- To review the standard budget of the Company.

### Directors' Appointment and Remuneration Policy

The Company has constituted a Nomination and Remuneration Committee as per the provisions of Section 178(1) of the Companies Act, 2013. The Company has adopted the Policy for the Selection of the Directors and determining the Directors Independence and remuneration for the Directors and the Key Managerial Personnel.

The Company has a Non - Executive Chairman, two Joint Managing Directors and three Independent Directors.

### Board Meetings

During the year following Board Meetings were convened and held.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of Attendance
1	15.05.2017	6	6	100%
2	22.08.2017	6	5	83.33%
3	07.11.2017	6	5	83.33%
4.	11.02.2018	6	5	83.33%

### Director's Responsibility Statement

Your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures from the same;
- (b) the Directors have 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 as at March 31, 2018 and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

## Gujarat Petrosynthese Limited

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- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Audit Committee

The Audit Committee met four times during the year under review. All the recommendations made by the Audit Committee were accepted/ approved by the Board. The compositions of the Audit Committee are as under.

- |                    |          |
|--------------------|----------|
| 1. Mr. M.D.Garde   | Chairman |
| 2. Mr. V.Raghu     | Member   |
| 3. Dr. R.M.Thakkar | Member   |

### Compliance of Secretarial Standard

As per the requirement of provisions of Section 118(10) read with SS9 of Secretarial Standard 1, the Company has complied with the Secretarial Standard applicable to the Company

### Auditors & Auditors Report (Statutory Auditor)

Pursuant to provisions of Section 139 of the Companies Act, 2013 M/s Dayal & Lohia Chartered Accountants, Mumbai, the Statutory Auditors of the Company, were appointed for five financial years. The term of the Auditors will come to an end with the conclusion of the Annual General Meeting for the financial year 2021-22. As per the provisions of the Companies (Amendment) Act, 2017 the term of the Auditors do not require ratification every year.

Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued there under (including any Statutory modification(s) or re-enactment(s) for the time being in force), from M/s. Dayal Lohia & Associates. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any Statutory modification(s) or re-enactment(s) for the time being in force).

The Auditors' Report for the financial year ended 31st March, 2018, does not contain any qualification, reservation or adverse remark.

### Internal Auditor

Your Company has adopted an internal control system, commensurate with its size. The Company has re-appointed M/s. Krishna Deshikan & Co., Chartered Accountants as the Internal Auditor of the Company for the financial year 2018-19. Your Company ensures compliance and controls so that the assets and business interests of your Company are adequately safeguarded.

### Secretarial Auditor

The Board has appointed M/s. J.J. Gandhi & Co., Practising Company Secretary, to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year ended March 31, 2018 is annexed herewith marked as **Annexure II** to this Report. The Secretarial Audit Report contains a qualification as mentioned below:

As per the requirements of Regulation 31(2) of the SEBI (LODR) Regulations, 2015 the 100% share holding of the promoters have not been maintained in demat form.

It is replied that the certain Promoter members having shares in physical form are British Nationals and therefore do not possess the PAN card, which is mandatory for opening a demat account. For other promoter members, the management is under the process of converting them into demat.

### Risk Management Policy

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by the Company. The risk management Policy includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The operations and working of the Company can be affected on account of any of the following risk factors;

- Policy of Govt. as to excise duty etc.
- Policy of competitors
- Market conditions

### Vigil Mechanism / Whistle Blower Policy

The Company has adopted a Vigil Mechanism/Whistle Blower Policy to deal with fraud or mismanagement, where it has a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct / Business Ethics, if any. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue.



## Gujarat Petrosynthese Limited

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### Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company, as the Company does not meet with the requirement of profit criteria.

### Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure III** and is attached to this Report.

### Corporate Governance

The compliance with the corporate governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V is not applicable to the Company but your Company strives to ensure that best corporate governance practices are adopted and consistently followed.

### Related Parties Transactions

During the year under review, there have been no transactions or contracts entered or arrangements made with related parties pursuant to the provisions of section 188 of the Companies Act, 2013.

### Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in **Annexure IV** and is attached to this Report.

### Disclosure regarding issue of equity shares with differential voting rights

During the year under review, the Company has not issued any shares with differential voting rights.

### Disclosure regarding issue of employee stock option scheme

During the year under review, no option under 'Employee Stock Option Scheme was granted or vested to any employee or directors of the Company.

### Disclosure regarding issue of sweat equity shares

During the year under review, the Company has not issued any Sweat Equity Shares.

### Material changes affecting the financial position of the Company

There have not been any material changes and commitment affecting the financial position of the Company during the financial year 2017-18.

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

During the period under review, no order had been passed by the regulators/ courts or tribunals which have an effect on the going concern status of the Company and its operations.

### Disclosure under the Sexual Harassment of Women at workplace (Prevention of, Prohibition and Redressal) Act, 2013.

The Company has in place an Anti Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

### Acknowledgments

The Board of Directors wish to place on record their appreciation for the continuous support of the Bankers, vendors and buyers and shareholders of the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board  
**Gujarat Petrosynthese Limited**

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

**Ms. Urmi N. Prasad**      **Ms. Charita Thakkar**  
Jt. Managing Director      Jt. Managing Director  
DIN : 00319482              DIN: 00321561



**Form AOC - I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES****PART "A" : Subsidiaries**

S.No.	Name of the subsidiary	GPL Finance and Investments Limited	Gujarat Polybutenes Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2018	March 31, 2018
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	₹ in '000	₹ in '000
3	Share capital	10,000.00	72,900.00
4	Reserves & Surplus	17,732.85	(91,763.00)
5	Total Assets	27,817.68	41,485.00
6	Total Liabilities	27,817.68	41,485.00
7	Investments	18,364.00	3,777.00
8	Turnover	618.84	961.25
9	Profit before taxation	618.06	(14,615.98)
10	Provision for taxation	(3,157.05)	-
11	Profit after taxation	3,775.11	(14,615.98)
12	Proposed Dividend	-	-
13	% of shareholding	99.99%	99.99%

**Notes**

1	Names of subsidiaries which are yet to commence operations	NIL	NIL
2	Names of subsidiaries which have been liquidated or sold during the year.	NIL	NIL

**PART "B" : Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures is not applicable as the company does not have an associate or joint venture company.

For and on behalf of the Board of Directors

**Ms. Charita Thakkar**  
Jt. Managing Director  
DIN : 00321561

**Ms. Urmi N Prasad**  
Jt. Managing Director  
Din: 00319482

**SECRETARIAL AUDIT REPORT**

(For the Financial year ended on 31st March, 2018)

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Gujarat Petrosynthese Ltd.,  
24, II main, Doddanekkundi Industrial Area,  
Bengaluru - 560048

Dear Sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **Gujarat Petrosynthese Ltd.** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on **31<sup>st</sup> March, 2018**, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings. - As reported to us there were no FDI, ODI and ECB transactions in the Company during the financial year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
  - A. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - B. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - C. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not Applicable as the Company did not issue any security during the financial year under review.
  - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. - Not Applicable as the Company has not granted any options to its employees during the financial year under review.
  - E. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. - Not Applicable as the Company neither issue nor listed any debt securities during the financial year under review.
  - F. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - G. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. - Not Applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.
  - H. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. - Not Applicable as the Company did not buy back any security during the financial year under review.
6. Considering representation of management and products, process and location of the Company, following laws are applicable specifically to the Company. Having regard to the compliance system prevailing in the Company and on examination of the relevant records on test check basis, we further report that the Company has complied with the following laws;
  1. The Environment (Protection) Act, 1986;
  2. The Air (Prevention and Control of Pollution) Act, 1981;
  3. The Water (Prevention and Control of Pollution) Act, 1974



## Gujarat Petrosynthese Limited

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We have also examined compliance with the applicable clauses of the following;

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above except to the extent mentioned herein below;

1. *As per the requirements of Regulation 31(2) of the SEBI (LODR) Regulations, 2015 the 100% share holding of the promoters have not been maintained in demat form.*
2. *Promoters who are British National do not have PAN card.*

### **We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions were carried at meetings without any dissent.

Based on the Compliance mechanism established by the Company and on the basis of certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

Place : Vadodara  
Date : 28<sup>th</sup> July, 2018

This report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

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### **ANNEXURE TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
Gujarat Petrosynthese Ltd.,  
24, II main, Doddanekkundi Industrial Area,  
Bengaluru 560048

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and the practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**for J J Gandhi & Co.**  
**Practising Company Secretaries**  
**(J J Gandhi)**  
**Proprietor**  
**FCS No. 3519 and CP No. 2515**

Place : Vadodara  
Date : 28<sup>th</sup> July, 2018

**ANNEXURE III TO THE BOARD'S REPORT**

Information under Section 134(3)(m) read with the Companies (Accounts) Rules, 2014 and forming part of Director's Report for the year 2017-18

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

**A. POWER AND FUEL CONSUMPTION**

I. Electricity	2017-18		2016-17
a) Purchased Unit	KWH	696158	712126
Total amount	₹ in '000	5425	5113
Rate / Unit		7.79	7.18
b) Own Generator Through Diesel Generator Units	KWH	15928	27792
Unit Per Ltr	KWH	3.36	3.23
Rate / Unit		18.00	17.38

**B. CONSUMPTION PER UNIT PER PRODUCTION**

Standards (If any)	2017-18		2016-17
Product/Unit : Polymer / Kg			
Electricity	KWH	0.45	0.49

**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 a 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	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 & have resulted in improved efficiency of operation
2 Benefits derived as a result of above efforts	
3 In case of imported technology (imported during the fast 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 not taken place, reason therefore, any further plans of action	

**III. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year, the Foreign Exchange outgo was ₹ Nil. The Company has earned Foreign Exchange of ₹ Nil during the year.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

**Ms. Charita Thakkar**  
Jt. Managing Director  
Din : 00321561

**Ms. Urmi N Prasad**  
Jt. Managing Director  
Din : 00319482

**Form MGT- 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March, 2018**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

**I. Registration and other details**

I)	CIN:-	L23209KA1977PLC043357
II)	Registration Date	19/09/1977
III)	Permanent Account No.	AAACG8600K
IV)	Name of the Company	GUJARAT PETROSYNTHESE LIMITED
V)	Category / Sub Category of the Company	Company Limited by Shares - India non Govt. company
VI)	Address of the Registered office and Contact Details	24,II Main, Doddanekkundi Industrial Area, Phase 1, Mahadevapura, Bengaluru - 560048, Karnataka Email id: secretarial@gujaratpetrosynthese.com, info@gpl.in Website: www.gpl.in
VII)	Whether listed company	Listed Company
VIII)	Name, address and Contact details of Registrar and Transfer Agent	Bigshare Services Pvt. Ltd. Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri – East, Mumbai – 400059 Phone: 022 – 62638200 Ext: 210 Email id: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>

**II. Principal business activities of the company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated;

Sr. No.	Name and Description of main products/ service	NIC code of the product/ service	% to total turnover of the company
1	Manufacture of polymer/ synthetic	22208	100%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl.No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associates	% of Shares	Applicable
1.	Gujarat Polybutenes Private Limited	U24200GJ2002PTC045675	Subsidiary Company	99.99%	Sec 2(87)
2.	GPL Finance and Investments Limited	U65990MH1994PLC076332	Subsidiary Company	99.99%	Sec 2(87)

## Gujarat Petrosynthese Limited

### IV. Share Holding Pattern (Equity share capital breakup as percentage of total equity)

#### i) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01-4-2017				No. of Shares held at the end of the year 31-3-2018				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A)Shareholding of Promoter and Promoter Group2</b>									
(a)Shareholding Of Promoter And Promoter Group2									
(a)Individual / Huf	962397	8089	970486	16.26	972119	3451	975570	16.34	0.09
(b)Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)Bodies Corporate	1194840	0	1194840	20.02	1194840	0	1194840	20.02	0.00
(d)Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(i) Group Companies	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (a)(1) :	2157237	8089	2165326	36.28	2166959	3451	2170410	36.36	0.09
<b>Foreign</b>									
(a)Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(b)Individual	0	55770	55770	0.93	0	55770	55770	0.93	0.00
(c)Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(iii) Directors Relatives	485417	225840	711257	11.92	485417	225840	711257	11.92	0.00
Sub Total (a)(2) :	485417	281610	767027	12.85	485417	281610	767027	12.85	0.00
Total Holding For Promoters (a)=(a)(1) + (a)(2)	2642654	289699	2932353	49.13	2652376	285061	2937437	49.21	0.09
<b>(b) Public Shareholding</b>									
<b>Institutions</b>									
(a)Central / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(b)Financial Institutions / Banks	0	20259	20259	0.34	0	20259	20259	0.34	0.00
(c)Mutual Funds / Uti	18800	5910	24710	0.41	18800	5910	24710	0.41	0.00
(d)Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)Insurance Companies	814927	463	815390	13.66	814650	463	815113	13.66	(0.00)
(f) Fii's0	60000	60000	1.01	0	60000	60000	1.01	0.00	0.00
(g)Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(j) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(k) Alternate Investment Fund	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (b)(1) :	833727	86632	920359	15.42	833450	86632	920082	15.41	(0.00)
<b>Non-institutions</b>									
(a)Bodies Corporate	4343	30297	34640	0.58	3616	30108	33724	0.56	(0.02)
(b)Individual									
(i) (capital Upto To Rs. 1 Lakh)	137714	1516079	1653793	27.71	179259	1475489	1654748	27.72	0.02
(c)Any Others (specify)									
(i) Trusts	308	0	308	0.01	308	0	308	0.01	0.00
(ii) Clearing Member	860	0	860	0.01	1702	0	1702	0.03	0.01
(iii) Non Resident Indians (nri)	6004	416872	422876	7.08	6549	408727	415276	6.96	(0.13)
(iv) Non Resident Indians (repat)	2008	650	2658	0.04	3503	650	4153	0.07	0.03
(v) Non Resident Indians (non Repat)	617	0	617	0.01	1034	0	1034	0.02	0.01
(vi) Directors Relatives	0	702	702	0.01	0	702	702	0.01	0.00
(vii) Employee	0	0	0	0.00	0	0	0	0.00	0.00
(viii)Overseas Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(ix) Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
(x) Iepf	0	0	0	0.00	0	0	0	0.00	0.00
(d)Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (b)(2) :	151854	1964600	2116454	35.46	195971	1915676	2111647	35.38	(0.08)
Total Public Shareholding (b)=(b)(1) + (b)(2)	985581	2051232	3036813	50.87	1029421	2002308	3031729	50.79	(0.09)
<b>(c) Shares Held By Custodians And Against Which Depository Receipts Have Been Issued</b>									
(a)Shares Held By Custodians	0	0	0	0.00	0	0	0	0.00	0.00
(i) Promoter And Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Public	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (c)(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(c)=(c)(1)									
Grand Total (a) + (b) + (c)	3628235	2340931	5969166	100.00	3681797	2287369	5969166	100.00	(0.00)

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	YASHASHREE COMMERCIAL SERVICES PRIVATE LIMITED	800000	13.4022	0.0000	800000	13.4022	0.0000	0.0000
2.	URMI N PRASAD	487610	8.1688	0.0000	287610	4.8183	0.0000	-3.3505
3.	CHARITA THAKKAR	485417	8.1321	0.0000	485417	8.1321	0.0000	0.0000
4.	MULTICHEM PRIVATE LIMITED	394840	6.6147	0.0000	394840	6.6147	0.0000	0.0000
5.	URSULA RAMESHCHANDRA THAKKAR	352906	5.9121	0.0000	352906	5.9121	0.0000	0.0000
6.	HEMCHANDRA MEHTA	128212	2.1479	0.0000	128212	2.1479	0.0000	0.0000
7.	N RAJENDER PRASAD	119564	2.0030	0.0000	319564	5.3536	0.0000	3.3506
8	MRINALINI MEHTA	82321	1.3791	0.0000	82321	1.3791	0.0000	0.0000
9	RAVINDRARAI B. MEHTA	42900	0.7187	0.0000	42900	0.7187	0.0000	0.0000
10	HEMCHANDRA MEHTA	15307	0.2564	0.0000	15307	0.2564	0.0000	0.0000
11	RAVINDRARAI B. MEHTA	12870	0.2156	0.0000	12870	0.2156	0.0000	0.0000
13	ANANTHA LAKSHMI N	4638	0.0777	0.0000	4638	0.0777	0.0000	0.0000
14	RAMESHCHANDRA MAGANLAL THAKKAR	2317	0.0388	0.0000	7401	0.1240	0.0000	0.0852
15	ADHIK NARAYAN SHIRODKAR	2116	0.0354	0.0000	2116	0.0354	0.0000	0.0000
16	RAJENDRA ADHIK SHIRODKAR	845	0.0142	0.0000	845	0.0142	0.0000	0.0000
17	SHAILA ARUN POWLE	195	0.0033	0.0000	195	0.0033	0.0000	0.0000
18	SMITA PRAKASH MAYEKAR	195	0.0033	0.0000	195	0.0033	0.0000	0.0000
19	RAGHAVENDRA INDUKUMAR THAKKAR	100	0.0017	0.0000	100	0.0017	0.0000	0.0000
		<b>2932353</b>	<b>49.1250</b>	<b>0.0000</b>	<b>2937437</b>	<b>49.2103</b>	<b>0.0000</b>	<b>0.0853</b>

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year 31/03/2017		Cumulative shareholding during the year 31/03/2018	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1	At the beginning of the year	2932353	49.13	2932353	49.13
	INCREASE 16-06-2017	116	0.001	2932469	49.131
	INCREASE 23/06/2017	1587	0.026	2934056	49.157
	INCREASE 21/07/2017	567	0.009	2934623	49.166
	INCREASE 28/07/2017	725	0.012	2935348	49.178
	INCREASE 18/08/2017	1500	0.025	2936848	49.203
	INCREASE 23/02/2018	140	0.002	2936988	49.205
	INCREASE 02/03/2018	449	0.007	2937437	49.212
	At the end of the year			2937437	49.212

(iv) Shareholding Pattern of top Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sl. No	Name	No. of Shares at the beginning/End of the year	Percentage of total shares of the company	Increase/Decrease in share-holding	Reason	Number of Shares	Percentage of total shares of the Company
1	LIFE INSURANCE CORPORATION OF INDIA	5,38,498	9.02	0	Transfer	5,38,498	9.02
2	GENERAL INSURANCE CORPORATION OF INDIA	2,76,429	4.63	-277	Transfer	2,76,152	4.63
3	CHENGUAN CHEMICAL RESEARCH INSTITUTE	60,000	1.01	0	Transfer	60,000	1.01
4	KARNATAKA STATE FINANCIAL CORPORATION	20,000	0.34	0	Transfer	20,000	0.34
5	LIC MF SPECIAL UNIT SCHEME	18,520	0.31	0	Transfer	18,520	0.31
6	SOUTHERN INDIA DEPOSITORY SERVICES P LTD	10,000	0.17	0	Transfer	10,000	0.17
7	BALRAM BHARWANI	7,920	0.13	80	Transfer	8,000	0.13
8	JITESH BHAGWANDAS SHAH	3,000	0.05	4115	Transfer	7,115	0.12
9	MAHENDRA GIRDHARILAL	7,070	0.12	0	Transfer	7,070	0.12
10	FILATEX INDIA LTD.	6,500	0.11	0	Transfer	6,500	0.11
11	LUCIENNE VIEGAS	6,435	0.11	0	Transfer	6,435	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name	Shareholding at the end of the year		Increase/Decrease in Share holding	Reason	Cumulative Share holding during the year	
		No. of shares	% of total shares of the company			No of shares	% of total shares of the company
1	Rameshchandra Thakkar	2317	0.04	5084	Acquired from open market	7401	0.12
2	Urmi N. Prasad	487610	8.17	200000	Transfer	287610	4.82
3	Charita Thakkar	485417	8.13	NIL	Movement during the year		

(V) Indebtedness

Indebtedness of the company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Change in Indebtedness during the financial year				
Addition	63.00	-	-	63.00
Reduction	-	-	-	-
<b>Net Change</b>	<b>63.00</b>	<b>NIL</b>	<b>NIL</b>	<b>63.00</b>
Indebtedness at the end of the financial year				
i) Principal Amount	63.00	-	-	63.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.64	-	-	0.64
<b>Total (i + ii + iii)</b>	<b>63.64</b>	<b>NIL</b>	<b>NIL</b>	<b>63.64</b>





## Gujarat Petrosynthese Limited

### (VI) Remuneration of Directors and Key Managerial Personnel

#### A. Remuneration to Managing Director, Whole-time Director and/ or Manager

(₹ in Lacs)

SI No.	Particular of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Name of MD/ WTD/ Manager	Mrs. Charita Thakkar	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	22.50	22.50	45.00
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.	1.76	1.76	3.52
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.	-	-	-
2	Stocks Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Other, specify	-	-	-
5	Others, Please specify	1.25	1.25	2.50
	Contribution to Provident Fund		1.80	1.80
	Contribution to Superannuation Fund	-	2.25	2.25
	Total (A)	25.51	29.56	55.07
	Ceiling as per the Act	Section II of Part II of Schedule V		

#### B. Remuneration to other Directors

(in Thousands)

SI.No	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr. T. N. R Rao	Mr. M. D. Garde	Mr. V. Raghu	
1	Independent Directors				
	(a) Fee for attending board committee meetings	13.00	31.00	31.00	75.00
	(b) Commission				
	(c) Others, please specify				
	<b>Total (1)</b>	13.00	31.00	31.00	75.00
2	Other Non Executive Directors				
	(a) Fee for attending board committee meetings				
	(b) Commission				
	(c) Others, please specify.				
	<b>Total (2)</b>				
	<b>Total (B)=(1+2)</b>	13.00	31.00	31.00	75.00
	<b>Total Managerial Remuneration (A+B)</b>				
	<b>Overall Ceiling as per the Act.</b>				

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in Lacs)

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	*CFO	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	NIL	3.51	NIL	3.51
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.				
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.				
2.	Stock Option				
3	Sweat Equity				
4	Commission				
	- As % of profit				
	- Others, specify				
5	Other, Please specify				
	Total	NIL	3.51	NIL	3.51

VII Penalties / Punishment / Compounding Offences

Type	Section of the companies Act.	Brief Description Compounding fees imposed	Details of penalty/ Punishment /	Authority (RD/ NCLT/ court)	Appeal made if any (give Details)
<b>A. Company</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>B. Directors</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>C. Other officers in default</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-

For and on behalf of the Board of Directors  
Gujarat Petrosynthese Limited

Ms. Charita Thakkar  
Jt. Managing Director  
DIN : 00321561

Ms. Urmi N Prasad  
Jt. Managing Director  
Din: 00319482

## INDEPENDENT AUDITORS' REPORTS

To,  
The Members of  
M/s. Gujarat Petrosynthese Ltd

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Gujarat Petrosynthese Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss (including Other Comprehensive Income), of the Profit for the year ended on that date;
- (c) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- (d) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position in financial statements;
  - ii) The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner

Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018

#### **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our report to the members of Gujarat Petrosynthese Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2018. We report that:

- i)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Management of the Company has physically verified the fixed assets in accordance with its policy of physical verification at reasonable intervals. The discrepancies, if any noticed during such verification have been suitably adjusted in the books of account. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii)
  - a) According to the information and explanations given to us, the management has conducted physical verification of the inventories at reasonable intervals.
  - b) In our opinion and according to the information and explanations given to us, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of the business.
  - c) No material discrepancies have been noticed on physical verification of the stocks as compared to book records in so far as it appears from our examination of the books.
- iii) According to the information and explanations given to us and on the basis of our examination of books of account, the Company has granted unsecured loan to company covered in the register maintained under section 189 of the Companies Act, 2013.
  - a) The terms and conditions of the loan given are not prejudicial to the Company's interest.
  - b) The schedule of repayment of principal has not been stipulated by the Company and hence, we are unable to make any comment on the regularity of repayment of principal.
  - c) The repayment terms are 'On demand' and hence, there is no overdue amount of principal.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made; the Company has not given any guarantee or security.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148(1) of the Act, and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and information and explanations given to us and the records of the Company examined by us, there are no pending dues to be deposited of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax on account of any disputes.
- viii) On the basis of our examination of the books and according to the information and explanations given to us, during the year, there are no defaults in repayment of dues to financial institutions, banks, Government or debenture holders.
- ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018



**ANNEXURE – ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUJARAT PETROSYNTHESE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting of Gujarat Petrosynthese Limited (‘the Company’) as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

**(Anil Lohia)**  
Partner  
Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018

## BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in thousands)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A ASSETS</b>				
<b>I Non-Current Assets</b>				
Property, plant and equipment	4	21,000	22,597	22,592
Financial Assets:				
Investments	5	100,099	100,099	96,199
Loans	6	42,013	42,129	41,770
Other financial assets	7	-	-	464
Assets Held for Sale	8	16,700	17,916	17,916
<b>Total Non-Current Assets</b>		<b>179,812</b>	<b>182,741</b>	<b>178,941</b>
<b>II Current Assets</b>				
Inventories	9	5,675	5,406	5,330
Financial Assets:				
Investments	5	975	2,245	-
Loans	10	345	497	981
Trade receivables	11	16,204	21,734	20,179
Cash and cash equivalents	12	25,850	8,966	9,031
Other financial assets	13	12,603	12,332	19,180
Other current assets	14	431	1,350	1,283
<b>Total Current Assets</b>		<b>62,083</b>	<b>52,530</b>	<b>55,984</b>
<b>TOTAL ASSETS</b>		<b>241,895</b>	<b>235,271</b>	<b>234,925</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>I Equity</b>				
Equity share capital	15	59,692	59,692	59,692
Other equity	16	157,195	150,958	146,509
<b>Total Equity</b>		<b>216,887</b>	<b>210,650</b>	<b>206,201</b>
<b>Liabilities</b>				
<b>II Non-Current Liabilities</b>				
Deferred tax Liability (Net)	17	(696)	5,329	5,938
<b>Total Non-Current Liabilities</b>		<b>(696)</b>	<b>5,329</b>	<b>5,938</b>
<b>III Current Liabilities</b>				
Financial Liabilities :				
Borrowings	18	9,964	2,700	3,425
Trade payables	19	12,073	12,289	14,806
Other financial liabilities	20	3,112	2,574	2,603
Short Term Provisions	21	-	-	721
Other current liabilities	22	555	1,729	1,231
<b>Total Current Liabilities</b>		<b>25,704</b>	<b>19,292</b>	<b>22,786</b>
<b>Total Liabilities</b>		<b>25,009</b>	<b>24,622</b>	<b>28,724</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>241,895</b>	<b>235,271</b>	<b>234,925</b>

Significant accounting policies 1 to 3

The accompanying notes form an integral part of the Financial Statements 4 to 40

As per our report of even date

For and on behalf the Board of Directors

For Dayal and Lohia

Chartered Accountants  
Firm Regn. No. 012106SAnkita Gokani  
Company SecretaryR. M. Thakkar  
Chairman &  
Non Executive Director  
DIN : 00248949Urmi N. Prasad  
Jt. Managing Director & CFO  
DIN : 00319482

Anil Lohia

(Partner)  
Membership No.31626Charita Thakkar  
(Jt. Managing Director)  
DIN : 00321561PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2018**  
(₹ in thousands)

Particulars	Note No.	For the year ended As on 31.03.2018	For the year ended As on 31.03.2017
<b>INCOME</b>			
I Revenue from operations	23	188,903	177,112
II Other income	24	1,035	2,183
<b>III Total income (I+II)</b>		<b>189,938</b>	<b>179,295</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	25	155,134	142,994
Changes in Inventories of Finished & WIP Products	26	(516)	(332)
Employee benefits expense	27	26,699	24,003
Finance costs	28	76	14
Depreciation	4	2,272	2,712
Other expenses	29	25,548	33,031
<b>Total expenses (IV)</b>		<b>209,213</b>	<b>202,422</b>
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>(19,275)</b>	<b>(23,127)</b>
<b>VI Exceptional Items</b>	30	19,784	27,906
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>509</b>	<b>4,779</b>
<b>VIII Tax Expense:</b>			
(1) Current tax		319	939
Less : MAT Credit available to utilise		-	-
(2) MAT Credit available to utilise pertaining to previous year		(1,054)	-
(3) Deferred tax		(6,025)	(609)
(4) Earlier year taxes		1,031	-
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>6,237</b>	<b>4,449</b>
<b>X OTHER COMPREHENSIVE INCOME/(EXPENSE)- (OCI):</b>			
<b>Items that will not be reclassified to profit or loss</b>			
1. Re-measurement gains / (losses) on defined benefit plans			
3. Income tax effect on above			
<b>Total other comprehensive income (OCI) for the year, net of tax expense</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income / (Expense) for the Year (IX+X)</b>		<b>6,237</b>	<b>4,449</b>
Earnings per equity shares (Face Value of Rs.10/- each)			
Basic and Diluted earnings per share	31	1.04	0.75
Significant accounting policies	1 to 3		
The accompanying notes form an integral part of the Financial Statements 4 to 40			

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 012106S

**Anil Lohia**  
(Partner)  
Membership No.31626

**Ankita Gokani**  
Company Secretary

**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561

For and on behalf the Board of Directors

**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in thousands)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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## NOTE 1 : SHARE CAPITAL

Balance at the beginning of the year		59,692	59,692	59,692
Changes in equity share capital during the year		-	-	-
Balance at the end of the year		<u>59,692</u>	<u>59,692</u>	<u>59,692</u>

## 2. OTHER EQUITY

Particulars	Reserves and Surplus				Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	
<b>Balance as at 1 April 2016</b>	1,750	20,000	124,759	-	<b>146,509</b>
Profit/(loss) for the year				4,449	<b>4,449</b>
Other comprehensive income/(expense)				-	-
Total comprehensive income/(expense)	-	-	-	4,449	<b>4,449</b>
Transfer to General Reserve	-	-	4,449	(4,449)	-
<b>Balance as at 31 March 2017</b>	<b>1,750</b>	<b>20,000</b>	<b>129,208</b>	<b>0</b>	<b>150,958</b>
Profit/(loss) for the year				6,237	<b>6,237</b>
Other comprehensive income/(loss)				-	-
Total comprehensive income/(expense)	-	-	-	<b>6,237</b>	<b>6,237</b>
<b>Balance as at 31 March 2018</b>	<b>1,750</b>	<b>20,000</b>	<b>129,208</b>	<b>6,237</b>	<b>157,195</b>

## CAPITAL RESERVE

Pertains to share application money forfeited in the cases where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

## SECURITIES PREMIUM RESERVE

Securities premium is used to record the premium on issue of shares. This reserve can be utilised in accordance with the provisions of the Act.

## GENERAL RESERVE

General Reserve represents amounts transferred from Retained Earnings in earlier years. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

## Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 012106S

**Anil Lohia**  
(Partner)  
Membership No.31626

**Ankita Gokani**  
Company Secretary

**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561

For and on behalf the Board of Directors

**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**Details of Investments - (valued at cost, unless stated otherwise)** Value ('000)

Sr. No.	Particulars	Subsidiary	Face Value fully Paid	No. of Shares / Bonds			Value ('000)		
				31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
<b>I</b>	<b>Investments in Equity Instruments</b>								
	<b>Unquoted</b>								
	<b>Investments valued at Cost</b>								
	(a) GPL Finance and Investment Ltd	Subsidiary	10	999,940	999,940	999,940	9,999	9,999	9,999
	(b) Gujarat Polybutene Pvt. Ltd	Subsidiary	10	5,739,995	5,739,995	5,739,995	57,400	57,400	57,400
<b>II</b>	<b>Investments in Preference Shares</b>								
	<b>Unquoted</b>								
	<b>Investments valued at Cost</b>								
	(a) Gujarat Polybutene Pvt. Ltd	Subsidiary	10	2,800,000	2,800,000	2,500,000	28,000	28,000	25,000
	(Redemption of 25,00,000 Shares is on 31-12-2020 and Redemption of 3,00,000 Shares is on 10-08-2021. Coupon Rate : 5%)								
<b>III</b>	<b>Investment in Government Bonds</b>								
	<b>Unquoted</b>								
	<b>Investments valued at Amortized Cost</b>								
	Rural Electrification Corporation Bonds		10,000	470	470	380	4,700	4,700	3,800
	<b>Total Non-Current Investments</b>						100,099	100,099	96,199

Company have availed IND AS 101 exemption by adopting previous GAAP carrying value as its deemed cost for investment done in equity and preference shares of its subsidiaries

**3 (b) CURRENT INVESTMENTS** Value ('000)

Sr. No.	Particulars	No. of Units			Value ('000)		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
<b>I</b>	<b>Investments in Mutual Funds</b>						
	<b>Quoted</b>						
	<b>Investments valued at Fair Value through Profit and Loss</b>						
	Bank of Baroda Pioneer Advantage Plan A (Growth)	479.79	1,184.27	-	975	2,245	-
	<b>Total Current Investments</b>				975	2,245	-
	<b>Aggregate market value of quoted investments</b>						
	Non-Current				-	-	-
	Current				975	2,245	-
	<b>Aggregate carrying value of unquoted investments</b>						
	Non-Current				100,099	100,099	96,199
	Current				-	-	-
	<b>Aggregate amount of impairment in value of investments</b>						

**NOTE 4 - PROPERTY, PLANT AND EQUIPMENT** (₹ in thousands)

Particulars	Freehold Land	Buildings	Laboratory Equipments	Vehicle	Office Equipments	Furniture & Fixtures	Computers	End User Devices	Plant and Machinery	Electrical Installations	Jigs and Moulds	Total
<b>GROSS BLOCK</b>												
As at 1st April 2016	4,419	4,635	116	1,683	157	284	23	74	11,101	-	100	22,592
Additions	-	-	-	3,265	159	-	20	16	188	-	-	3,647
Disposals/Adjustments	-	716	-	376	-	-	-	-	-	-	-	1,092
As at 31st March 2017	4,419	3,919	116	4,573	316	284	43	90	11,288	-	100	25,147
Additions	0	73	0	0	14.5	47	31.73	0	509,719	-	0	676
Disposals/Adjustments	0	0	0	0	0	0	0	0	0	-	0	-
As at 31st March 2018	4,419	3,992	116	4,573	331	331	74	90	11,798	-	100	25,823
<b>DEPRECIATION</b>												
As at 1st April 2016	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	317	116	848	53	53	43	-	1,184	-	100	2,712
Transfer to Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	162	-	-	-	-	-	-	-	162
As at 31st March 2017	-	317	116	686	53	53	43	-	1,184	-	100	2,550
Charge for the Year	-	319	-	581	60	49	-15	69	1,208	-	-	2,272
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2018	-	637	116	1,267	113	102	28	69	2,391	-	100	4,823
<b>NET BLOCK</b>												
As at 31st March 2018	4,419	3,356	0	3,305	217	229	47	21	9,407	-	-	21,000
As at 31st March 2017	4,419	3,602	0	3,887	263	232	-0	90	10,105	-	-	22,597
As at 31st March 2016	4,419	4,635	116	1,683	157	284	23	74	11,101	-	100	22,592

\*Company has opted for IND AS 101 exemption by considering carrying amount of property plant and equipments as its deemed cost

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>NOTE 6 : LOANS (NON-CURRENT)</b>			
<b>(Unsecured, considered good)</b>			
Loan to Subsidiary	39,000	39,000	39,000
Security Deposits	3,013	3,129	2,770
	<b>42,013</b>	<b>42,129</b>	<b>41,770</b>
<b>7 Other Financial Assets (NON-CURRENT)</b>			
<b>(Unsecured, considered good)</b>			
Advance for Capital Goods	-	-	464
	-	-	<b>464</b>
<b>8 Assets Held for Sale</b>			
	<b>Leasehold Land</b>	<b>Building</b>	<b>Total</b>
As at 1st April 2016	15,734	2,181	17,916
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31st March 2017</b>	<b>15,734</b>	<b>2,181</b>	<b>17,916</b>
Additions	-	-	-
Disposals/Adjustments	208	1,008	1,216
<b>As at 31st March 2018</b>	<b>15,527</b>	<b>1,173</b>	<b>16,700</b>
<b>9 Inventories</b>			
Raw Materials and Consumables*	3,651	3,761	4,199
Finished Goods and Work in Progress*	2,024	1,645	1,131
*(Mode of Valuation is specified in Note 1 (viii) of Significant Accounting Policies)	<b>5,675</b>	<b>5,406</b>	<b>5,330</b>
<b>10 Loans ( Current)</b>			
<b>(Unsecured, considered good)</b>			
Loans to Employees	345	497	981
	<b>345</b>	<b>497</b>	<b>981</b>
<b>11 Trade Receivables</b>			
<b>Unsecured and considered good</b>			
for more than six months	-	-	-
others	16,204	21,734	20,179
	<b>16,204</b>	<b>21,734</b>	<b>20,179</b>
Receivables from Related Parties	-	1,651	1,651
<b>12 Cash and Cash Equivalents</b>			
Cash in Hand	41	38	63
Bank Balances			
balance in bank	13,434	8,928	8,968
Cheques, drafts in hand	12,375	-	-
	<b>25,850</b>	<b>8,966</b>	<b>9,031</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>13 Other Financial Asset (Current)</b>			
Advances to Vendors	5	35	7
Deposits with Banks	4,387	4,201	4,000
Other Receivables	42	155	3,547
Interest Receivables	307	101	117
Advance Income Tax (net of provisions)	7,861	7,840	11,509
	<b>12,603</b>	<b>12,332</b>	<b>19,180</b>
<b>14 Other Assets (Current)</b>			
Prepaid Expenses	245	280	299
Indirect Taxes Credit Recoverable	186	1,070	984
	<b>431</b>	<b>1,350</b>	<b>1,283</b>
<b>16 Other Equity</b>			
<b>CAPITAL RESERVE</b>			
Opening balance	1,750	1,750	1,750
Addition during the year	-	-	-
Closing balance	1,750	1,750	1,750
<b>SECURITIES PREMIUM ACCOUNT</b>			
Opening balance	20,000	20,000	20,000
Addition/(utilisation) during the year	-	-	-
Closing balance	20,000	20,000	20,000
<b>GENERAL RESERVE</b>			
Opening balance	129,208	124,759	124,759
Addition/(utilisation) during the year	-	4,449	NA
Closing balance	129,208	129,208	124,759
<b>RETAINED EARNINGS</b>			
Opening balance	-	-	-
Loss for the year	6,237	4,449	-
Items of other comprehensive income recognised directly in retained earnings:			
Remeasurement of defined benefit obligation (net of tax)		-	-
Profit for the year transferred to General Reserves		(4,449)	-
Closing balance	6,237	-	-
<b>Total other equity</b>	<b>157,195</b>	<b>150,958</b>	<b>146,509</b>

**CAPITAL RESERVE**

Pertains to share application money forfeited in the case where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

**SECURITIES PREMIUM RESERVE**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

**GENERAL RESERVE**

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>15. EQUITY SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
80,00,000 (31 March 2017 - 80,00,000 and 01 April 2016 - 80,00,000) Equity Shares of '10/- each	<b>80,000</b>	<b>80,000</b>	<b>80,00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
59,69,166 (31 March 2017- 59,69,166 and 01 April 2016- 59,69,166) Equity shares Of 10/- each	59,692	59,692	59,692
<b>Total issued, subscribed and fully paid up share capital</b>	<b>59,692</b>	<b>59,692</b>	<b>59,692</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	31.03.2018		31.03.2017	
	Equity Shares		Equity Shares	
	Number	Value ('000)	Number	Value ('000)
Shares outstanding at the beginning of the year	<b>59,69,166</b>	<b>59,692</b>	<b>59,69,166</b>	<b>59,692</b>
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>5,969,166</b>	<b>59,692</b>	<b>5,969,166</b>	<b>59,692</b>

**b. Terms/rights attached to the equity shares**

The Company has one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of the shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2018		31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
YASHASHREE COMMERCIAL SERVICES PRIVATE LIMITED	800,000	13.4	800,000	13.4
LIFE INSURANCE CORPORATION OF INDIA	538,498	9.02	538,498	9.02
CHARITA THAKKAR	485,417	8.13	485,417	8.13
MULTICHEM PRIVATE LIMITED	394,840	6.61	394,840	6.61
URSULA RAMESHCHANDRA THAKKAR	352,906	5.91	352,906	5.91
URMI PRASAD N	-	-	487,610	8.17
N RAJENDRA PRASAD	319,564	5.35	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>17 Deferred tax Liability (Net)</b>			
<u>Deferred Tax Liabilities :</u>			
On Property Plant and Equipment	1,401	8,614	9,216
On Fair Value of Investments	13	22	-
<u>Deferred Tax Asset :</u>			
On Carry forward losses	(2,110)	(3,307)	(3,278)
	<b>(696)</b>	<b>5,329</b>	<b>5,938</b>
<b>a) Movement in deferred tax balances</b>	Opening balance as at 01.04.2017	Recognized in Profit and Loss	Closing balance as at 31.03.2018
<b>Movement in deferred tax during the year</b>			
Property, plant and equipment	8,614	(7,212)	1,401
Unused tax credit/losses	(3,307)	1,196	(2,110)
On Fair Value of Investments	22	(9)	13
<b>Net deferred tax liability (net)</b>	<b>5,329</b>	<b>(6,025)</b>	<b>(696)</b>
<b>Movement in deferred tax during the year ended March 31, 2017</b>	Opening balance as at 01.04.2016	Recognized in Profit and Loss	Closing balance as at 31.03.2017
Property, plant and equipment	9,216	(603)	8,614
Unused tax credit/losses	(3,278)	(29)	(3,307)
On Fair Value of Investments	-	22	22
<b>Net deferred tax liability (net)</b>	<b>5,938</b>	<b>(609)</b>	<b>5,329</b>
<b>b) Income tax recognised in profit or loss</b>		<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Current tax</b>			
In respect of current year		319	939
In respect of earlier years		1,031	-
In respect of earlier years - MAT Credit		(1,054)	
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences		(6,025)	(609)
<b>Total income tax recognised for the year</b>		<b>(5,729)</b>	<b>330</b>
<b>c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Profit or (loss) before tax</b>		509	4,779
Tax expense/(income) calculated at 25.75% (2016-17:30.9%)		131	1,477
Effect of excess deferred tax liability recognised in previous years		(6,843)	
Effect of short deferred tax asset recognised in previous years		503	
Deferred Tax impact due to utilisation of tax losses		(271)	(774)
Expenses not deductible under income tax		3	2
Income taxable / Expenses deductible additionally under income tax		411	(317)
Adjustment due to changes in tax rates		(127)	-
Other		487	(58)
<b>d)</b>		<b>(5,706)</b>	<b>330</b>
Adjustments recognised in the current year in relation to the current tax of earlier years		(23)	-
<b>Income tax expense recognised in profit or loss</b>		<b>(5,730)</b>	<b>330</b>
The tax rate used for the above reconciliations is the corporate tax rate of 25.75% for the year 2017-18 and 0.90% for the year 2016-17 payable by corporate entities based on the turnover criteria on taxable profits under Indian Income Tax Laws as on financial statements signing date.			
e) The company has recognized deferred tax asset for unutilised tax losses. The company as per forecast budgets and business plans has concluded that it will be able to utilise the tax losses which are available to be sett off in coming five to six years as per tax laws .			

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>18 Borrowings (Current)</b>			
Secured			
From Bank	3,600	2,700	900
(Secured against pledge of fixed deposits with bank @ 2% incremental rate than interest received on fixed deposits)			
Unsecures			
From Directors	6,364	-	2,525
	<b>9,964</b>	<b>2,700</b>	<b>3,425</b>
<b>19 Trade payables</b>			
Trade Payables			
to micro small and medium Enterprise (Refer Note 43)	-	-	-
to others	12,073	12,289	14,806
	<b>12,073</b>	<b>12,289</b>	<b>14,806</b>
<b>20 Other financial liabilities (Current)</b>			
Other Payables	3,112	2,574	2,603
	<b>3,112</b>	<b>2,574</b>	<b>2,603</b>
<b>21 Provisions (Short Term)</b>			
Provision for Employee Benefits :			
For Gratuity	-	-	721
	<b>-</b>	<b>-</b>	<b>721</b>
<b>22 Other current liabilities</b>			
Advance from Customers	46	14	6
Advance towards sale of fixed assets	-	1,250	500
Statutory Dues Payables	509	465	725
	<b>555</b>	<b>1,729</b>	<b>1,231</b>
<b>23 Revenue From Operations</b>		<b>2017-18</b>	<b>2016-17</b>
Sale of products		186,472	174,499
Sale of Services : Job Work		2,431	2,613
		<b>188,903</b>	<b>177,112</b>
<b>24 Other Income</b>			
Interest income on financial assets			
Bank deposits		726	1,151
Others		54	56
On Income Tax Refund		-	599
Profit on Sale of Current Investments***		179	270
Fair Value measurement of Investments		52	75
Sundry Balances Written Back		-	9
Miscellaneous Income		24	23
		<b>1,035</b>	<b>2,183</b>

\*\*\*Rs. 2,70,000 is towards profit on sale of investments that is restated in previous year 2016-17.



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**


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Particulars	2017-18	2016-17
<b>25 Cost of Materials Consumed</b>		
Opening Stock of Materials	3,761	4,199
Add: Purchases	155,025	142,556
Less: Closing Stock	3,651	3,761
	<b>155,135</b>	<b>142,994</b>
<b>26 Changes in Inventory</b>		
Opening Stock of Finished Goods and Working in Progress	1,645	1,131
Less: Closing Stock of Finished Goods and Work in Progress	2,024	1,645
	<b>(379)</b>	<b>(514)</b>
Excise duty on Opening Stock	<b>(137)</b>	<b>182</b>
	<b>(516)</b>	<b>(332)</b>
<b>27 Employee Benefit Expenses</b>		
Salaries and wages	22,832	20,839
Contribution to provident and other funds	1,840	1,330
Gratuity Expenses	352	668
Leave Encashment Expenses	883	306
Staff welfare expenses	792	860
	<b>26,699</b>	<b>24,003</b>
<b>28 Finance Costs</b>		
<b>Interest expenses to</b>		
Bank	3	-
Others	73	14
<b>Total finance costs</b>	<b>76</b>	<b>14</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	2017-18	2016-17
<b>29 Other Expenses</b>		
Bank Charges	25	33
Brokerage	-	101
Computer Expenses	110	92
Director's Sitting Fees	75	74
Discount and Rebate Given	12	278
Donations	13	8
Audit Remuneration		
Audit Fees including limited review	150	100
Tax Audit Fees	50	60
Exchange Rate Difference	1	-5
Fees and Subscription Expenses	333	347
Foreign Travelling Expenses	517	757
Freight Inward Expenses	1,910	1,617
Freight Outward	9	26
General Expenses	1,095	1,453
Insurance Expenses	324	382
Legal and Professional Fees***	5,497	5,475
Loss on Sale of Fixed Asset	-	104
Meeting Expense	244	181
Postage & Courier Expenses	374	318
Power and Fuel Expenses	5,713	5,639
Printing and Stationery Expenses	511	402
Prior Period Expenses	-	47
Rates & Taxes	616	551
Rental Expenses	1,270	903
Repair and Maintenance - Building	593	129
Repair and Maintenance - Others	2,775	5,387
Security Expenses	850	1,232
Sundry Balances Written Off	70	4,399
Telephone Expense & Mobile Expense	454	432
Travelling and Conveyance Expenses	867	1,252
Vehicle Maintenance Expenses	1,091	1,257
	<b>25,549</b>	<b>33,031</b>

\*\*\*Includes Rs. 1,72,500 thousands of expenses, that are restated in previous year 2016-17 in comparison to figures reported in previously presented financial statements

Particulars	2017-18	2016-17
<b>30 Exception Items</b>		
Profit on sale of asset **	19,784	27,906
	<b>19,784</b>	<b>27,906</b>

\*\* Exception items pertains to the land and buildings sold during the year.  
The assets sold are classified as held for sale as on 01 April, 2016 as decided by the Board of the Company

**31 EARNINGS PER SHARE** EPS is calculated by dividing the profit / (loss) attributable to the equity share holders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares, except when the results would be anti-dilutive.

Particulars	2017-18	2016-17
1. Profit after Tax (In '000)	6,237	4,449
2. Weighted Average Number of shares outstanding during the year	5,969,166	5,969,166
3. Face Value of Shares	10	10
4. Basic / Diluted EPS	1.04	0.75

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 32. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT

#### a) Accounting classification

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2018			31.03.2017			01.04.2016		
	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost
<b>Financial Assets</b>									
Investments in subsidiary	95,399			95,399			92,399		
Investments in Bonds			4,700			4,700			3,800
Investments in Mutual Funds			975			2,245			-
Loans			42,358			42,626			42,752
Trade receivable			16,204			21,734			20,179
Cash and cash equivalents			25,850			8,966			9,031
Other financial assets			12,603			12,332			19,644
	<b>95,399</b>	<b>-</b>	<b>102,691</b>	<b>95,399</b>	<b>-</b>	<b>92,603</b>	<b>92,399</b>	<b>-</b>	<b>95,405</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	9,964	-	-	2,700	-	-	3,425
Trade payables	-	-	12,073	-	-	12,289	-	-	14,806
Other financial liabilities	-	-	3,112	-	-	2,574	-	-	2,603
	<b>-</b>	<b>-</b>	<b>25,149</b>	<b>-</b>	<b>-</b>	<b>17,563</b>	<b>-</b>	<b>-</b>	<b>20,834</b>

#### b) Fair value hierarchy and Method of valuation

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

Particulars	31.03.2018			31.03.2017			01.04.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Mutual Funds	975	-	-	2,245	-	-	-	-	-

- Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds that have quoted price. The fair value of equity instruments which are traded is valued using the closing price as at the reporting period.
- Investment in Government Bonds stated in Financial Statements approximate to its fair value. They are not traded in market and carry a fix coupon rate of 6% p.a.

#### c) RISK MANAGEMENT FRAMEWORK

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company also holds FVTPL investments. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### d) Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

##### i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given to related parties and others

The carrying amount of following financial assets represents the maximum credit exposure:

##### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage, this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition and ageing of account receivables.

No impairment is observed on the carrying value of trade receivables.

##### Other Financial Assets

Credit risk from balances with banks, loans, investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**ii) Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

INR ('000)

	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>March 31, 2018</b>						
<b>Financial liabilities</b>						
Borrowings	9,964	9,964	9,964			
Trade payables	12,073	12,073	12,073			
Other Financial Liabilities	3,112	3,112	3,112			
	25,149	25,149	25,149	-	-	-
	Carrying amount	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings	2,700	2,700	2,700			
Trade payables	12,289	12,289	12,289			
Other Financial Liabilities	2,574	2,574	2,574			
	17,563	17,563	17,563	-	-	-
	Carrying amount	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>Financial liabilities</b>						
Borrowings	3,425	3,425	3,425			
Trade payables	14,806	14,806	14,806			
Other Financial Liabilities	2,603	2,603	2,603			
	20,834	20,834	20,834	-	-	-

**iii) Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is not material as the Company borrowing from banks are very minimal

**Commodity price risk**

Company is exposed to fluctuation in prices of its inputs. The company in effect of changes in prices of inputs, have a process to revise its selling price accordingly.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**33. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

	March 31,2018	March 31,2017	April 01,2016
Borrowing	9,964	2,700	3,425
Cash & cash equivalents	(25,850)	(8,966)	(9,031)
Net Debt (restricted to zero, if cash and cash equivalents are greater than borrowings)	-	-	-
Total equity	216,887	210,650	206,201
Debt/Equity ratio	0%	0%	0%

**34. The Company has given loans to its subsidiaries. The disclosures pursuant to Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulation, 2015**

Balances as at the year end were: INR ('000)

Subsidiary Company	As at March 31, 2018	As at March 31, 2017	As at April 31, 2016
Gujarat Polybutene Pvt. Ltd	39,000	39,000	39,000
The maximum amounts outstanding during the year was:			
Subsidiary Company	2017-18	2016-17	
Gujarat Polybutene Pvt. Ltd	39,000	39,000	

The loans are provided for the purpose of business

**35. LEASES**

Lease expenses are recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Particulars	As at March 31,2018	As at March 31,2017
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	1,150	1,200
Later than 1 year not later than 5 years	-	1,150
Later than 5 years	-	-

**36. Based on the information received by the Company from the creditors in regard to their M.S.M.E. Status, there are no amounts due to such creditors outstanding for over 30 days as on 31st March, 2018. Based on such information, there is no liability for interest on delayed payments. Moreover, the Company has not received any claims in respect of interest.**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**37. Additional Disclosure**

a) Pursuant to Schedule III

c. Value of Imported and Indigenous Raw Material Consumed during the year	2017-18		2016-17	
	Value	%	Value	%
Import	265	0.17%	313	0.21%
Indigenous	154,870	99.83%	142,681	99.79%
	<b>155,135</b>		<b>142,994</b>	
<b>d. C.I.F, Value of Imports</b>				
Raw Materials		207		395.40
Spares		84		-
		<b>292</b>		<b>395</b>
<b>b) Other disclosures</b>				
<b>a. Details of Turnover</b>				
<b>Alloys &amp; Blends :</b>				
	<b>Qty (M.T)</b>	<b>Value</b>	<b>Qty (M.T)</b>	<b>Value</b>
Sales	1,516	186,472	1,409	174,499
Job Work	86	2,431	86	2,613
		<b>188,903</b>		<b>177,112</b>
<b>b. Consumption of Raw Materials</b>				
	<b>Qty (M.T)</b>	<b>Value</b>	<b>Qty (M.T)</b>	<b>Value</b>
Products / Plastics of Different Types	1,519	155,135	1,411	142,994
		<b>155,135</b>		<b>142,994</b>

**38. EMPLOYEE BENEFITS**
**I) Defined Contribution Plans**

- Provident fund
- Superannuation fund and Pension scheme, 1995
- Employer's contribution to Employees State Insurance

**II) Defined Benefit Plans**
**GRATUITY**

- The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India.
- Company have created two different plans for their employees of different offices, termed as Plan A and Plan B
- Life Insurance Corporation of India provides valuation on basis of Projected Unit Credit Method.
- Disclosures are made to extent of informations received from LIC of India :

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Membership Data:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Number of Members	15	14	10	11
Average Age	43.53	42.21	50.10	47.82
Average Monthly Salary	15,968	14,233	45,652	39,758
Average Past Service	13.60	13.21	9.10	7.73

Actuarial Assumptions:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	7.5% p.a	8% p.a	7.5% p.a	8% p.a
Salary Escalation	6%	6%	4%	4%

Results of Valuation:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Present Value of Past Service Benefit	1,672,046	1,262,640	994,651	829,178
Current Service Cost	114,991	88,651	29,414	21,012
<b>PV of Defined Benefit Obligation</b>	<b>1,787,037</b>	<b>1,351,291</b>	<b>1,024,065</b>	<b>850,190</b>
<b>Fund Value</b>	<b>1,787,037</b>	<b>1,351,291</b>	<b>3,456,397</b>	<b>3,217,554</b>

Amount Recognized in Balance Sheet:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Present value of defined benefit obligation at end of the year	1,787,037	1,351,291	1,024,065	850,190
Fair value of plan assets at end of the year	1,787,037	1,351,291	3,456,397	3,217,554
Net liability / (asset) recognized in the Balance Sheet	Nil	Nil	NIL***	NIL***

\*\*\*The valuations of defined benefit obligations are as on renewal date of group gratuity scheme i.e 01.03.2018. Consequent to amendment of The Payment of Gratuity Act, 1972 dated 29.03.2018, gratuity ceiling limit has increased from Rs. 10 Lakhs to Rs 20 Lakhs. Thus, company is expecting an increase in the liability as on reporting date for Plan B. The increase will cover up an overfunded contributions in past. Also, withdrawal from fund by retired employee is pending as on date of reporting. Thus, no recognition of defined benefit plan assets is required as on reporting date for over funded contributions.

Expenses recognised in statement of Profit and Loss:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Gratuity Expense recognised	346,601	643,340	-	-

In absence of information from LIC regarding quantification for different components of changes in defined benefit obligation and fund assets, disclosures pertaining to movement in defined benefit obligation and fair value of Plan Assets is not provided. Also, No actuarial gain / loss is recognised separately in Other Comprehensive Income in absence of information.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**39. Related party disclosure**

(i) List of Related Parties as required by Ind AS-24 "Related Party Disclosures" are given below:

(a) Subsidiary	Gujarat Polybutenes Private Limited GPL Finance and Investments Limited
(b) Key management personnel and their relatives	Dr. R.M Thakkar - Chairman and Non Executive Director Mrs. Urmi N. Prasad - Joint Managing Director Mrs. Charita Thakkar - Joint Managing Director
(c) Non Executive/Independent Directors	Mr. T. N. R Rao Mr. M.D Garde Mr. V. Raghu
(d) Where persons mentioned in (b) exercise significant influence	Multichem Private Limited Guardian Finance Ltd

**(ii) Transactions with related parties**

Type of related party	Description of the nature of transactions	Volume of Transactions during 2017-18 (Rs.in "000")	Volume of Transactions during 2016-17 (Rs.in "000")	Balance as on 31.03.18 Receivable/ (Payable) (Rs.in "000")	Balance as on 31.03.17 Receivable/ (Payable) (Rs.in "000")	Balance as on 31.03.16 Receivable/ (Payable) (Rs.in "000")
(a) Subsidiary		-	-	-	-	-
(i) Gujarat Polybutenes Private Limited	Loan given /(repaid)-net Expense reimbursement on behalf	- 650	- 1,060	39,000 -1,041	39,000 -656	39,000 -614
(ii) GPL Finance and Investments Limited	Expense reimbursement	6	101	-	-	-
(b) Key management personnel and their relatives	Director's Remuneration and Perks*** Mrs. Urmi N. Prasad Mrs. Charita Thakkar Loan Taken and Interest Paid thereon Dr. R.M Thakkar	- 3,300 2,866 71	- 2,765 2,748 -	- - - -6,364	- - - -	- - - 2,015
(c) Non Executive/ Independent Directors	Sitting fees Mr. T. N. R Rao Mr. M.D Garde Mr. V. Raghu	- 13 31 31	- 18 23 25	- - - -	- - - -	- - - -
(d) Where persons mentioned in (b) exercise significant influence						
i) Reimbursement of expenses received	Multichem Private Limited Guardian Finance Ltd	3 2	184 2	- -	- -	- -

\*\*\* Contribution towards gratuity and leave encashment is not added as it is not determinable each employee wise

40. Previous year figures have been regrouped , reclassified and restated as per Ind AS and Schedule III of Companies Act, 2013



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018****CORPORATE INFORMATION**

GUJARAT PETROSYNTHESE LIMITED (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at No. 24, II Main Phase I, Donnanekkundi Industrial Area Mahadevpura Post Bengaluru 546048 Karnataka, India. The equity shares of the Company are listed on BSE Limited. The Company is primarily engaged in the business of plastic polymers and blends.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements have been prepared on historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”) and the relevant provisions of the Act as applicable. These financial statements are the first financial statements of the Company under Ind AS. Please refer to Note 3 for information on first time adoption of Ind AS. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

**(ii) Fair value measurement**

The Company’s accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(iii) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when all significant risk and rewards of ownership in goods are transferred to customers and recovery of consideration from customer is probable and revenue can be estimated reliably. Revenue is recognized net of trade discounts and indirect taxes.

Revenue from rendering services is recognized when performance of agreed contractual task is completed.

Interest income is recognized on accrual basis on time proportion basis using effective interest rate.

Dividend income is accounted when right to receive is established.

**(iv) Property, Plant and Equipment:****Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of Property Plant and Equipment.

**(v) Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss..

**(vi) Assets taken on Lease:****Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease deposits given are financial instruments (financial assets) and need to be measured at fair value on initial recognition. The difference between the fair value and the value of deposits is considered as prepaid rental expenses and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest income for deposit given and is accrued as per the effective interest rate method.

**(vii) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets****Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**i) Financial assets at amortised cost**

A financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

#### iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

#### iv) Equity instruments

All equity instruments are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### Impairment of financial assets

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

#### De-recognition

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

#### Financial Liabilities

##### • Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

##### • Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

- **Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

- **Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

- **Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(viii) Inventories:**

Raw Materials and consumables are valued at cost on First in First out (FIFO) basis or net realizable value whichever is lower. Raw material and consumables are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Work in progress is valued at cost basis or net realizable value whichever is lower. They are not written down below cost if the finished products are expected to be sold at or above cost.

Finished goods are valued at lower of cost or net realizable value. The cost is computed on specific identification basis

Stores and spares are charged to revenue in the year of purchase.

Consumables are charged to revenue on actual consumption basis.

**(ix) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

i. **Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

ii. **Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**(x) Employee benefits:****Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans:**

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

**Defined benefit plans:**

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period.

The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual service cost on basis of valuation received from LIC, the amount is paid to LIC of India and debited to Profit and Loss Account.

**Long Term Compensated Absences**

The liability of leave encashment of employees is covered with LIC. On basis of Actuarial Valuations, the present value of liability is accounted and paid to the LIC of India.

**(xi) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

**(xii) Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xiii) Provisions & Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(xiv) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xv) Dividend**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(xvi) Foreign Exchange Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

**2. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and

disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognized prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

**i. Recognition and measurement of defined benefit obligations**

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**ii. Fair value measurement of financial instruments**

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

**iii. Deferred taxes**

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

**3. FIRST TIME ADOPTION OF IND AS**

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 01, 2016 (the Company's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act ("Indian GAAP" or "previous GAAP"). The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the following notes.

Ind AS 101 allows first-time adopters certain exemptions/exceptions from the retrospective application of certain requirements under Ind AS. In preparing these financial statements, the Company has applied the following exemptions:

**Ind AS Optional Exemptions:**

**Deemed cost for property, plant and equipment**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value and use that as its deemed cost as at the date of transition (April 01,2016).

**Designation of previously recognized financial instruments**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its investment in subsidiaries as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure its investment in subsidiaries at their previous GAAP carrying value and use that as its deemed cost as at the date of transition (April 01,2016).

**Reconciliation**

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101:

- Equity as at April 01, 2016 and as at March 31, 2017
- Total comprehensive income for the year ended March 31, 2017

**Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

("000")

	Notes	As at March 31, 2017 (End of last period presented under previous GAAP)	As at April 01, 2016 (Date of transition)
<b>Total equity under previous GAAP</b>		<b>2,10,307</b>	<b>2,06,201</b>
Fair Value of Investments	a	75	-
Reversal of depreciation on classified as assets held for sale	b	194	
Recognition of Prior Period Income by restating it in last presented financial statements	c	270	
Recognition of Prior Period Expense by restating it in last presented financial statements	c	(173)	
Deferred Tax impact on fair value of investments	d	(22)	-
<b>Total adjustments to equity</b>		<b>344</b>	<b>-</b>
<b>Total Equity under Ind AS</b>		<b>2,10,651</b>	<b>2,06,201</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2017**

	Notes	Year ended March 31, 2017 (latest period presented under previous GAAP)
Profit as per previous GAAP		4,106
Adjustments:		
Fair Value of Investments	a	75
Reversal of depreciation on classified as assets held for sale	b	194
Recognition of Prior Period Income by restating it in last presented financial statements	c	270
Recognition of Prior Period Expense by restating it in last presented financial statements	c	(173)
Deferred Tax impact on fair value of investments	d	(22)
Profit for the year as per Ind AS		<b>4,450</b>
Other comprehensive income for the year (net of tax)		
Total comprehensive income for the year under Ind AS		<b>4,450</b>

**Impact of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017**

There were no material differences between the Cash Flow Statement presented under Ind AS and the previous GAAP.

**Notes:**

- Under the previous GAAP current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been designated as measured at FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per the previous GAAP, resulting in an increase in the carrying amount by Rs. 75,000 as at March 31, 2017
- Depreciation of Rs. 1,94,000 charged to Statement of Profit and Loss is reversed on those assets that were classified as "Fixed Asset" as per Previous GAAP and now classified as "Assets held for Sale" in accordance with Ind AS.
- In accordance with IND AS prior period items is to be restated in previous period if they are pertaining to periods that are presented as comparative figures to financial Statements. Thus accordingly the prior period items are restated.
- Deferred taxes have been recognized on adjustments made on transition to Ind AS.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Rs. In Thousands

Particulars	As at 31st March, 2018	As at 31st March, 2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax	509	4,779
<b>Adjustments for :</b>		
<b>Add:</b>		
Depreciation	2,272	2,712
Interest Expense	76	14
<b>Less:</b>		
Profit/Lossonsaleofassets	(19,784)	(27,802)
Profit/LossonsaleofInvestment	(179)	(270)
FairValuementofInvestment	(52)	(75)
Interest Income	(780)	(1,207)
<b>Operating profit before working capital changes</b>	<b>(17,938)</b>	<b>(21,849)</b>
<b>Adjustments for :</b>		
Increase /(Decrease) of Financial Liabilities	538	(29)
Increase /(Decrease) of Non-Financial Liabilities	76	(251)
Decrease / (Increase) of Financial Assets	19	3,768
Decrease / (Increase) of Non-Financial Assets	920	(67)
Decrease / (Increase) of Trade Receivables	5,530	(1,555)
Decrease / (Increase) of Trade Payables	(217)	(2,517)
Decrease / (Increase) of Inventories	(270)	(76)
	6,597	(727)
<b>Cash Generated from Operations</b>	<b>(11,341)</b>	<b>(22,576)</b>
Income Tax Paid	(314.81)	2,010
<b>Net cash from Operating Activities</b> (A)	<b>(11,656)</b>	<b>(20,566)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of fixed assets	(676)	(3,647)
Sale of Fixed Asset	21,000	28,732
Amount Receivable towards sale of asset	-	-
Amount Received in previous year for sale of fixed asset	(1,250)	-
Amount Received in advance for sale of fixed asset	-	750
Sale of Investment	10,000	16,900
Purchase of Investment	(8,500)	(22,700)
Interest Income	780	1,207
<b>Net cash used in Investing activities</b> (B)	<b>21,354</b>	<b>21,242</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short Term Borrowings	7,264	(725)
Interest Paid on borrowings	(76)	(14)
<b>Net cash from Financing Activities</b> (C)	<b>7,188</b>	<b>(739)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>16,886</b>	<b>(63)</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 01.04.2017 (Opening Balance)</b>	<b>8,966</b>	<b>9,031</b>
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2018 (CLOSING)</b>	<b>25,852</b>	<b>8,968</b>
Significant accounting policies	1 to 3	
The accompanying notes form an integral part of the Financial Statements	4 to 40	

As per our report of even date

For and on behalf the Board of Directors

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 012106S**Ankita Gokani**  
Company Secretary**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482**Anil Lohia**(Partner)  
Membership No.31626**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018



## BOARDS' REPORT

To the Members of  
Gujarat Polybutenes Private Limited

Your Directors present the Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year under review are given hereunder:  
Particulars for the Year ended 31<sup>st</sup> March, 2018.

(Figures in "000")

Particulars	for the year ended on 31/03/2018	for the year ended on 31/03/2017
1) Revenue From Operations :	961	-
2) Other Income	1,575	2,978
3) Total Revenue	2,536	2,978
4) Expenses		
a) Cost of materials Consumed	154	22
c) Decrease in Inventories of Finished Goods and RM & Working in Progress & Contract in Progress	9,482	-
d) Employee Benefits Expenses	45	26
e) Finance Costs	1,277	3,156
f) Depreciation and Amortization Expenses	-	3,863
h) Other Expenses	5,936	7,144
Total Expenses	16,894	14,211
5) Loss before exceptional items & Tax	(14,358)	(11,233)
6) Profit on Exceptional items	-	15,271
7) Add: Prior Period items	43	-
8) Loss / Profit before Tax	(14,401)	4,038
9) Total Loss / Profit for the year	(14,401)	4,038
10) Total Loss / Profit for the year	(14,401)	4,038
Earning per equity share		
(a) Basic	-	0.90
(b) Diluted	-	0.90

**2. DIVIDEND**

Your Directors are unable to recommend any dividend.

**3. Performance & Future Outlook**

The operations of the Company have been shut down since February 2016 due to the non availability of feedstock at competitive prices. The Company is actively examining various avenues for business activities.

**4. BUSINESS**

During the year under review, there is no change in the business activities of the Company.

**5. MATERIAL CHANGES AND COMMITMENT OCCURRED AFTER THE END OF FINANCIAL YEAR AND UPTO THE DATE OF REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and upto the date of this report.

**6. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review to which the provisions of the Companies (Acceptance of Deposits) Rules 2014 applies.

**7. LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

During the Financial Year, the Company has not made any Investments or provided Loans or Guarantees to any other Company.

**8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company

**9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

In terms of Section 125 of the Companies Act, 2013, there is no amount required to be transferred to the Investor Education and Protection Fund established by the Central Government.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. T N R Rao (DIN 01230757) resigned as a Director of the Company with effect from 25th July, 2018. Mr. Rao has been a Director of our Company since 2013. He lent his vast knowledge and experience to the Company. The Board appreciates the contribution and efforts made by him during his tenure as a Director of the Company.

At the forthcoming Annual General Meeting, Ms. Urmi N. Prasad retires by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers herself for reappointment.

**11. Board Meetings**

During the year following Board Meetings were convened and held.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of Attendance
1	15.05.2017	6	6	100%
2	22.08.2017	6	5	83.33%
3	07.11.2017	6	5	83.33%
4.	11.02.2018	6	5	83.33%



## Gujarat Polybutenes Private Limited

### 12. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the directors have 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 and loss of the Company for that period;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 13. COMPLIANCE OF SECRETARIAL STANDARD

As per requirement of provisions of Section 118(10) read with SS9 of Secretarial Standard 1, the Company has complied with the Secretarial Standard applicable to the Company

### 14. STATUTORY AUDITORS

Pursuant to provisions of Section 139 of the Companies Act, 2013 M/s Suresh Thakkar & Co., Chartered Accountants, Vadodara, the statutory the Auditors of the Company, was appointed for five financial years. The term of the Auditors will come to an end with the conclusion of the Annual General Meeting for the financial year 2021-22. As per the provisions of the Companies (Amendment) Act, 2017 the term of the Auditors do not require ratification every year

### 15. RISK MANAGEMENT POLICY

The risk management policy includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The operations and working of the Company can be affected on account of any of the following risk factors;

- Ø Policy of Govt. as to excise duty etc.
- Ø Policy of competitors
- Ø Market conditions

### 16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2013 is not applicable to the Company, as the Company does not meet with the requirement of profit criteria.

### 17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** and is attached to this Report.

### 18. RELATED PARTIES TRANSACTIONS

During the year under review, there have been no transactions or contracts entered or arrangements made with related parties pursuant to the provisions of section 188 of the Companies Act, 2013.

### 19. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in **Annexure II** and is attached to this Report.

### 20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION OF, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

### 21. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors, payment of Managerial remuneration, Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013.

### 22. ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation for the continuous support of the bankers, and shareholders of the Company. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board  
Gujarat Polybutenes Private Limited

(Ms. Charita Thakkar)

Director

DIN: 00321561

(Ms. Urmi N Prasad)

Director

DIN: 00319482

Place : Mumbai  
Date : 28th July, 2018

### ANNEXURE 1 TO THE BOARD'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 2017-18.

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

#### A. POWER AND FUEL CONSUMPTION

1) Electricity		2017-18	2016-17
a) Purchased			
Unit	KWH	1,03,814.00	16,599.00
Total amount	Rs	23,09,374.98	25,47,866.00
Rate / Unit	Rs	*	*
b) Own Generator through Diesel Generator			
Units	KWH	NIL	NIL
Unit Per Ltr	KWH	NIL	NIL
Rate / Unit	Rs	NIL	NIL
<b>Coal</b>			
Quantity	MT	NIL	NIL
Total amount	Rs	NIL	NIL
Average Rate	Rs	NIL	NIL
<b>Natural Gas</b>			
Quantity (MMBTU)	MMBTU		884
Total amount	Rs		999,548
Average Rate (MMBTU)	Rs		1,130.71

#### B. CONSUMPTION PER UNIT PER PRODUCTION

Standards (If any)		2017-18	2016-17
Product/Unit : Polymer / MT			
Electricity	KWH	N.A.	N.A.
Coal/DOC	MT	**	**
Natural Gas	MMBTU/scm		

#### II. TECHNOLOGY ABSORPTION

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

1.00 Specific area in which R & D was carried out by the Company	To produce high grade of polymers
2.00 Benefit derived as a result of R & D products at lower cost.	Manufacture of new products and existing
3.00 Future plan of action	Manufacture of variety of PIB
4.00 Expenditure on R & D	Rs.
a) Capital	-
b) Recurring	-
c) Total	-
d) Total R & D Expenditure as a percentage of Total Turnover	-

Technology absorption, adoption and innovation.

1.00 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 N.A
2.00 Benefits derived as a result of above efforts	N.A
3.00 In case of imported technology (imported during the fast 5 years reckoned from the beginning of the financial year) following information may be furnished.	N.A
a) Technology Furnished	
b) Year of Import	
c) Has technology been fully absorbed	
d) If not fully absorbed, areas where this has not taken place, reason therefore, any further plans of action	

#### III. FOREIGN EXCHANGE EARNING AND OUTGO

During the year, the Foreign Exchange outgo was ₹ NIL- During the year Company has earned Foreign Exchange of ₹ NIL During the year.

Note : \* The actual rate per unit can't be calculated because the plant is closed and power consumption is very low (only plant street light load). Contractual unit amount is being paid to maintain power connection.

\*\* As the plant is closed throughout FA 2017-18, this is not applicable.

For and on behalf of the Board  
Gujarat Polybutenes Private Limited

(Ms. Charita Thakkar)

(Ms. Urmi N Prasad)

Director

Director

DIN: 00321561

DIN: 00319482

Place : Mumbai  
Date : 28th July, 2018

**FORM MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the Financial Year Ended on 31.03.2018**  
**(Pursuant of Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the**  
**Companies (Management and Administration) Rules, 2014)**

CIN	U24200GJ2002PTC045675
Registration Date	17.12.2002
Name of the Company	GUJARAT POLYBUTENES PRIVATE LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non Government Company
Address of the Registered Office and Contact Details	Petrochemical Complex Area, P.O. Petrochemical, Baroda - 391346, Gujarat
Whether Listed Company	No
Name , Address & contact details of the Registrar & Transfer Agent, if any.	NA

**II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl.No	Name and Description of main product/services	NIC Code of the Product/Service	% To total turn over the company
1.	Manufacture of poly iso butylenes	19201	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl.No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of Shares	Applicable Section
1	<b>Gujarat Petrosynthese limited</b> 24,II Main, Doddanekkundi Industrial Area,Phase 1, Mahadevapura, Bangalore, Karnataka - 500048	L23209KA1977PLC043357	Holding	99.99%	2(46)

## Gujarat Polybutenes Private Limited

### IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

#### i) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year	
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	0	5	5	0.0001	0	1	1	0.00002	-0.00008	-0.00008
b) Central Govt./State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	4489995	4489995	99.9999	44,89,999	0	44,89,999	99.99998	0.00008	0.00008
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>4490000</b>	<b>4490000</b>	<b>100</b>	<b>44,89,999</b>	<b>1</b>	<b>4490000</b>	<b>100</b>	<b>0</b>	<b>0</b>
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>4490000</b>	<b>4490000</b>	<b>100</b>	<b>4489999</b>	<b>1</b>	<b>4490000</b>	<b>100</b>	<b>0</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
(a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
(b) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
(c) Alternate Investment Fund	0	0	0	0	0	0	0	0	0	0
(d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0
(e) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0	0
(f) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0	0
(g) Insurance Companies	0	0	0	0	0	0	0	0	0	0
(h) Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0	0
(i) Any Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Central Government/ State Government(s)/ President of India</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(3) Non Institutions										
a) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individuals shareholders holding nominal share capital upto Rs.1 lakhs	0	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	0	0	0	0	0	0
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(3):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>4490000</b>	<b>4490000</b>	<b>100</b>	<b>4489999</b>	<b>1</b>	<b>4490000</b>	<b>100</b>	<b>0</b>	<b>0</b>

## Gujarat Polybutenes Private Limited

### ii) Shareholding of Promoters

Sl. No.	Name of the shareholder	No of Shares at the beginning the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares pledged/en cumbered to total share	No. of shares	% of total shares of the company	% of shares pledged/en cumbered to total share	% of change in share during the year
1	Gujarat Petrosynthese Limited	4489995	99.9999	0	44,89,999	99.99998	0	0.00008
2	Ramesh Thakkar (As a Nominee of GPL)	1	0.00002	0	1	0.00002	0	0
3	Sharayu Thakkar (As a Nominee of GPL)	1	0.00002	0	0	-0.00002	0	-0.00002
4	Urmi Prasad (As a Nominee of GPL)	1	0.00002	0	0	-0.00002	0	-0.00002
6	Charita Thakkar (As a Nominee of GPL)	1	0.00002	0	0	-0.00002	0	-0.00002
7	Ursula Thakkar (As a Nominee of GPL)	1	0.00002	0	0	-0.00002	0	-0.00002
	<b>Total</b>	<b>4490000</b>	<b>100</b>	<b>0</b>	<b>4490000</b>	<b>100</b>	<b>0</b>	<b>0</b>

### iii) Change in Promoters Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative share holding during the year	
		No. of Shares	% of total share of the company	No. of Shares	% of total share of the company
	At the beginning of the year	44,90,000	100	4490000	100
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)	No change			
	At the end of the year	44,90,000	100	4490000	100

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) : N.A. (In Rupees)

Sl. No.		Shareholding at the beginning of the year		Cumulative share holding during the year	
		No. of Shares	% of total share of the company	No. of Shares	% of total share of the company
	At the beginning of the year				
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

(V) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative share holding during the year	
		No. of Shares	% of total share of the company	No. of Shares	% of total share of the company
	At the beginning of the year	3	0.00006	3	0.00006
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	-2	-0.00004	1	0.00002
	At the end of the year	1	0.00002	1	0.00002

(V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(in Rupees)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposit	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	57100000	0	57100000
ii) Interest due but not paid	0	1615364	0	1615364
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	58715364	0	58715364
Change in Indebtedness during the financial year				
Additions	0	0	0	0
Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	0	57100000	0	57100000
ii) Interest due but not paid	0	2061498	0	2061498
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	59161498	0	59161498

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.					
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock option					
3	Sweat Equity					
4	Commission as % of profit others (specify)					
5	Others, please specify					
	<b>Total (A)</b>	Nil	Nil	Nil	Nil	Nil
	<b>Ceiling as per the Act</b>					

**B) Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1	<b>Independent Directors</b>					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c ) Others, please specify					
	<b>Total (1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
2	<b>Other Non Executive Directors</b>					
	(a) Fee for attending board committee meetings					
	(b) Commission					
	(c ) Others, please specify.					
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (B)=(1+2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total Managerial Remuneration Overall Ceiling as per the Act.</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		CEO	Company Secretary	CFO	TOTAL	
1	Independent Directors					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.					
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961					
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission as % of profit others, specify					
5	Others, please specify					
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors  
Gujarat Polybutenes Private Limited

(Ms. Charita Thakkar)  
Director  
DIN: 00321561

(Ms. Urmi N Prasad)  
Director  
DIN: 00319482

Place : Mumbai  
Date : 28th July, 2018



## INDEPENDENT AUDITORS REPORT TO THE MEMBERS

### Independent Auditor's Report

To the Members of Gujarat Polybutenes Pvt. Ltd.

#### Report on the Financial Statements:

We have audited the accompanying financial statements of Gujarat Polybutenes Pvt. Ltd., which comprise the balance sheet as at 31<sup>st</sup> March 2018, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

#### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and its Loss and its cash flows for the year ended on that date;

#### Emphasis of Matters:

We draw attention to the following matters in the notes to the financial statements:

1. Note 28 : Relating to Going Concern Concept.
2. Note: 24 : which relating to uncertainty of outcome of the Appeals filed with Commercial Tax Department, service tax, Excise department and Income Tax.
3. Note 30 : Relating to non provision of Deferred Tax Asset / Liability.  
Our opinion is not modified in respect of these matters

#### Other matter:

The financial information included in Ind AS financial statements are based on financial information previously prepared in accordance with the Companies (Accounting standard) rules, 2006 and have been restated to comply with Ind AS. Adjustments made to the financial information previously prepared accordance with the Companies(Accounting standards) rules, 2006 to comply with Ind AS.

#### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and 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 it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss account including other comprehensive income, cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us. The company has disclosed impact of pending litigation on its financial position Ind AS financial statements refer note no. 24.

**For Suresh Thakkar & Co.**  
Chartered Accountants  
(F.R. No 110702W)

**(SURESH THAKKAR)**  
PROPRIETOR  
(M. No. 11650)

PLACE : Vadodara.  
DATE : 14<sup>th</sup> May, 2018

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### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

#### Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the **Gujarat Polybutenes Pvt. Ltd.(Company)** on the financial statements for the year ended 31<sup>st</sup> March 2018.

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

#### 1. In Respect of Fixed Assets

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As informed to us, the Company has a programme of physical verification of its fixed assets by which fixed assets are verified at the end of the year. In our opinion, physical verification is reasonable having regard to size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of an examination of records of the Company, the title deeds of immovable properties are in the name of the Company.

#### 2. In respect of Inventories:

According to the information and explanations given to us, the inventories have been physically verified at the end of the year by the management. No material discrepancies were noticed between physical stocks and book records.

#### 3. In respect of loans granted:

According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, LPP and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, clause 3(a) and 3(b) are not applicable for the year;

#### 4. In respect of Investments:

According to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investment made have been complied by the Company. In our opinion, an according to information and given explanation to us, the Company has not given loans, guarantees and securities in respect of provisions of section 185 and 186 of the Companies Act, 2013 and hence no comments are made.

#### 5. In respect of deposits / loans taken:

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits. Hence, the provisions of sections 73 to 76 of the companies Act, 2013 and the rules framed there under for the deposits acceptance are not applicable.

Total loans accepted form Public (holding company) and Private Limited Companies is Rs 5,71,00,000/- which exceeds 25% of share capital and its free reserves. There is no stipulation regarding repayment of such loans. The Company has accepted loans from the holding company and its subsidiary GPL finance and Investment Company Ltd, an NBFC.

## Gujarat Polybutenes Private Limited

### 6. In respect of maintenance of Cost records:

The Central Government has not prescribed the maintenance of cost records by the Company under section 148(1) of the Companies Act, 2013;

### 7. In respect of Statutory Dues Payment:

- a) According to the information and explanations given to us and the records examined by us, the Company has not to pay any undisputed statutory dues during the year such as including income-tax, sales-tax, service tax, excise-duty, value added tax, GST, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2018, for a period of more than six months from the date they became payable;
- b) According to the information and explanations given to us, there are no dues of income tax, customs, wealth-tax, service tax, excise duty, sales tax(CST), value added tax or cess that has not been deposited on account of disputes except followings:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Central Excise Tax Act	CST	46.70 lakhs	F Y 2011-12 & 201213	Dy. Commissioner of commercial tax appeal Div V, Vadodara

Note: Net of amounts paid under protest:

Sl. No.	Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	Service Tax	Service tax & penalty	0.47 lakhs	F Y 2007-08 to 2011-12	Customs, excise & service tax Appellate tribunal West Zone, Ahmedabad
2.	Cenvat credit rules	Service tax	0.32 lakhs	F Y 2010-11 & 2011-12	Customs, excise & service tax Appellate tribunal West Zone, Ahmedabad
3.	Income Tax department	Penalty	19.42 Lakhs	F.Y. 2014-15	CIT(Appeals)-16, Mumbai

### 8. In respect of payments to Banks & Financial Institutions:

In our opinion and according to the information and explanations given to us, the Company has not taken any loan from a bank hence no comments are made. The Company has not issued any debentures, hence no comments are made.

### 9. In respect of further capital and term loans:

According to the information and explanations given to us by the Management, the Company has not raised money by way of equity capital and preference capital. The Company has not raised any term loan during the year and no term loan is outstanding.

### 10. In respect of Fraud:

According to the information and explanations given to us by the Management, no fraud by the Company or on the Company by its Officers or Employees has been noticed or reported during the course of our audit.

### 11. In respect of Managerial Remuneration:

According to the information and explanations given to us by the Management, no managerial remuneration has been paid or provided for during the year.

### 12. In respect of Nidhi Company:

According to the information and explanations given to us by the Management, the Company is not a Nidhi Company as prescribed under section 406 of the Act. Accordingly paragraph 3(xii) of the order is not applicable to the Company.

### 13. In respect of related parties transactions:

According to the information and explanations given to us by the Management, all transactions with related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements by way of an appropriate note as required by the applicable accounting standards.

### 14. In respect of preferential allotment of shares / debentures:

According to the information and explanations given to us by the Management, the Company has not made a preferential allotment / private placement of equity capital / debentures. No Equity Shares and Convertible Debentures are issued during the year.

### 15. In respect of Non cash transactions with directors and their concerned persons:

According to the information and explanations given to us by the Management and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with them.

### 16. In respect of registration under section 45-IA of RBI Act 1934:

According to the information and explanations given to us by the Management, the provisions of section 45-IA of the Reserve Bank of India Act of 1934 are not applicable to the Company.

**For Suresh Thakkar & Co.**  
Chartered Accountants  
(F.R. No 110702W)

**(SURESHTHAKKAR)**  
PROPRIETOR  
(M. No. 11650)

PLACE : Vadodara.  
DATE : 14<sup>th</sup> May, 2018

## BALANCE SHEET AS ON 31ST MARCH, 2018

(in "000")

Particulars	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
<b>A) ASSETS :</b>				
<b>1) NON-CURRENT ASSETS :</b>				
(a) Property, Plant & Equity	4	25,132	25,133	68,299
(b) Capital Work in Progress		-	-	-
(c) Intangible Assets		-	-	-
(d) Financial Assets		-	-	-
(i) Investments		-	-	-
(ii) Loans		-	-	-
(iii) Other Financial Assets		-	-	-
(e) Income Tax Assets(Net)		328	328	328
(f) Other Non Current Assets	5	2,318	2,318	2,318
<b>Total Non Current Assets</b>		<b>27,778</b>	<b>27,779</b>	<b>70,945</b>
<b>2) Current Assets</b>				
(a) Inventories	6	3,727	13,363	13,403
(b) Financial Assets				
(i) Investments	7	3,990	8,690	1,193
(ii) Trade Receivables		-	-	-
(iii) Cash & Cash equivalents	8	1,276	1,321	7,299
(iv) Bank balances other than(iii) above				
(v) Loans		-	-	-
(vi) Other Financial Assets				
(c) Other Current Assets	9	4,927	6,436	3,627
<b>Total Current Assets</b>		<b>13,920</b>	<b>29,810</b>	<b>25,522</b>
<b>Total Assets</b>		<b>41,698</b>	<b>57,589</b>	<b>96,467</b>
<b>B) Equity &amp; Liabilities</b>				
<b>1) Equity</b>				
(a) Equity Share Capital	10	72,900	72,900	69,900
(b) Other Equity				
Reserves & Surplus		(91,523)	(77,120)	(81,161)
<b>Total Equity</b>		<b>(18,623)</b>	<b>(4,220)</b>	<b>(11,261)</b>
<b>2) Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	11	43,100	43,100	80,900
(b) Employee's Benefits obligations		-	-	-
(c) Other Non Current Liabilities		-	-	-
(d) Provisions		-	-	-
(e) Deffered Tax Liabilities(Net)		-	-	-
<b>Total Non Current Liabilities</b>		<b>43,100</b>	<b>43,100</b>	<b>80,900</b>
<b>3) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	12	14,000	14,000	20,000
(ii) Trade Payables	13	623	3,896	5,973
(iii) Other Financial Liabilities	14	428	813	855
(b) Provisions	15	2,153	-	-
(c) Other Current Liabilities	16	17	-	-
(d) Current Income Tax Liabilities(Net)	-	-	-	-
<b>Total Current Liabilities</b>		<b>17,221</b>	<b>18,709</b>	<b>26,828</b>
<b>Total Equity &amp; Liabilities</b>		<b>41,698</b>	<b>57,589</b>	<b>96,467</b>

See accompanying notes forming part of the financial statements

As per our report of even date attached  
for **SURESH THAKKAR & CO.**  
Chartered Accountants  
Firm Regn. No. 110702W

For and on behalf of the Board of Director

**SURESH THAKKAR**Proprietor  
MEM. No. 11650

Place : Mumbai

Date : 14.05.2018

**Charita Thakkar**Director  
DIN No. 00321561

Place : Mumbai

Date : 14.05.2018

**Urmi. N. Prasad**Director  
DIN No. 00319482

Place : Mumbai

Date : 14.05.2018

## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3- 2018

(in "000")

Particulars	Note No.	Year Ended 31.03.2018	Year Ended 31.03.2017
1) Revenue From Operations :	17	961	-
2) Other Income	18	1,575	2,978
3) Total Revenue		<b>2,536</b>	<b>2,978</b>
4) Expenses			
a) Cost of materials Consumed	19	154	22
b) Payment to Sub Contractors	-	-	-
c) Decrease in Inventories of Finished Goods and RM & Working in Progress & Contract in Progress	20	9,482	-
d) Employee Benefits Expenses	21	45	26
e) Finance Costs	22	1,277	3,156
f) Depreciation and Amortization Expenses	-	-	-
g) Excise Duty on Sale of goods	-	-	3,863
h) Other Expenses	23	5,936	7,144
<b>Total Expenses</b>		<b>16,894</b>	<b>14,211</b>
5) Loss before Exceptional items & Tax		<b>(14,358)</b>	<b>(11,233)</b>
6) Profit on Exceptional items		-	15,271
7) Add: Prior Period items		43	-
8) Loss / Profit before Tax		<b>(14,401)</b>	<b>4,038</b>
9) Tax Expenses		-	-
a) Current Tax		-	-
(i) Current Tax for current year		-	-
(ii) Current Tax for the previous year		-	-
b) Deferred Tax		-	-
(i) Deferred Tax for current year		-	-
<b>Total Tax Expense</b>		-	-
10) Loss / Profit for the period		<b>(14,401)</b>	<b>4,038</b>
11) Other comprehensive income		-	-
a) Items that will not be classified to Profit or Loss		-	-
b) Items that may be classified to Profit or Loss		-	-
<b>Total other comprehensive income</b>		-	-
12) Total Loss / Profit for the year		<b>(14,401)</b>	<b>4,038</b>
<b>Earning per equity share</b>			
(a) Basic		-	<b>0.90</b>
(b) Diluted		-	<b>0.90</b>

As per our report of even date attached for **SURESH THAKKAR & CO.**  
Chartered Accountants  
Firm Regn. No. 110702W

For and on behalf of the Board of Director

**SURESH THAKKAR**

Proprietor  
MEM. No. 11650

Place : Mumbai  
Date : 14.05.2018

**Charita Thakkar**

Director  
DIN No. 00321561

Place : Mumbai  
Date : 14.05.2018

**Urmi. N. Prasad**

Director  
DIN No. 00319482

Place : Mumbai  
Date : 14.05.2018

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

(in “000”)

## 10) Statement of changes in equity for the year ended 31 March, 2018

	(Figures in ‘000 2018)	(Figures in ‘000 2017)	(Figures in ‘000 2016)
<b>A) Authorised Share Capital</b>			
<b>Balance as at April 1, 2015</b>			50,000
Changes in share capital during the year ended March 31, 2016			
60,00,000 Equity Shares of Rs.10/- each			60,000
Preference Shares of Rs.10/- each			40,000
<b>Balance as at March 31, 2016</b>			<b>100,000</b>
<b>Balance as at March 31, 2017</b>		<b>10,000</b>	
<b>Balance as at March 31, 2018</b>	<b>10,000</b>		
<b>B) Equity share capital</b>			
<b>Balance as at April 1, 2015</b>	34,900		34,900
Changes in Equity share capital during the year ended March 31, 2016	35,000		10,000
Changes in Preference share capital during the year ended March 31, 2016	25,000		25,000
<b>Balance as at March 31, 2016</b>	<b>69,900</b>	<b>69,900</b>	<b>69,900</b>
Changes in Preference share capital during the year ended March 31, 2017	3,000	3,000	-
<b>Balance as at March 31, 2017</b>	<b>72,900</b>	<b>72,900</b>	-
Changes in Equity share capital during the year ended March 31, 2018	-	-	-
<b>Balance as at March 31, 2018</b>	<b>72,900</b>	<b>72,900</b>	<b>69,900</b>
<b>C) Other Equity</b>			
<b>1) Share Premium</b>	<b>Reserve &amp; Surplus Share Premium</b>	<b>Reserve &amp; Surplus Share Premium</b>	<b>Reserve &amp; Surplus Share Premium</b>
<b>Balance as at April 1, 2015</b>	12,500	12,500	12,500
Additions during the year	-	-	-
<b>Balance as at March 31, 2016</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
Additions during the year	-	-	-
<b>Balance as at March 31, 2017</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
Additions during the year	-	-	-
<b>Balance as at March 31, 2018</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>
<b>2) Retained Earnings (P&amp;L A/C)</b>			
<b>Balance as at April 1, 2015</b>			(45,330)
Additions Loss during the year			(48,289)
Additions Loss of assets Written off as per the Companies Act 2013			(42,033)
<b>Balance as at March 31, 2016</b>		<b>(93,661)</b>	<b>(1,35,652)</b>
Add: Loss during the year		(11,230)	
Less: Profit exceptional items		15,271	
<b>Balance as at March 31, 2017</b>	<b>(89,620)</b>	<b>(89,620)</b>	
Additions Loss during the year	(14,403)		
<b>Balance as at March 31, 2018</b>	<b>(104,023)</b>		
	<b>(91,523)</b>	<b>(77,120)</b>	<b>(1,23,152)</b>
<b>Total Equity (1-2)</b>	<b>(18,623)</b>	<b>(4,220)</b>	<b>(53,252)</b>

**NOTE -4 : Property, Plant & Equipment** (Figures in ₹)

Assets description	Lease Land at Nandesari	Lease Land at Dahej	Buildings	Plant & Machinery	Laboratory Equipments	Furniture & Fixtures	Office Equipments	Motor Vehicles	Total
<b>Cost or deemed cost</b>									
<b>Balance at April 1, 2015</b>	2760	39243	9488	32361	3007	1091	4689	3592	96231
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
<b>Balance at March 31, 2016</b>	2760	39243	9488	32361	3007	1091	4689	3592	96231
Additions	0	5850	0	0	0	0	0	0	5850
Disposals	0	45093	0	0	0	0	0	1211	46304
<b>Balance at March 31, 2017</b>	2760	0	9488	32361	3007	1091	4689	2381	55777
Additions	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
<b>Balance at March 31, 2018</b>	2760	0	9488	32361	3007	1091	4689	2381	55777
<b>Accumulated depreciation</b>									
<b>Balance at April 1, 2015</b>	0	0	5115	7136	2752	1029	4363	2855	23250
Depreciation Expense	0	0	561	3597	44	5	77	398	4682
Disposals	0	0	0	0	0	0	0	0	0
<b>Balance at March 31, 2016</b>	0	0	5676	10733	2796	1034	4440	3253	27932
Depreciation Expense	0	0	508	3165	32	2	20	136	3863
Disposals	0	0	0	0	0	0	0	1150	1150
<b>Balance at March 31, 2017</b>	0	0	6184	13898	2828	1036	4460	2239	30645
Depreciation Expense	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
<b>Balance at March 31, 2018</b>	0	0	6184	13898	2828	1036	4460	2239	30645
<b>Carrying amount</b>									
<b>Balance at April 1, 2015</b>	2760	39243	9488	32361	3007	1091	4689	3592	96231
<b>Balance at March 31, 2016</b>	2760	39243	3812	21628	211	57	249	339	68299
<b>Balance at March 31, 2017</b>	2760	0	3304	18463	179	55	229	142	25132
<b>Balance at March 31, 2018</b>	2760	0	3304	18463	179	55	229	142	25132

**Notes:**

- 1) Land at Nandesari is not amortized over the leased period.
- 2) Borrowing cost capitalized during the year - Nil (P.Y. Nil)
- 3) The aggregate depreciation has been included under depreciation in the statement of Profit and Loss account.

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018**
**(5) OTHER NON CURRENT ASSETS :**

(in “000”)

	31.03.2018	31.03.2017	31.03.2016
Deposit with GEB / MGVCL	2,172	2,172	2,172
Deposit with GIDC	71	71	71
Deposit with GACL	58	58	58
Deposit with Indian Oxygen Ltd.	7	7	7
Deposit with Indian Oxygen Co.	10	10	10
<b>TOTAL</b>	<b>2,318</b>	<b>2,318</b>	<b>2,318</b>

**(6) INVENTORIES :**

	31.03.2018	31.03.2017	31.03.2016
Raw materials (Including Stock in Transit)	45	199	221
Packing Materials	-	-	-
Consumables	-	-	18
Finished Goods	3,682	13,164	13,164
<b>TOTAL</b>	<b>3,727</b>	<b>13,363</b>	<b>13,403</b>

**(7) INVESTMENTS :**

	31.03.2018	31.03.2017	31.03.2016
BOB Mutual Fund	411	1,824	-
ICICI Mutual Fund	3,316	6,603	-
FD with Axis Bank	42	42	39
FD with Axis Bank	209	209	195
FD with Axis Bank	-	0	947
FD with Bank of Baroda	12	12	12
<b>TOTAL</b>	<b>3,990</b>	<b>8,690</b>	<b>1,193</b>

**(8) CASH & CASH EQUIVALENTS :**

	31.03.2018	31.03.2017	31.03.2016
Cash on Hand	25	22	8
Cash at Banks	1,251	1,299	7,291
<b>TOTAL</b>	<b>1,276</b>	<b>1,321</b>	<b>7,299</b>



**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018**

**(9) OTHER CURRENT ASSETS :**

(in “000”)

	31.03.2018	31.03.2017	31.03.2016
Advance Income Tax	765	766	283
FBT Receivable (Refund)	188	188	188
IT Refund	915	915	915
TDS (A.Y. 2017-18)	32	-	-
Central Excise LUT Deposit	10	10	10
Balances with Excise department	135	135	135
Axis Bank (BG) IOCL	204	181	169
Bank of Baroda(BG)	20	20	20
Bank of Baroda(BG) HPCL	1,524	1,474	1,406
Bank of Baroda(BG) BPCL	-	-	100
Deposit- Income Tax(penalty)	400	-	-
Deposit with Sales Tax department	447	-	-
Duties & Taxes (net)	271	-	-
Advance TDS payment - Contractor	2	-	-
Advance TDS payment - Professional fees	14	-	-
Balances with VAT Authority	-	187	-
Balances with CST Authority	-	53	-
Receivable for sale of land	-	2476	-
Advances for expenses	-	31	30
Prepaid Expenses	-	-	205
Advance for supplies	-	-	166
<b>TOTAL</b>	<b>4,927</b>	<b>6,436</b>	<b>3,627</b>

**(11) OTHER BORROWINGS**

	31.03.2018	31.03.2017	31.03.2016
Loan from GPL (Holding Company)	39,000	39,000	39,000
Loan From subsidiary Companies :-	-	-	-
GPL Finance and Investments Ltd.	4,100	4,100	7,100
Loan from Director	-	-	34,800
<b>TOTAL</b>	<b>43,100</b>	<b>43,100</b>	<b>80,900</b>

**(12) CURRENT LIABILITIES - BORROWINGS**

	31.03.2018	31.03.2017	31.03.2016
Multichem Pvt. Ltd.	14,000	14,000	20000
<b>TOTAL</b>	<b>14,000</b>	<b>14,000</b>	<b>20000</b>

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018**
**(13) TRADE PAYABLES :**

(in "000")

	31.03.2018	31.03.2017	31.03.2016
Sundry Creditors for Expenses	623	2,281	3148
Sundry Creditors for Goods	-	-	20
Outstanding Liabilities	-	1,615	1203
Advances from customers	-	-	1602
<b>TOTAL</b>	<b>623</b>	<b>3,896</b>	<b>5973</b>

**(14) OTHER FINANCIAL LIABILITIES :**

	31.03.2018	31.03.2017	31.03.2016
From Holding Company - GPL	428	813	855
<b>TOTAL</b>	<b>428</b>	<b>813</b>	<b>855</b>

**(15) PROVISIONS :**

	31.03.2018	31.03.2017	31.03.2016
Provision for Audit fees	59	-	
Provision for Legal & Professional services	18	-	
Provision for TDS on Interest	14	-	
Provision for interest - loans	2,062	-	
<b>TOTAL</b>	<b>2,153</b>	<b>-</b>	

**(16) OTHER CURRENT LIABILITIES :**

	31.03.2018	31.03.2017	31.03.2016
Security deposits	17	-	-
<b>TOTAL</b>	<b>17</b>	<b>-</b>	<b>-</b>

**(17) INCOME FROM OPERATIONS**

	31.03.2018	31.03.2017
Domestic Sale of Products including excise duty	961	-
<b>TOTAL</b>	<b>961</b>	<b>-</b>

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018**

(in “000”)

**NOTES - ‘18’: OTHER INCOME**

	31.03.2018	31.03.2017
Interest Income	81	283
Interest on income tax Refund A Y 2014-15	-	35
Dividend income on investment	-	-
Dividend on Mutual Fund	-	103
Realised Gain on sale of Mutual Fund	87	24
Insurance Claim	-	79
Income tax Refund A Y 2014-15	-	121
Profit on Sale of Vehicle	-	239
Dividend from ICICI Mutual Fund	213	-
Income from Debit/Credit balance written off	135	1,955
Sale of Scrap	907	-
Miscellaneous Income	152	139
<b>TOTAL</b>	<b>1,575</b>	<b>2,978</b>

**NOTES - ‘19’: COST OF RAW MATERIAL CONSUMED INCLUDING PACKING MATERIAL**

	31.03.2018	31.03.2017
<b>Raw material &amp; Packing materials</b>		
Opening Stock (Raw Material)	199	221
Add : Purchases ( Raw Material)	-	-
Add : Purchases (Packing Material)	-	-
	-	<b>221</b>
Less : Closing Stock	45	199
Less : Reduction in stock	-	-
<b>TOTAL</b>	<b>154</b>	<b>22</b>

**NOTES - ‘20’: CHANGES IN INVENTORIES OF FINISHED GOODS AND WIP**

	31.03.2018	31.03.2017
<b>OPENING INVENTORY</b>		
Finished Products	13,164	13,164
	<b>13,164</b>	<b>13,164</b>
<b>Less : CLOSING INVENTORY</b>		
Finished Products	3,682	13,164
<b>TOTAL</b>	<b>9,482</b>	<b>-</b>

**NOTES - ‘21’: EMPLOYEE BENEFITS EXPENSES**

	31.03.2018	31.03.2017
Salary & Wages	-	-
Staff Welfare Expenses	45	26
<b>TOTAL</b>	<b>45</b>	<b>26</b>

**NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH, 2018**

(in “000”)

**NOTES - ‘22’: FINANCE COSTS**

	31.03.2018	31.03.2017
Bank Charges	55	75
Bank Interest	-	-
Interest on Unsecured Loans	1,222	3,081
<b>TOTAL</b>	<b>1,277</b>	<b>3,156</b>

**NOTES - ‘23’: OTHER EXPENSES**

	31.03.2018	31.03.2017
Power & Fuel Charges	2309	2566
Machinery Repairs and Maintenance	-	64
Water charges	23	106
Vehicle Expenses	171	145
Computer Expenses	2	3
Conveyance Expenses	24	17
Insurance Expenses	167	615
Legal and Professional Charges	375	699
Office Expenses	1	150
Office & Factory Exp.	123	-
Pollution Control Expenses	443	483
Postage & Courier	13	2
Printing & Stationery	25	12
Rates and Taxes	-	220
Repairs and Maintenance Building	91	-
Repairs & Maintenance others	26	-
Security Expenses	1,659	1,738
Telephone Expenses	28	53
Electricity Expenses	2	-
Entertainment Expenses	18	-
<b>Payment to auditors</b>		
For Statutory Audit	50	50
For GST (Service Tax) on Statutory audit	9	8
For other services including GST	18	-
Fees & Subscription	264	29
Licence / Renewal Expenses	-	93
Membership & Subscription	-	6
Miscellaneous Expenses	42	84
ROC Expenses	4	1
Penalty-VAT	49	-
<b>TOTAL</b>	<b>5,936</b>	<b>7,144</b>

## NOTE '11'- SIGNIFICANT ACCOUNTING POLICIES

### Notes to Financial Statements

#### 1) Corporate Information:

Gujarat Polybutenes Private Limited (Company) is a 100% subsidiary of Gujarat Petrosyntheses Ltd, a public limited company incorporated and domiciled in India and listed on the BSE Ltd. The registered office address and the principal place of business are disclosed in the introduction to the Annual Report. The Company is in the business of manufacturing polybutenes. The manufacturing location is at Petrochemical Complex, Nandesari, Vadodara.

#### 2) Application of Indian Accounting Standards(Ind AS):

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) have been considered in preparing these financial statements.

#### 3) Significant Accounting Policies:

Adoption of Indian Accounting Standards:

The financial statements have been prepared for the year ended March 31, 2018 in accordance with the Indian Accounting Standards(Ind AS) notified of the Companies Act, 2013 read with Companies(Indian accounting standards) rules, 2015 and amended rules, 2016 and other relevant provisions of the Act and rules amended thereunder. The financial statements for the year ended on 31.03.2018 are the Company's first Ind AS financial statements. For the period upto financial year ended on 31.03.2017, the Company prepared its financial statements in accordance with accounting standards notified U/s 133 of the Company's Act 2013 read with Company's (accounts) rules, 2014(Indian GAAP).

The transition was carried out from the Accounting Standard as prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, (previous GAAP). Refer to Note No. 34 for the first time adoption of Ind AS.

##### 3.1) Basis of preparation and presentation :

These financial statements for the year ended March 31, 2018 are the first financial statements that the company has prepared in accordance with Ind AS.

The financial statements have been prepared on the historical cost basis. The Company generally follows the Mercantile System of accounting and recognizes significant items of income and expenditure on accrual basis except insurance claims and refunds from Government authorities.

##### 3.2) Revenue reorganization:

Revenue on sale of goods are recognized as and when the amount of revenue can be reasonably measured, when it is probable that future economic benefits will flow to the Company and significant risks and rewards of ownership have been transferred to the buyer. Revenue includes excise duty but excludes VAT and discounts.

Interest income and expenses are reported on accrual basis. Dividends are recognized at the time on the receipt basis.

##### 3.3) Operating Cycle:

Based on the nature of activities, the Company has determined its operating cycle as 12 months for the purpose of classification of assets and liabilities as current and non-current.

##### 3.4) Operating expenses:

Operating expenses are recognized in the statement of profit and loss upon the utilization of the service or as incurred.

##### 3.5) Segment Reporting:

The Company is engaged in the business of manufacturing and selling polybutenes and its Byproducts which constitute a single business segment. Therefore, no allocation of resources and assessing performance is required to be disclosed.

##### 3.6) Property, Plant & Equipments:

Leasehold land is carried at historical cost. All other items of property, plant and equipments are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost of assets comprises fixed purchase price including incidental expenses related to acquisition and installation.

The Company has chosen the carrying value of all its property, plant and equipment as at 01.04.2015 measured as per previous GAAP and used that carrying value as deemed cost of all property, plant and equipments.

##### 3.7) Depreciation / amortization:

The company follows the Written down Value method of Depreciation on pro- rata basis as per the rates prescribed in the Schedule II of the Companies Act, 2013, except for the following assets where depreciation is charged on a pro-rata basis over the estimated useful life of the assets based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset and the past history of replacement.

Assets class	Depreciation
Factory building	30 Years
Plant and equipment including pipelines	20 Years
Laboratory equipments	8 Years
Furniture & Fixtures	8 Years
Office equipments	5 Years
Vehicles	8 Years

3.8) **Leasehold Land:**

Leasehold land is not amortized.

3.9) **Inventories:**

- Raw materials and consumables - Valued at the lower of cost or realizable value.
- Processed stock - Valued at the estimated cost.
- Manufactured Finished Goods - Valued at the lower of absorption cost or the realizable value.
- Obsolete, defective and unserviceable stocks are duly provided for.

3.10) **Stores, spares & Consumables:**

- Stores and spares are charged to revenue in the year of purchase.
- Consumables are charged to revenue on actual consumption basis.

3.11) **Taxes on Income:**

- Current Tax: Provision for Income Tax is determined in accordance with the Provisions of Income Tax Act, 1961.
- Deferred Tax Provision: Deferred Tax is recognized on timing difference being difference between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent period(s).

3.12) **Investments:**

The Company has elected to recognize its investment in mutual funds at cost.

3.13) **Provisions, contingent liabilities and contingent assets:**

**Provisions:**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

**Contingent liabilities:**

Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by the future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**Contingent Assets:**

Contingent assets are not recognized in the financial statements. Contingent assets if any are disclosed in the notes to the financial statements.

24. **Contingent Liabilities:**

- (i) Contingent liability for letter of credit is of Rs. NIL (P.Y. Nil).
- (ii) As per Assessment orders of commercial tax department Vadodara, the CST liability of Rs. Rs. 46,69,947 for FY 2011-12 and FY 2012-13 are contested in appeal before Dy. Commissioner of Commercial Tax Vadodara. Deposit of Rs. 4,47,000/- is made towards above liability. No provision is made for the said liability.
- (iii) Service tax & penalty 46,676/- for the period 2007-08 to 2011-12 is not accepted by the Company and the same is contested in appeal. Cenvat credit of Rs. 32,149/- for the F Y 2010-11 & 2011-12 is not considered eligible for deduction by the excise department which is contested in appeal. In the event of adverse appellate orders, the above sums will be required to be paid with interest if any, which may reduce net profit of the year.
- (iv) The Company has received Income Tax Assessment Order for Asst. Year 2014-15. The loss claimed as per Return of Income of Rs. 2,02,07,941/- has been reduced due to disallowance of depreciation of Rs. 33,32,341/- and addition on account of non reconciliation of interest of Rs. 23,81,548/-. Therefore, loss has been reduced to Rs. 1,44,94,052/-. Since, final figure is loss determined, no demand of tax is raised. We have been informed that the Company has belatedly filed an appeal against the said assessment order. The penalty proceedings have been completed u/s 271(1)(c) of the Income Tax Act levying penalty of Rs. 19,42,150/-. The part payment of Rs. 4,00,000/- is made against penalty demand till decision of appeal. No provision is made for the said liability.

## Gujarat Polybutenes Private Limited

### 25. Charges on Assets of the Company:

There is no primary / secondary charge over the stocks of raw materials, stock in process, finished goods, stores and spares, books debts and FDR of the Company and no collateral charges on other assets of the company as there are no secured loans from banks and / or other financial Institutions.

### 26. Outstanding of M S M Enterprises:

Based on the information received by the Company, the Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid or payable as required under the said Act have not been given.

### 27. Financial Instrument - Fair Value and Risk management:

#### a) Accounting classification:

Particulars Financial assets	31.03.2018			31.03.2017			01.04.2016		
	At cost	FVTOCI	Amortized cost	At cost	FVTOCI	Amortized cost	At cost	FVTOCI	Amortized cost
Investment in mutual fund	3990	0	0	8690	0	0	1193	0	0
Trade receivable	0	0	0	0	0	0	0	0	0
Cash & Cash equivalents	1276			1321			7299		
Other financial assets	0	0	0	0	0	0	0	0	0
<b>Financial liabilities</b>									
Borrowings			57100			57100			100900
Trade payables			623			3896			5973
Other Financial Liabilities	0	0	0	0	0	0	0	0	0

#### b) Fair value hierarchy and method of valuation:

31.03.2018			31.03.2017			01.04.2016		
Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
3990	0	0	8690	0	0	1193	0	0

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed mutual funds that have quoted price.

Risk management framework:

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include investments, cash and cash equivalents etc.

#### c) Financial risk management:

The Company has exposure to the following risks arising from financial instruments.

- i) Credit Risk
- ii) Liquidity Risk
- iii) Market Risk

##### i) Credit Risk:

There is no credit risk as there are no trade receivables and other financial assets.

##### ii) Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities that are to be settled by delivering cash or other financial assets. A Company has no sufficient liquid assets to meet its current liabilities. Following are the remaining contractual maturities of financial liabilities at reporting date.

March, 2018

#### Financial liabilities

(Figures in '000)

Particulars of liabilities	Carrying Amt.	Contractual cash flows		
		Total	Within 1 Year	More than 1 Years
Borrowing	14000	14000	14000	-
Trade payable	623	623	623	-
Other financial liabilities	428	428	428	-

March, 2017

Financial liabilities

(Figures in '000)

Particulars of liabilities	Carrying Amt.	Contractual cash flows		
		Total	Within 1 Year	More than 1 Years
Borrowing	14000	14000	14000	-
Trade payable	3896	3896	3896	-
Other financial liabilities	813	813	813	-

March, 2016

Financial liabilities

(Figures in '000)

Particulars of liabilities	Carrying Amt.	Contractual cash flows		
		Total	Within 1 Year	More than 1 Years
Borrowing	20000	20000	20000	-
Trade payable	5973	5973	5973	-
Other financial liabilities	855	855	855	-

iii) **Market Risk:**

Market risk is the risk that changes in market prices such as interest rates and commodity prices will affect the Company's income or value of its holding of financial instruments.

a) **Currency risk:**

Currency risk is not material. The Company's primary business activities are within India and do not have exposure in foreign currency.

b) **Interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is with regard to investment in fixed deposits with banks and mutual funds which is considered insignificant.

c) **Commodity risk:**

The Company is exposed to fluctuation in prices of its inputs. However, presently there is no such risk as the Company has suspended manufacturing.

28. **Capital management:**a) **Going concern concept:**

The Company has accumulated losses resulting in substantial erosion in its net-worth. Due to non availability of feed stock in near proximity and lack of orders on hand, no activity was carried out during the year and in the previous year. Manufacturing activity of the company is closed. The above conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis since the management is looking at various options including other avenues for business activities.

The Company's management is hopeful of managing its capital to ensure that it will be able to continue as a going concern with support of its holding company.

## b) The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short term / long term borrowings. The Company's net debt to equity ratio is as follows.

Particulars	March, 2018	March, 2017	March, 2016
Borrowings	57100	57100	100900
Cash and cash equivalents	(1276)	(1321)	(7299)
Net Debt	55824	55779	93601
Total equity	(18623)	(4220)	(11261)
Debt / equity ratio	-	-	-

29. **Segment Reporting:**

The Company is engaged in the business of manufacturing and selling Polybutenes and its by products, which constitute a single business segment and accordingly, no separate disclosures are needed.



## Gujarat Polybutenes Private Limited

30. A) <b>Deferred Tax Assets/Liabilities</b>	<b>As at 31<sup>st</sup> March 2018 Rs.'000</b>	<b>As at 31<sup>st</sup> March 2017 Rs.'000</b>
Op Balance as on 01.04.2016	328	328
Add: Tax impact of differences between Book depreciation in the Financial Statements and depreciation as per Income Tax,	0	0
<b>Total</b>	<b>328</b>	<b>328</b>

Deferred tax assets calculations are not made for the current year due to suspension of its business operations and there is no likelihood of the Company earning profits in the near future.

### 31. **Earning Per Shares**

a) Net Loss (Profit) (Numerator used for calculation)	Rs. (146.15) lacs	Rs 40.41lacs
b) Weighted Average No. of Equity Shares used as the denominator for calculating EPS	44,90,000	44,90,000
c) Basic and Diluted Earnings per share (Rs.) (Equity shares of face value of Rs. 10 each) (Due to loss not calculated)	Rs. 0.00	Rs.0.90

### 32. **Transactions with Related Parties:**

Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below.

#### A. **Relationship**

I) Enterprises having significant control over the Company  
Gujarat Petrosynthese Ltd (Holding Co).

II) Key Management Personnel

<b>Name</b>	<b>Designation</b>
Ms. Urmi Prasad	Director
Dr. R M Thakkar	Director
Ms. Charita Thakkar	Director

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

<b>Related party Transaction</b>	<b>Enterprises having significant control over the Company Rs.'000</b>	<b>Key Management Personnel Rs.'000</b>	<b>Total Rs.'000</b>
(a) Loans (Net)	650 (9042)	0 (34800)	650 (13166)
(b) Interest payments	251 (389)	2 0	251 (389)

33. The Company has accepted loans from the holding company Gujarat Petrosyntheses Ltd and its subsidiary GPL finance and Investment Company Ltd, an NBFC, of Rs. 4.31 crores and loans from a Private Limited Company totaling Rs. 1.40 crores which exceeds 25% of the share capital and its free reserves. There is no stipulation regarding repayment of such loans. The above loans were accepted by the Company prior to 01.04.2014.

34. The financial statements for the year ended on 31.03.2018 are the Company's first Ind AS financial statements. For the periods upto financial year ended on 31.03.2017, the Company prepared its financial statements in accordance with the accounting standards notified U/s 133 of the Company's Act 2013 read with the Company's (accounts) rules, 2014(Indian GAAP).

The company has applied Ind AS 101 in preparing these first standalone financial statements. The effect of transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes accompanying the tables.

#### **Exemptions and exceptions availed:**

In preparing the financial statements, the Company has availed the below mentioned optional exemptions and mandatory exceptions.

#### **Ind AS optional exemptions:**

Property, plant and equipment:

The Company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its property, plant and equipment and intangible assets as recognized in the financial statements as on the date of transition to Ind AS, measured as per the IGAAP and used that as its deemed cost as on the date of transaction (1 April 2015).

**Ind AS mandatory exceptions:**

Estimates:

Ind AS estimates as on 1 April 2015 are consistent with the estimates as on the same date made in conformity with IGAPP. The Company has made estimates for the following items are in accordance with Ind AS on the date of transition as these were not required under IGAPP.

- Investment in equity instruments carried at FVPL or FVOCL.
- Impairment of financial assets based on expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

**Classification and measurement of financial assets**

As permitted under Ind AS 101, the Company has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition. In line with Ind AS 101, the measurement of financial assets are accounted at the amortized cost.

**Effect of Ind AS adoption on Balance Sheet as on 31.03.2017.**

Particulars	01.04.2016 as per GAAP	Adjustments	01.04.2016 as per Ind AS	31.03.2017 as per GAAP	Adjustments	31.03.2017 as per Ind AS
<b>Assets</b>						
Non Current assets						
a) Property, Plant & Equipment	68299	0	68299	25133	0	25133
e) Income Tax assets(net)	328	0	328	328	0	328
f) Other non- current assets	2318	0	2318	2318	0	2318
<b>Total of non-current assets(A)</b>	<b>70945</b>	<b>0</b>	<b>70945</b>	<b>27779</b>	<b>0</b>	<b>27779</b>
Current assets						
a) Inventories	13403	0	13403	13363	0	13363
b) financial assets						
i) Investments	1193	0	1193	8690		8690
ii) Trade receivables	0	0	0	0	0	0
iii) Cash & Cash equivalents	7299	0	7299	1321	0	1321
c) Other current assets	3627	0	3627	6436	0	6436
<b>Total current assets(B)</b>	<b>25522</b>	<b>0</b>	<b>25522</b>	<b>29810</b>	<b>0</b>	<b>29810</b>
<b>Total Assets(A+B)</b>	<b>96467</b>	<b>0</b>	<b>96467</b>	<b>57589</b>	<b>0</b>	<b>57589</b>
Equity & Liabilities						
a) Equity share capital	69900	0	69900	72900	0	72900
b) Other equipment						
- Reserves & Surplus	(81161)	0	(81161)	(77120)	0	(77120)
<b>Total Equity(A)</b>	<b>(11261)</b>	<b>0</b>	<b>(11261)</b>	<b>(4420)</b>	<b>0</b>	<b>(4420)</b>
<b>Liabilities</b>						
Non Current liabilities						
a) Financial Liabilities						
i) Borrowings	80900	0	80900	43100	0	43100
<b>Total non- current liabilities(B)</b>	<b>80900</b>	<b>0</b>	<b>80900</b>	<b>43100</b>	<b>0</b>	<b>43100</b>
<b>Current Liabilities</b>						
a) Financial liabilities						
i) Borrowings	20000	0	20000	14000	0	14000
ii) Trade payables	5973	0	5973	3896	0	3896
iii) Other financial liabilities	855	0	855	813	0	813
b) Short Term Provisions	0	0	0	0	0	0
c) Other current liabilities	0	0	0	0	0	0
<b>Total current liabilities(C)</b>	<b>26828</b>	<b>0</b>	<b>26828</b>	<b>18709</b>	<b>0</b>	<b>18709</b>
<b>Total equity &amp; Liabilities (A+B+C)</b>	<b>96467</b>	<b>0</b>	<b>96467</b>	<b>57589</b>	<b>0</b>	<b>57589</b>

**Effect of Ind AS adoption on Profit & Loss account as on 31.03.2017.**

Particulars	01.04.2017 as per GAAP	Adjustments	01.04.2017 as per Ind AS
Revenue from operations	0	0	0
Other Income	2979319	0	2979319
<b>Total Revenue</b>	<b>2979319</b>	<b>0</b>	<b>2979319</b>
Expenses			
Cost of material consumed	21273	0	21273
Increase Decrease in inventory			
Finished goods and raw material	0	0	0
Employee benefits	24453	0	24453
Finance cost	3156601	0	3156601
Depreciation & amortization	3863476	0	3863476
Other expenses	7141689	0	7141689
<b>Total of expenses</b>	<b>14209492</b>	<b>0</b>	<b>7141689</b>
Loss before exceptional items	(11230173)	0	(11230173)
Profit on exceptional items	15271260	0	15271260
Profit before Tax	4041087	0	4081087



## Gujarat Polybutenes Private Limited

Effect of Ind AS adoption on the statement of Cash flow for the year ended 31<sup>st</sup> March 2017

The transition from previous GAAP to Ind AS has not affected the cash flow of the Company.

35. The assets are depreciated as per Schedule II of the Company's Act, 2013 which has become effective from 01.04.2014. The carrying amount of the asset is depreciated over the remaining useful life of the asset as per the Schedule, after retaining Residual value.
36. Additional disclosure pursuant to Schedule –III.

(A)

Details of Turnover	2017-18 (INR '000)		2016-17 (INR '000)	
	Qty	Amt.	Qty	Amt.
Polybutene	14.00	961	0	0

(B)

Consumption of raw material	2017-18(INR '000)		2016-17(INR '000)	
	Qty	Amt.	Qty	Amt.
Caustic Soda	0	0	0	21

37. (A) Balances of certain creditors, & loans & advances are subject to confirmations, reconciliation and adjustments, if any, having consequential impact on the loss of the year, assets & liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect material difference affecting the current year's financial statements.
- (B) In the opinion of the Board, the current assets & loans & advances have a value in relation in the ordinary course of business at least equal to the amounts at which they are stated. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
38. Previous year's figures have been re-grouped and re-arranged wherever necessary.
39. Figures have been rounded off to the nearest rupee.
40. Figures in bracket relate to the previous year and in case of non-existence of Previous year's figures, the same are not given.

Signatures to Notes "1" to "40"

As per our report of even date attached  
for **SURESH THAKKAR & CO.**  
Chartered Accountants  
Firm Regn. No. 110702W

For and on behalf of the Board of Director

**SURESH THAKKAR**  
Proprietor  
MEM. No. 11650  
Place : Mumbai  
Date : 14.05.2018

**Charita Thakkar**  
Director  
DIN No. 00321561  
Place : Mumbai  
Date : 14.05.2018

**Urmi. N. Prasad**  
Director  
DIN No. 00319482  
Place : Mumbai  
Date : 14.05.2018

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in Lacs)

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax		(144.03)		40.41
<i>Adjustments for:</i>				
Depreciation and amortisation			38.63	-
Other Non Cash item	0.14		-	-
Profit on sale of land	-		(152.71)	-
Profit on sale of vehicle	-		(2.39)	-
Finance costs	12.76		31.57	-
Interest income	(0.81)		(1.83)	-
Dividend income & Realized gain on Mutual Funds	(3.00)	9.09	(1.28)	(88.01)
Operating profit / (loss) before working capital changes				
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	96.23		0.39	-
Trade receivables	-		-	-
Short-term loans and advances			(28.31)	-
Other Current Assets	15.09	111.32	-	(27.92)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(32.73)		(21.19)	-
Other current liabilities/Short term borrowings	(3.84)		-	-
Short term provisions	21.70	(14.87)	-	(21.19)
Cash flow from extraordinary items			-	-
Cash generated from operations		(38.49)	-	(96.71)
Net income tax (paid) / refunds			-	-
<b>Net cash flow from / (used in) operating activities (A)</b>		(38.49)		(96.71)
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances			(58.51)	-
Investment in Mutual Funds			(84.28)	-
Withdrawal from FDR & Trade Deposits		-	-	-
Proceeds from sale of fixed assets			606.65	-
- Others			-	-
Proceeds from sale of long-term investments	47.00		-	-
- Others	-		-	-
Dividend income & Realized gain on Mutual Funds			1.28	-
- Others[Fixed Deposits/ Mutual fund]	3.00		-	-
Interest received			-	-
- Others[Fixed Deposits]	0.81	50.81	1.83	466.97
Cash flow from extraordinary items		-	-	-
Net income tax (paid) / refunds		-	-	-
<b>Net cash flow from / (used in) investing activities (B)</b>		50.81		466.97
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity/ preference shares			30.00	-
Proceeds from long-term borrowings			6.00	-
Repayment of long-term borrowings			(444.00)	-
Finance cost	(12.76)		(31.57)	-
Tax on dividend	-	(12.76)	-	(439.57)
<b>Net cash flow from / (used in) financing activities (C)</b>		(12.76)		(439.57)
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		(0.44)		(69.31)
Cash and cash equivalents at the beginning of the year		13.20		101.88
Effect of exchange differences on restatement offoreign currency Cash and cash equivalents				
<b>Cash and cash equivalents at the end of the year</b>		12.76		32.57
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
* Comprises:				
(a) Cash on hand		0.25		0.22
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts		12.51		12.98
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 3 months				
(iv) In earmarked accounts (give details) (Refer Note (ii) below)				
(d) Others (specify nature)				
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)		12.76		13.20

As per our report of even date attached  
for **SURESH THAKKAR & CO.**  
Chartered Accountants  
Firm Regn. No. 110702W

For and on behalf of the Board of Director

**SURESH THAKKAR**  
Proprietor  
MEM. No. 11650

**Charita Thakkar**  
Director  
DIN No. 00321561

**Urmi. N. Prasad**  
Director  
DIN No. 00319482

Place : Mumbai  
Date : 14.05.2018

Place : Mumbai  
Date : 14.05.2018

Place : Mumbai  
Date : 14.05.2018



**BOARDS' REPORT**

To the Members of  
**GPL Finance and Investments Limited**

Your Directors have pleasure in presenting their Annual Report of the Company together with the Audited Financial Statements of the Company for the year ended on **31<sup>st</sup> March, 2018**.

**1. FINANCIAL RESULTS**

(Amount in '000')

For the year ended 31<sup>st</sup> March, 2018

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Gross Income	867.13	13016.00
Expenditure	249.08	797.69
<b>Profit/ Loss before Tax</b>	<b>618.06</b>	<b>12218.31</b>
Provision for Tax: Deferred Tax	-	-
Current Tax	117.77	3400.00
Lees : MAT Credit	(29.45)	-
Lees : MAT Credit prior year	(2066.21)	-
Prior year tax Adjustment	(1179.16)	3.00
	(3157.05)	3403.00
<b>Profit for the Year</b>	<b>3775.10</b>	<b>8815.31</b>

**Dividend**

Your directors do not recommend any dividend for the year ended 31st March, 2018.

**Transfer to Reserves**

An amount of Rs. 755.02 (in '000) has been transferred to the Special Reserves to be maintained under the provisions of Sec 45IC of Reserve Bank of India Act, 1934.

**Review of Operations**

The aggregate of revenue from operations of the Company during the Financial Year is Rs. 618.84 (in '000) [Previous year Rs. 10862.80 (in '000)].

The Profit before tax is Rs. 618.05 (in '000) (Previous year Rs. 12218.31 (in '000))

**Change in Nature of Business**

During the year under review, there has been no change in the business activities/ operations of the Company.

**Material changes and commitment occurred after the end of Financial Year and upto the date of Report**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and upto the date of this report.

**Performance of Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have a subsidiary company or a Joint Venture Company or an Associate Company.

**Deposits**

The Company has neither accepted nor renewed any deposits during the year under review to which the provisions of the Companies (Acceptance of Deposits) Rules 2014 applies.

**Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013**

The Company being a non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities, the provisions under Section 186 of the Companies Act, 2013 is not applicable

**Share capital**

During the year under review, there is no change in the Authorized share capital and paid up share capital of the Company.

**Transfer to Investor Education & Protection Fund.**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no amount required to be transferred to the Investor Education & Protection Fund.

**Directors**

In accordance with the provisions of section 152 of the Companies Act, 2013, MS. Charita Thakkar (DIN 00321561) Director of the Company retires at the forthcoming Annual General Meeting of the Company, and being eligible offer herself for re appointment. The Board recommends her re-appointment.

**Independent Directors**

The provisions of Section 149(4) of the Companies Act, 2013, read with Rules, regarding the appointment of Independent Directors are not applicable to the Company, as the Company does not meet with the requirements as specified.

**Board Meetings**

During the year the following Board Meetings were convened and held.

Sr. No.	Date of Board Meeting	Total Number of Directors as on the date of Board Meeting	Attendance	
			No. of Directors attended	% of Attendance
1	15.05.2017	3	3	100%
2	23.08.2017	3	2	66.67%
3	06.11.2017	3	3	100%
4.	10.02.2018	3	3	100%

**Director’s Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement;

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That 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 profit and loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the annual accounts on a going concern basis.
5. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Compliance of Secretarial Standard**

As per the requirement of the provisions of Section 118(10) read with SS9 of Secretarial Standard 1, the Company has complied with the Secretarial Standard applicable to the Company.

**Auditors**

Pursuant to provisions of Section 139 of the Companies Act, 2013 M/s Dayal & Lohia Chartered Accountants, Mumbai, the statutory Auditors of the Company, were appointed for five financial years. The term of the Auditor will come to an end with the conclusion of the Annual General Meeting for the financial year 2021-22. As per the provisions of the Companies (Amendment) Act, 2017 the term of the Auditors does not require ratification every year.

**Audit Committee**

The requirement constitution of an Audit Committee is not applicable to the Company, as the Company does not meet with the requirement as specified.

**Explanations on Qualifications/ Adverse Remarks contained in the Audit Report**

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.

**Risk Management Policy**

The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The Company does not have any Risk Management Policy as the elements of risk threatening the Company’s existence are very minimal.

**Internal Financial Control**

The Company maintains adequate Internal Financial controls with reference to Financial Statements.

**Annual Evaluation**

The provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) Annual Evaluation, are not applicable to the Company, as the Company does not meet with the requirement as specified.



## GPL Finance and Investments Limited

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### Vigil Mechanism

As per the provisions of Section 177(10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Vigil mechanism is applicable to the Company, which is listed company or which has accepted deposits from the public or which has borrowed from banks and public Financial Institution in excess of Rs. 50 Crores. None of the criteria are applicable to the Company.

### Conservation of Energy, Technology Absorption and Foreign Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is not applicable to the Company.

### Related Parties Transactions

During the year under review, there have been no transactions or contracts entered into or arrangements made with related parties pursuant to the provisions of section 188 of the Companies Act, 2013.

### Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013 CSR is not applicable to the Company, as the Company does not meet with the requirements as specified.

### Secretarial audit report

As per the provisions of Section 204 of the Companies Act, 2013 the Secretarial Audit is applicable to a listed company and a public company having paid up share capital of Rs. 50 Cr. or more or having turnover of Rs. 250 Crores or more. None of the criteria are applicable to the Company and hence a Secretarial Audit is not applicable to the Company.

### Significant and material order passed by the Regulators/ courts

During the year, no significant and material order was passed by the Regulators or courts.

### Extract of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is provided in **Annexure I** and is attached to this Report

### Disclosure under the Sexual Harassment of Women at workplace (Prevention of, Prohibition and Redressal) Act, 2013

The Company has in place an anti Sexual Policy in line with the requirements of the Sexual Harassment of Women at the Work place (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

### Acknowledgements

The Board takes this opportunity in expressing their gratitude to the bankers to the Company. The Board also acknowledges the continuous support received from its shareholders and stakeholders of the Company.

On behalf of the Board  
GPL FINANCE AND INVESTMENTS LIMITED

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

Ms. Urmi. N. Prasad  
Director  
Din: 00319482

Ms. Charita Thakkar  
Director  
DIN: 00321561

**Form MGT- 9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31<sup>st</sup> March, 2018**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014

**I. Registration and other details**

I)	CIN:-	U65990MH1994PLC076332
II)	Registration Date	31/01/1994
III)	Name of the Company	GPL FINANCE AND INVESTMENTS LTD
IV)	Category / Sub Category of the Company	Company Limited by Shares - India non Govt. company
V)	Address of the Registered office and Contact Details	Plot 195, Ground Floor, Arcadia Building, NCPA Marg, Nariman Point, Mumbai - 400021.
VI)	Whether listed company	Unlisted Company
VII)	Name, address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

**II. Principal business activities of the company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated;  
(The Company is an investment company, the NIC Code is not available)

Sr. No.	Name and Description of main products/ service	NIC code of the product/ service	% to total turnover of the company
1	Dividend and interest Income	64990	100%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl.No	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associates	% of Shares	Applicable
1.	Gujarat Petrosynthese Limited	L23209KA1977PLC043357	Holding Company	99.99%	2(46)



IV. Share Holding Pattern (Equity share capital breakup as percentage of total equity)

i) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	0	60	60	0.006	0	60	60	0.006	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	999940	999940	99.994	0	999940	999940	99.994	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub – total (A)(1)</b>	0	1000000	1000000	100.00	0	1000000	1000000	100.00	0
<b>2. Foreign</b>									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>Sub – total (A)(2)</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter A = (A)(1) + (A)(2)</b>	0	1000000	1000000	100.00	0	1000000	1000000	100.00	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c) Alternate Investment Fund	0	0	0	0	0	0	0	0	0
(d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e) Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
(f) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(g) Insurance Companies	0	0	0	0	0	0	0	0	0
(h) Provident Funds/Pension Funds	0	0	0	0	0	0	0	0	0
(i) Any Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(1)</b>	0	0	0	0	0	0	0	0	0
<b>2. Central Government/ State Government(s)/</b>									
<b>President of India</b>	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>3. Non Institutions</b>									
a) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1lakh	0	0	0	0	0	0	0	0	0
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
c) Employee Trusts	0	0	0	0	0	0	0	0	0
d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub Total (B)(3)</b>	0	0	0	0	0	0	0	0	0
<b>Total public Shareholding (B) = (B)(1) + (B)(2)+(B)(3)</b>	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	1000000	1000000	100.00	0	1000000	1000000	100.00	0

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Gujarat Petrosynthese Limited ( as a nominee of GPL )	9,99,940	99.994%	0	9,99,940	99.994%	0	0
2	Urmi N. Prasad( as a nominee of GPL )	10	0.001	0	10	0.001	0	0
3	Charita Thakkar( as a nominee of GPL )	10	0.001	0	10	0.001	0	0
4	Nuthakki Prasad( as a nominee of GPL )	10	0.001	0	0	0	0	0.001
5	Ursula Thakkar( as a nominee of GPL )	10	0.001	0	0	0	0	0.001
6	Sharayu Thakkar( as a nominee of GPL )	10	0.001	0	0	0	0	0.001
7.	Rameshchandra Maganlal Thakkar ( as a nominee of GPL )	10	0.001	0	10	0.001	0	0
<b>Change in Shareholding during the year</b>								
8	Mrs. Padma. K. Nair ( as a nominee of GPL )	0	0	0	10	0.001	0	0.001
9	Mr. Kishore M. Dalvi ( as a nominee of GPL )	0	0	0	10	0.001	0	0.001
10	Mrs.Mohini Rajput ( as a nominee of GPL )	0	0	0	10	0.001	0	0.001

(iii) Change in Promoters' Shareholding (Please Specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	At the beginning of the year	10,00,000	00	10,00,000	100
	Date wise Increase/ decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	No Change			
	At the end of the year	10,00,000	00	10,00,000	100

(iv) Shareholding Pattern of top 10 Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs) (Not Applicable)

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	At the beginning of the year	Not Applicable			
	Date wise Increase/ decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)				
	At the end of the year (or on the date of separation, if separated during the year)				

(v) Shareholding Pattern of Directors and KMP Promoters of GDRs and ADRs

Sl. No.	For each of the top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	At the beginning of the year	30	.003	30	0.003
	Date wise Increase/ decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)	No Change			
	At the end of the year	30	.003	30	0.003

## GPL Finance and Investments Limited

### (V) Indebtedness

Indebtedness of the company including interest outstanding/ accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I + ii + iii)</b>	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
I) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (I + ii + iii)</b>	NIL	NIL	NIL	NIL

### (VI) Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/ or Manager

SI No.	Particular of Remuneration	Name of MD/ WTD/ Manager		Total Amount
	Name of MD/ WTD/ Manager			
1.	Gross salary	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.			
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.			
2	Stocks Option			
3	Sweat Equity			
4	Commission			
	- As % of profit			
	- Other , specify			
5	Others, Please specify			
	Total (A)			
	Ceiling as per the Act			NIL

B. Remuneration to other Directors

(in INR lacs)

SI.No	Particulars of Remuneration	Name of the Directors				Total Amount
<b>1</b>	<b>Independent Directors</b>					
	1. Independent Directors					
	• Fees for attending Board committee meetings					
	• Commission					
	• Other, Please specify					
	<b>Total (1)</b>					NIL
<b>2.</b>	<b>Other Non-Executive Directors</b>					
	• Fees for attending board committee meetings					
	• Commission					
	• Other, Please specify					
	<b>Total (2)</b>					NIL
	<b>Total (B) = (1+2)</b>					NIL
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

## GPL Finance and Investments Limited

### C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1.	Gross Salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961.				
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961.				
2.	Stock Option				
3	Sweat Equity				
4	Commission				
	- As % of profit				
	- Others, specify				
5	Other, Please specify				
	Total	NIL	NIL	NIL	NIL

### VII Penalties / Punishment / Compounding Offences

Type	Section of the companies Act.	Brief Description Compounding fees imposed	Details of penalty/ Punishment /	Authority (RD/ NCLT/ court)	Appeal made if any (give Details)
<b>A. Company</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>B. Directors</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-
<b>C. Other officers in default</b>					
Penalty		-	-	-	-
Punishment		-	-	-	-
Compounding		-	-	-	-

On behalf of the Board  
GPL FINANCE AND INVESTMENTS LIMITED

Place : Mumbai  
Date : 28<sup>th</sup> July, 2018

Ms. Urmi. N. Prasad  
Director  
Din: 00319482

Ms. Charita Thakkar  
Director  
DIN: 00321561

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## INDEPENDENT AUDITOR'S REPORT

To the Members of

**GPL FINANCE AND INVESTMENTS LIMITED**  
**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **GPL FINANCE AND INVESTMENTS LIMITED** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide audit opinion on the financial statement.

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company did not have any pending litigations during the year.
    - ii) The Company did not have any long term contracts including derivatives contract for which there were any material foreseeable losses.; and
    - iii) There were no amounts which were required to be transferred to Investor Education & Protection fund by the Company.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

(Anil Lohia)  
Partner  
Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018

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**GPL FINANCE AND INVESTMENTS LIMITED****Annexure A to the Independent Auditors' Report**

The Annexure referred to in our report to the members **GPL Finance And Investments Limited** ('the Company') for the year ended on 31<sup>st</sup> March, 2018.

In our opinion and according to the information and explanations given to us, the nature of the company's business / activities during the year are such that clauses (i) and (ii) of para 3 & 4 of the Order are not applicable to the company.

- iii) According to the information and explanations given to us and on the basis of our examination of books of account, the Company has granted unsecured loan to company covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. The terms and conditions of the loan given are not prejudicial to the Company's interest.
  - b. The schedule of repayment of principal has not been stipulated by the Company and hence, we are unable to make any comment on the regularity of repayment of principal.
  - c. The repayment terms are 'On demand' and hence, there is no overdue amount of principal.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made. The Company has not given any guarantee or security.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi) According to the information and explanation given to us, maintenance of cost records have not been prescribed by the Central Government pursuant to Companies (Cost Accounting Records) Rules, 2011 under sub-section (1) of section 148 of the Companies Act.
- vii) a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date it became payable.  
b) According to the records of the Company and information and explanations given to us there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax on account of any disputes.
- viii) On the basis of our examination of the books and according to the information and explanations given to us, there are no borrowings from financial institutions, banks or debenture holders.
- ix) The Company has not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 having Certificate of Registration bearing number 13.00856 issued on 26th May, 2018.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

(Anil Lohia)  
Partner  
Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018



**ANNEXURE – ‘B’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS GPL FINANCE AND INVESTMENTS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

We have audited the internal financial controls over financial reporting of **GPL Finance And Investments Limited** (“the Company”) as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

(Anil Lohia)  
Partner  
Membership No: 31626

Place : Mumbai  
Date : 14<sup>th</sup> May, 2018



BALANCE SHEET AS AT 31ST MARCH 2018			
(₹ in thousands)			
	Notes	31.03.2018	31.03.2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' Funds</b>			
(a) Share Capital	2	10,000.00	10,000.00
(b) Reserves and Surplus	3	17,732.85	13,957.75
<b>2) Current Liabilities</b>			
(a) Other Current Liabilities	4	84.83	63.00
<b>Total</b>		<b>27,817.68</b>	<b>24,020.75</b>
<b>II. ASSETS</b>			
<b>1) Non-current Assets</b>			
(a) Non-current Investments	5	664.40	783.20
<b>2) Current Assets</b>			
(a) Current Investments	5	17,700.00	700.00
(b) Cash and Cash Equivalents	6	1,321.51	3,014.17
(c) Short-term Loans and Advances	7	4,100.00	4,100.00
(d) Other Current Assets	8	4,031.77	15,422.38
<b>Total</b>		<b>27,817.68</b>	<b>24,020.75</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Financial Statements</b>	1 to 16		
For and on behalf of the Board of Director			
As per our report of even date attached For <b>Dayal and Lohia</b> Chartered Accountants Firm Reg. No. 102200W			
Sd/- <b>Anil Lohia</b> Partner Mem No. 31626	Sd/- <b>Ms. Charita Thakkar</b> Director Din.No.00321561	Sd/- <b>Urmi. N. Prasad</b> Director Din.No.00319482	
Place: Mumbai Date : 14-5-2018	Place: Mumbai Date : 14-5-2018	Place : Mumbai Date : 14-5-2018	

PROFIT AND LOSS ACCOUNT AS ON 31ST MARCH 2018			
(₹ in thousands)			
	Notes	31.03.2018	31.03.2017
Revenue from Operations	9	618.84	10,862.80
Other Income	10	248.29	2,153.20
<b>Total Revenue</b>		<b>867.13</b>	<b>13,016.00</b>
<b>Expenses:</b>			
Other Expenses	11	249.08	797.69
<b>Total Expenses</b>		<b>249.08</b>	<b>797.69</b>
<b>Profit before Tax</b>		<b>618.06</b>	<b>12,218.31</b>
<b>Tax Expenses:</b>			
Current Tax		117.77	3,400.00
Less : MAT Credit		(29.45)	-
Less : MAT Credit Prior year		(2,066.21)	-
Prior Year Tax Adjustment		(1,179.16)	3.00
		<b>(3,157.05)</b>	<b>3,403.00</b>
<b>Profit for the Year</b>		<b>3,775.10</b>	<b>8,815.31</b>
Earning per equity share:			
(1) Basic	12	3.78	8.82
(2) Diluted		3.78	8.82
<b>Significant Accounting Policies</b>	1		
<b>Notes to the Financial Statements</b>	1 to 16		
For and on behalf of the Board of Director			
As per our report of even date attached For <b>Dayal and Lohia</b> Chartered Accountants Firm Reg. No. 102200W			
Sd/- <b>Anil Lohia</b> Partner Mem No. 31626	Sd/- <b>Ms. Charita Thakkar</b> Director Din.No.00321561	Sd/- <b>Urmi. N. Prasad</b> Director Din.No.00319482	
Place: Mumbai Date : 14-5-2018	Place: Mumbai Date : 14-5-2018	Place : Mumbai Date : 14-5-2018	

## NOTE 1

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Accounting:

Company is registered as a Non-Banking Financial Company with Reserve Bank of India.

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2. Revenue Recognition:**

- a. Interest income is recognized on time proportionate basis.
- b. Dividend income from investments is recognized when the right to receive the dividend is established.
- c. Claims and damages are accounted as and when they are finalized.

**3. Cash Flow Statements:**

Cash flow statement is prepared in accordance with the indirect method prescribed under Accounting Standard (AS) 3 “Cash Flow Statements” issued by the Institute of Chartered Accountants of India.

**4. Investments:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**5. Earning per Share (EPS):**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

**6. Provision for Current and Deferred Tax:**

- a. Provision for the current tax is made after taking into considering benefits admissible under the provisions of the Income Tax Act, 1961.
- b. Deferred Tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets are reviewed at each balance sheet date and is written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

**7. Provisions:**

A provision is recognized when the company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**8. Contingent Liabilities:**

Contingent liabilities, if any are disclosed in the notes on accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the board of directors and which have material effect on the position stated in the balance sheet.

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2018

₹ in thousands

	31.03.2018	31.03.2017
<b>2 Share Capital:</b>		
<b>Authorised</b>		
1,000,000 (as at 31st March, 2017: 1,000,000 shares) equity shares of Rs. 10 each	<b>10,000.00</b>	10,000.00
	<b>10,000.00</b>	10,000.00
<b>Issued, subscribed and paid-up</b>		
1,000,000 (as at 31st March, 2017: 1,000,000 shares) equity shares of Rs. 10 each	<b>10,000.00</b>	10,000.00
	<b>10,000.00</b>	10,000.00
<b>a.</b> Out of the above equity shares, 999,940 shares are held by The Holding Company - Gujarat Petrosynthese Limited.		
<b>b. Details of shareholders holding more than 5% in Company</b> The Holding Company - Gujarat Petrosynthese Limited.		
- No. of shares	<b>999,940</b>	999,940
- % holding	<b>99.99</b>	99.99
<b>3 Reserves and Surplus:</b>		
<b>a) Statutory Reserve</b>		
Balance at the beginning of the year	1,762.95	-
Add: Amount transferred from surplus balance in the Statement of Profit and Loss	755.02	1,762.95
Closing Balance	<b>2,517.97</b>	<b>1,762.95</b>
<b>b) Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	12,194.80	5,143.00
Profit / (Loss) for the year	3,775.10	8,814.75
Less: Transfer to Statutory reserve	755.02	1,762.95
Closing Balance	<b>15,214.88</b>	<b>12,194.80</b>
<b>Total Reserves and Surplus</b>	<b>17,732.85</b>	<b>13,957.75</b>
<p>Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. An amount of Rs.755.02 (in '000) representing 20% of Net Profit is transferred to the Fund for the year (Previous Year Rs.1,762.95 (in '000) ). No appropriation was made from the Reserve Fund during the year.</p>		
<b>4 Other Current Liabilities:</b>		
Creditors Others	<b>84.83</b>	63.00
	<b>84.83</b>	63.00

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2018

₹ in thousands

	31.03.2018		31.03.2017		
	No.	Value	No.	Value	
<b>5 Non Current Investment: (At cost - non-trade)</b>					
		<b>Value</b>		<b>Value</b>	
<b>Investment in Others</b>					
<b>Quoted:</b>					
Investment in Shares		664.40		783.20	
Investment in Government Securities		-		-	
		<u>664.40</u>		<u>783.20</u>	
Less : Provision for Diminution in Value of Investments		-		-	
		<u>664.40</u>		<u>783.20</u>	
<b>Current Investment: (At lower of cost and fair value)</b>					
<b>Quoted:</b>					
Investment in Units of Mutual Funds		17,700.00		700.00	
		<u>17,700.00</u>		<u>700.00</u>	
<b>Scrip wise Details of Investments:</b>					
		<b>Nos</b>	<b>Value</b>	<b>Nos</b>	<b>Value</b>
<b>Non Current Investment: Investment in Others</b>					
<b>Quoted:</b>					
<b>Investment in Equity shares</b>					
Southern Magnesium and Chemicals Limited.	60,400	664.40	71,200	783.20	
<b>TOTAL A</b>		<u>664.40</u>		<u>783.20</u>	
<b>Investment in Government Securities</b>					
NTPC Limited.		-	134.00	-	
<b>TOTAL B</b>		-		-	
<b>Current Investment:</b>					
<b>Quoted:</b>					
<b>Investment in Units of Mutual Funds</b>					
Baroda Pioneer Treasury Advantage Fund - Plan A Growth	383	700.00	383	700.00	
HDFC cash Management Fund-Saving Plan-Regular Plan-Growth	4,951	17,000.00	-	-	
<b>TOTAL C</b>		<u>17,700.00</u>		<u>700.00</u>	
<b>TOTAL (A+B+C)</b>		<b>18,364.40</b>		<b>1,483.20</b>	
<b>Note:</b>					
<b>Quoted Investments - Cost and Market Value</b>					
Cost		<b>18,364.40</b>		<b>1,483.20</b>	
Market Value		<b>19,843.96</b>		<b>3,736.98</b>	

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2018

₹ in thousands

	31.03.2018	31.03.2017
<b>6 Cash and Cash Equivalents:</b>		
<b>Cash on hand</b>	27.56	30.94
<b>Bank balances :</b>		
On current account	<u>1,293.95</u>	<u>2,983.23</u>
On fixed deposits	1,502.02	15,700.00
Less : Fixed Deposits maturing after three months	(1,502.02)	(15,700.00)
	-	-
	<u>1,321.51</u>	<u>3,014.17</u>
<b>7 Short Terms Loans and Advances:</b>		
<b>(Unsecured, considered good)</b>		
Loan to fellow subsidiary company :		
Gujarat Polybutenes Pvt. Ltd.	4,100.00	4,100.00
	<u>4,100.00</u>	<u>4,100.00</u>
<b>8 Other Current Assets:</b>		
<b>(Unsecured, considered good)</b>		
Interest accrued	61.97	466.00
Fixed Deposits with banks maturing after 3 months but before 12 months	1,502.02	15,700.00
Advance Income Tax (Net of Provisions)	372.13	(743.62)
MAT Credit Receivable	2,095.66	-
	<u>4,031.77</u>	<u>15,422.38</u>
<b>9 Revenue from Operations:</b>		
Interest on Loan	276.75	504.62
Profit on sale of Non-current Investments	342.09	10,358.18
	<u>618.84</u>	<u>10,862.80</u>
<b>10 Other Income:</b>		
Dividend	-	172.54
Interest on fixed deposits	245.42	79.78
Interest on IT Refund	-	1.13
Provision for Diminution no longer required Written-back	-	1,899.75
Prior Period Income	2.79	-
Miscellaneous Income	0.08	-
	<u>248.29</u>	<u>2,153.20</u>
<b>11 Other Expenses:</b>		
Accounting Charges	30.00	30.00
Bank Charges	0.66	0.12
Conveyance Charges	6.38	20.89
Printing and Stationery	13.44	9.86
Filing Fees	6.24	1.20
Professional Fees	44.61	-
Prior Period Expenses	13.23	-
Auditors Remuneration	30.00	28.75
STT Charges	0.36	-
Demat Charges	8.78	12.05
Miscellaneous Expenses	49.09	9.86
Membership and Annual Fees	46.30	30.19
Investment in Equity Shares Written-off	-	654.77
	<u>249.08</u>	<u>797.69</u>

NOTES FORMING PART OF BALANCE SHEET AS ON 31ST MARCH 2018

₹ in thousands

	31.03.2018	31.03.2017
<b>12 Earnings per share:</b>		
Profit/(Loss) attributable to Equity Shareholders	3,775.10	8,815.31
Number of Equity Shares	1,000.00	1,000.00
Nominal Value of Equity Shares	10.00	10.00
Earnings per Share in Rs.	3.78	8.82
<b>13 Remuneration to Auditors:</b> (Inclusive of Service Tax)		
Audit Fees	30.00	28.75
Taxation Services	29.88	-
Out of Pocket Expenses	-	-
	<b>59.88</b>	<b>28.75</b>

14 No Vendors have informed of their bearing registered under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, as per the information available with the company, no amount is payable to such Vendors at the year end.

**15 Related Party Disclosures:**

- a) Entities under Common Control:
  - 1) Gujarat Petrosynthese Ltd- Holding Company
- b) Key management personnel:
  - 1) Mr. R.M.Thakkar
  - 2) Ms. Urmi Prasad
  - 3) Ms. Charita Thakkar
- c) Other Related Parties where transactions have taken place during the year
  - 1) Gujarat Polybutenes Pvt Ltd-Fellow Subsidiary Company

Particulars	Fellow Subsidiary Company 31.03.2018	Fellow Subsidiary Company 31.03.2017
<b>Income</b>		
Interest on loan given to Gujarat Polybutenes Pvt Ltd.	276.75	504.62
Gujarat Polybutenes Pvt Ltd - Reimbursement expenses	(1.60)	-
Loan given received back - Gujarat Polybutenes Pvt Ltd	-	3,000.00
<b>Outstanding</b>		
Gujarat Polybutenes Pvt Ltd - Reimbursement expenses payable	(1.60)	-
Interest Receivable - Gujarat Polybutenes Pvt Ltd	61.97	466.34
Receivable - Gujarat Polybutenes Pvt Ltd	4,100.00	4,100.00

16. Previous years figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the Board of Director  
**GPL Finance and Investments Limited**

As per our report of even date attached  
 For **Dayal and Lohia**  
 Chartered Accountants  
 Firm Reg. No. 102200W

Sd/-  
**Anil Lohia**  
 Partner  
 Mem No. 31626

Sd/-  
**Ms. Charita Thakkar**  
 Director  
 Din.No.00321561

Sd/-  
**Urmi. N. Prasad**  
 Director  
 Din.No.00319482

Place : Mumbai  
 Date : 14-5-2018

Place : Mumbai  
 Date : 14-5-2018

Place : Mumbai  
 Date : 14-5-2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

Particulars	2017-18 (Rupees in lacs)	2016-17 (Rupees in lacs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	618.06	12,218.31
Adjusted for:		
Operating Profit before Working Capital Changes	<b>618.06</b>	<b>12,218.31</b>
<b>Adjusted for Changes in Working Capital</b>		
Changes in Investment	(16,881.20)	4,915.00
Other Current Liabilities	23.28	29.00
Long-Term Loans and Advances	-	-
Other Current Assets	14,602.01	(310.00)
<b>Cash generated from operations</b>	<b>(1,637.85)</b>	<b>16,852.31</b>
Direct Taxes (paid)/refund	(54.81)	(2,629.51)
<b>Cash flow/(used) from Operating activities</b>	<b>A (1,692.66)</b>	<b>14,222.80</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow/(used) in Investing activities	<b>B -</b>	<b>-</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loans advances	-	3,000.00
<b>Cash flow/(used) in Financing activities</b>	<b>C -</b>	<b>3,000.00</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,692.66)</b>	<b>17,222.80</b>
<b>Cash and Cash equivalents as at beginning of the year</b>	<b>3,014.17</b>	<b>1,491.00</b>
<b>Cash and Cash equivalents as at end of the year</b>	<b>1,321.51</b>	<b>3,014.17</b>

Note : Company being an Registered NBFC , cashflows from investments are considered as operating activities.

For and on behalf of the Board of Director  
**GPL Finance and Investments Limited**

As per our report of even date attached  
For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W

Sd/-  
**Anil Lohia**  
Partner  
Mem No. 31626

Sd/-  
**Ms. Charita Thakkar**  
Director  
Din.No.00321561

Sd/-  
**Urmi. N. Prasad**  
Director  
Din.No.00319482

Place : Mumbai  
Date : 14-5-2018

Place : Mumbai  
Date : 14-5-2018

Place : Mumbai  
Date : 14-5-2018

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

To  
The Members of  
Gujarat Petrosynthese Limited

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **Gujarat Petrosynthese Limited** ('the Company') and its subsidiary (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder:

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

**Opinion**

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

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2018;
- b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated loss for the year ended on that date; and
- c) in the case of the Consolidated Statement of Changes in Equity, of the changes in equity for the year ended on that date; and
- d) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.



**Emphasis of Matter**

As reported by another auditor in standalone financial statements of subsidiary, we draw your attention to Note 40 of the Consolidated Financial statements, which indicates that one of the subsidiary which have been audited by another auditor has accumulated losses and its net worth has been fully eroded. However, the financial statements of the subsidiary have been prepared on a going concern basis for the reason stated in the said note.

**Other Matters**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs.6,93,03,000 as at 31st March, 2018, total revenues of Rs.26,27,000 for the year ended on that date, as considered in the consolidated financial statements. These financial have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and the reports of the other auditors;
  - c. The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
  - e. On the basis of written representations received from the directors of the Company as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements does not have any pending litigations which will impact on the consolidated financial position of the Group;
    - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W  
**(Anil Lohia)**  
Partner  
Membership No: 31626

Place: Mumbai.  
Date : 14-05-2018

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**ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GUJARAT PETROSYNTHESE LIMITED AND ITS SUBSIDIARY COMPANIES**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (‘the Act’)**

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31<sup>st</sup> March 2018, we have audited the internal financial controls over financial reporting of **Gujarat Petrosynthese Limited** (‘the Company’) and its subsidiary companies, which are companies incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Group’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Group’s internal financial control over financial reporting includes those policies and procedures that

## Gujarat Petrosynthese Limited

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- (1) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place: Mumbai.  
Date : 14-05-2018

For **Dayal and Lohia**  
Chartered Accountants  
Firm Reg. No. 102200W  
**(Anil Lohia)**  
Partner  
Membership No: 31626

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2018**

(₹ in thousands)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>A ASSETS</b>				
<b>I Non-Current Assets</b>				
Property, plant and equipment	4	46,132	47,729	90,891
Financial Assets:				
Investments	5	5,945	7,712	19,904
Loans	6	5,331	5,447	5,088
Other financial assets	7	-	-	464
Assets Held for Sale	8	16,700	17,916	17,916
<b>Total Non-Current Assets</b>		<b>74,108</b>	<b>78,804</b>	<b>134,263</b>
<b>II Current Assets</b>				
Inventories	9	9,402	18,769	18,733
Financial Assets:				
Investments	5	23,300	11,397	-
Loans	10	345	497	982
Trade receivables	11	16,204	20,083	18,529
Cash and cash equivalents	12	28,448	13,301	17,122
Other financial assets	13	21,274	34,365	24,671
Other current assets	14	1,310	1,766	1,827
<b>Total Current Assets</b>		<b>100,283</b>	<b>100,178</b>	<b>81,864</b>
<b>TOTAL ASSETS</b>		<b>174,391</b>	<b>178,982</b>	<b>216,127</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>I Equity</b>				
Equity share capital	15	59,692	59,692	59,692
Other equity	16	72,384	77,549	67,701
<b>Total Equity</b>		<b>132,076</b>	<b>137,240</b>	<b>127,393</b>
<b>Liabilities</b>				
<b>II Non-Current Liabilities</b>				
Deferred tax Liability (Net)	17	(696)	5,329	5,938
<b>Total Non-Current Liabilities</b>		<b>(696)</b>	<b>5,329</b>	<b>5,938</b>
<b>III Current Liabilities</b>				
Financial Liabilities :				
Borrowings	18	23,964	16,700	58,225
Trade payables	19	12,696	12,919	16,323
Other financial liabilities	20	5,781	5,065	4,695
Short Term Provisions	21	-	-	721
Other current liabilities	22	569	1,728	2,833
<b>Total Current Liabilities</b>		<b>43,010</b>	<b>36,412</b>	<b>82,797</b>
<b>Total Liabilities</b>		<b>42,314</b>	<b>41,742</b>	<b>88,735</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>174,391</b>	<b>178,982</b>	<b>216,127</b>
Significant accounting policies	1 to 3			
The accompanying notes form an integral part of the Financial Statements 4 to 41				

As per our report of even date

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W**Anil Lohia**(Partner)  
Membership No.31626**Ankita Gokani**  
Company Secretary**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561

For and on behalf the Board of Directors

**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH,2018**  
(₹ in thousands)

Particulars	Note No.	For the year ended As on 31.03.2018	For the year ended As on 31.03.2017
<b>INCOME</b>			
I Revenue from operations	23	189,865	177,112
II Other income	24	2,424	9,561
<b>III Total income (I+II)</b>		<b>192,288</b>	<b>186,673</b>
<b>IV EXPENSES</b>			
Cost of Materials Consumed	25	155,289	143,016
Changes in Inventories of Finished & WIP Products	26	8,965	(331)
Employee benefits expense	27	26,743	24,029
Finance costs	28	1,022	2,591
Depreciation	4	2,272	6,575
Other expenses	29	31,832	40,391
<b>Total expenses (IV)</b>		<b>226,123</b>	<b>216,270</b>
<b>V Profit/(loss) before exceptional item and tax (III-IV)</b>		<b>(33,835)</b>	<b>(29,596)</b>
<b>VI Exceptional Items</b>	30	19,784	43,177
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(14,051)</b>	<b>13,581</b>
<b>VIII Tax Expense:</b>			
(1) Current tax		437	4,339
Less : MAT Credit available to utilise		(29)	-
(2) MAT Credit available to utilise pertaining to previous year		(3,120)	-
(3) Deferred tax		(6,025)	(606)
(4) Earlier year taxes		(149)	-
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>(5,164)</b>	<b>9,848</b>
<b>X OTHER COMPREHENSIVE INCOME/(EXPENSE)- (OCI):</b>			
<b>Items that will not be reclassified to profit or loss 31</b>			
1. Re-measurement gains / (losses) on defined benefit plans			
3. Income tax effect on above			
<b>Total other comprehensive income (OCI) for the year, net of tax expense</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income / (Expense) for the Year (IX+X)</b>		<b>(5,164)</b>	<b>9,848</b>
Earnings per equity shares (Face Value of Rs.10/- each)			
Basic and Diluted earnings per share		(0.87)	1.65
Significant accounting policies	1 to 3		
The accompanying notes form an integral part of the Financial Statements 4 to 41			

As per our report of even date

**For Dayal and Lohia**  
Chartered Accountants  
Firm Regn. No. 102200W

**Anil Lohia**  
(Partner)  
Membership No.31626

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

For and on behalf the Board of Directors

**Ankita Gokani**  
Company Secretary

**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561

**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949

**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in thousands)

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
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## NOTE 1 : SHARE CAPITAL

Balance at the beginning of the year		59,692	59,692	59,692
Changes in equity share capital during the year		-	-	-
Balance at the end of the year		<u>59,692</u>	<u>59,692</u>	<u>59,692</u>

## 2. OTHER EQUITY

Particulars	Reserves and Surplus					Total Other Equity
	Capital Reserve	Securities Premium	Statutory Reserve	General Reserve	Retained Earnings	
Balance as at 1 April 2016	1,750	20,000	-	124,759	(78,808)	67,701
Profit/(loss) for the year					9,848	9,848
Other comprehensive income/(expense)					-	-
Total comprehensive income/(expense)	-	-		-	9,848	9,848
Transfer to General Reserve				4,449	(4,449)	-
Transfer to Statutory Reserve			1,763	-	(1,763)	-
Balance as at 31 March 2017	1,750	20,000	1,763	1,29,208	(75,172)	77,549
Profit/(loss) for the year					(5,164)	(5,164)
Other comprehensive income/(loss)					-	-
Total comprehensive					(5,164)	(5,164)
Transfer to General Reserve				-	-	
Transfer to Statutory Reserve			755		(755)	
Balance as at 31 March 2018	1,750	20,000	1,763	1,29,208	(81,092)	72,384

## CAPITAL RESERVE

Pertains to share application money forfeited in the case where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

## SECURITIES PREMIUM RESERVE

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

## GENERAL RESERVE

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

## Significant Accounting Policies - Note 1

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For and on behalf the Board of Directors

For Dayal and Lohia

Chartered Accountants  
Firm Regn. No. 102200WAnkita Gokani  
Company SecretaryR. M. Thakkar  
Chairman &  
Non Executive Director  
DIN : 00248949Urmi N. Prasad  
Jt. Managing Director & CFO  
DIN : 00319482

Anil Lohia

(Partner)  
Membership No.31626Charita Thakkar  
(Jt. Managing Director)  
DIN : 00321561PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

## NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

(₹ in thousands)

Particulars	Freehold Land	Leasehold Land	Buildings	Laboratory Equipments	Vehicle	Office Equipments	Furniture & Fixtures	Computers	End User Devices	Plant and Machinery	Electrical Installations	Jigs and Moulds	Total
<b>GROSS BLOCK</b>													
As at 1st April 2016 Deemed Cost	4,419	42,003	8,447	327	2,022	406	341	23	74	32,729	-	100	90,891
Additions	-	5,850	-	-	3,265	159	-	20	16	188	-	-	9,497
Disposals/Adjustments	-	45,083	716	-	437	-	-	-	-	-	-	-	46,246
<b>As at 31st March 2017</b>	<b>4,419</b>	<b>2,760</b>	<b>7,731</b>	<b>327</b>	<b>4,851</b>	<b>565</b>	<b>341</b>	<b>43</b>	<b>90</b>	<b>32,916</b>	<b>-</b>	<b>100</b>	<b>54,142</b>
Additions	-	-	73	-	-	15	47	32	-	510	-	-	676
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>4,419</b>	<b>2,760</b>	<b>7,804</b>	<b>327</b>	<b>4,851</b>	<b>580</b>	<b>388</b>	<b>74</b>	<b>90</b>	<b>33,426</b>	<b>-</b>	<b>100</b>	<b>54,818</b>
<b>DEPRECIATION</b>													
As at 1st April 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the Year	-	-	825	148	984	73	55	43	-	4,349	-	100	6,575
Transfer to Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	162	-	-	-	-	-	-	-	162
<b>As at 31st March 2017</b>	<b>-</b>	<b>-</b>	<b>825</b>	<b>148</b>	<b>822</b>	<b>73</b>	<b>55</b>	<b>43</b>	<b>-</b>	<b>4,349</b>	<b>-</b>	<b>100</b>	<b>6,413</b>
Charge for the Year	-	-	319	-	581	60	49	-15	69	1,208	-	-	2,272
Disposals/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March 2018</b>	<b>-</b>	<b>-</b>	<b>1,145</b>	<b>148</b>	<b>1,403</b>	<b>133</b>	<b>104</b>	<b>28</b>	<b>69</b>	<b>5,556</b>	<b>-</b>	<b>100</b>	<b>8,686</b>
<b>NET BLOCK</b>													
As at 31st March 2018	4,419	2,760	6,660	179	3,447	446	284	47	21	27,870	-	-	46,132
As at 31st March 2017	4,419	2,760	6,906	179	4,029	492	287	-0	90	28,568	-	-	47,729
As at 31st March 2016	4,419	42,003	8,447	327	2,022	406	341	23	74	32,729	-	100	90,891

\*Company have opted for IND AS 101 exemption by considering carrying amount of property plant and equipments as its deemed cost

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

## 5(a) NON-CURRENT INVESTMENTS

(₹ in thousands)

Sr. No.	Particulars	No. of Shares / Bonds			Value ('000)		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
<b>I</b>	<b>Investments in Equity Instruments</b>						
	<b>Investments valued at Fair Value through Profit and Loss</b>						
<b>a</b>	<b>Quoted</b>						
	Andhra Sugars Limited.	-	-	500	-	-	69
	Alfa Lavel (India) Limited.	-	-	150	-	-	173
	Andhra Bank Limited.	-	-	5,363	-	-	280
	Avanti Feeds Limited.	-	-	5,000	-	-	1,991
	Alstom Projects India Limited.	-	-	50	-	-	22
	Astrazeneca Pharma India Limited.	-	-	300	-	-	203
	Bhagyanagar India Limited.	-	-	200	-	-	16
	Castrol India Limited.	-	-	8,200	-	-	3,074
	CESC Limited.	-	-	50	-	-	24
	Colgate-Palmolive (India) Limited.	-	-	300	-	-	248
	Disa India Limited.	-	-	100	-	-	380
	Exide Industries Limited.	-	-	10	-	-	1
	Foseco India Limited.	-	-	500	-	-	590
	Grasim Industries Limited.	-	-	15	-	-	58
	Gujarat NRE Coke Limited.	-	-	462	-	-	1
	Hindustan Organic Chemicals Limited.	-	-	1,500	-	-	54
	Hindustan Oil Exploration Co Limited.	-	-	100	-	-	17
	ICRA Limited.	-	-	20	-	-	78
	Kingfisher Airlines Limited.	-	-	100	-	-	-
	Kotak Mahindra Bank Limited.	-	-	60	-	-	41
	Larsen Toubro Limited.	-	-	825	-	-	1,003
	Maharashtra Polybutenes Limited	-	-	50	-	-	-
	Maan Aluminium Limited.	-	-	50	-	-	-
	Mirc Electronic Limited.	-	-	200	-	-	2
	NTPC Limited.	-	-	134	-	-	17
	Orchid Chemicals Pharmaceuticals Limited.	-	-	100	-	-	4
	Pratibha Industries Limited.	-	-	500	-	-	16
	Reliance Industries Limited.	-	-	2,872	-	-	3,002
	Reliance Infrastructure Limited.	-	-	150	-	-	80
	Reliance Communications Limited.	-	-	1,050	-	-	53
	Reliance Power Limited.	-	-	50	-	-	2
	Siemens Limited.	-	-	550	-	-	604
	Vedanta Limited	-	-	300	-	-	27
	Subros Limited.	-	-	1,500	-	-	135
	State Bank of India	-	-	1,000	-	-	194
	Sun Pharmaceutical Industries Limited.	-	-	1,000	-	-	819
	Sun Pharma Advance Research Company Limited.	-	-	100	-	-	-
	Srinivas Shipping Project Limited.	-	-	200	-	-	46
	Southern Magnesium and Chemicals Limited.	60,400	71,200	75,000	1,245	3,011.76	2,693
	Triveni Limited.	-	-	700	-	-	62
	Ultratech Cement Limited	-	-	8	-	-	26
	Good Value Marketing Company Limited.	-	-	-	-	-	-
	Nagarjuna Finance Limited.	-	-	-	-	-	-
					<b>1,245</b>	<b>3,012</b>	<b>16,104</b>
<b>b</b>	<b>Equity shares (Unquoted) :</b>						
	Good Value Marketing Company Limited.	-	-	3,450	-	-	-
	Haryana Petro Chemicals Limited.	-	-	1,200	-	-	-
	Nagarjuna Finance Limited.	-	-	10,000	-	-	-
	Suman Motels Limited.	-	-	900	-	-	-
	Uniflex Cables Limited.	-	-	1,000	-	-	-
<b>II</b>	<b>Investment in Government Bonds</b>						
	<b>Unquoted</b>						
	<b>Investments valued at Amortized Cost</b>						
	Rural Electrification Corporation Bonds	470	470	380	4,700	4,700	3,800
	<b>Total Non-Current Investments</b>				<b>5,945</b>	<b>7,712</b>	<b>19,904</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

## 5 (b) CURRENT INVESTMENTS

(₹ in thousands)

Sr. No.	Particulars	No. of Units			Value ('000)		
		31.03.2018	31.03.2017	01.04.2016	31.03.2018	31.03.2017	01.04.2016
I	<b>Investments in Mutual Funds</b>						
	<b>Quoted</b>						
	<b>Investments valued at Fair Value through Profit and Loss</b>						
	Bank of Baroda Pioneer Advantage Plan A (Growth)	479.79	1,184.27	-	975	2,245	-
	Bank of Baroda Pioneer Advantage Plan A (Growth)	382.56	382.56	-	778	725	-
	HDFC cash Management Fund-Saving Plan-Regular Plan-Growth	4,951.26	-	-	17,820	-	-
	Bank of Baroda Pioneer Advantage Plan A (Growth)	216.53	2,014.00	-	411	1,824	-
	ICICI Prudential	33,115.13	100.13	-	3,316	6,603	-
	<b>Total Current Investments</b>				<b>23,300</b>	<b>11,397</b>	<b>-</b>

	31.03.2018	31.03.2017	31.03.2016
<b>Aggregate market value of quoted investments</b>			
Non-Current	1,245	3,012	16,104
Current	23,300	11,397	-
<b>Aggregate carrying value of unquoted investments</b>			
Non-Current	4,700	4,700	3,800
Current	-	-	-
<b>Aggregate amount of impairment in value of investments</b>	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>NOTE 6 : LOANS (NON-CURRENT)</b>			
<b>(Unsecured, considered good)</b>			
Loan to Subsidiary	-	-	-
Security Deposits **	5,331	5,447	5,088
	<b>5,331</b>	<b>5,447</b>	<b>5,088</b>
**Deposits are refundable in nature, with no fixed repayment dates.			
<b>7 Other Financial Assets (NON-CURRENT)</b>			
<b>(Unsecured, considered good)</b>			
Advance for Capital Goods	-	-	464
	-	-	<b>464</b>
<b>8 Assets Held for Sale</b>			
	<b>Leasehold Land</b>	<b>Building</b>	<b>Total</b>
As at 1st April 2016	15,734	2,181	17,916
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at 31st March 2017</b>	<b>15,734</b>	<b>2,181</b>	<b>17,916</b>
Additions	-	-	-
Disposals/Adjustments	208	1,008	1,216
<b>As at 31st March 2018</b>	<b>15,527</b>	<b>1,174</b>	<b>16,700</b>
<b>9 Inventories</b>			
Raw Materials and Consumables*	3,696	3,960	4,438
Finished Goods and Work in Progress*	5,706	14,809	14,295
*(Mode of Valuation is specified in Note 1 (viii) of Significant Accounting Policies)	-	-	-
	<b>9,402</b>	<b>18,769</b>	<b>18,733</b>
<b>10 Loans ( Current)</b>			
<b>(Unsecured, considered good)</b>			
Loans to Employees	345	497	982
	<b>345</b>	<b>497</b>	<b>982</b>
<b>11 Trade Receivables</b>			
Unsecured and considered good for more than six months			
others	-	-	-
	16,204	20,083	18,529
	<b>16,204</b>	<b>20,083</b>	<b>18,529</b>
<b>12 Cash and Cash Equivalents</b>			
Cash in Hand	94	91	788
Bank Balances	-	-	-
balance in bank	15,979	13,210	16,334
Cheques, drafts in hand	12,375	-	-
	<b>28,448</b>	<b>13,301</b>	<b>17,122</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>13 Other Financial Asset (Current)</b>			
Advances to Vendors	5	35	7
Deposits with Banks maturing between three to twelve months	7,900	21,839	7,588
Other Receivables	42	155	3,548
Interest Receivables	369	567	273
Receivables towards sale of fixed asset	-	2,476	-
Advance Income Tax (net of provisions)	12,958	9,293	13,255
	<b>21,274</b>	<b>34,365</b>	<b>24,671</b>
<b>14 Other Assets (Current)</b>			
Prepaid Expenses	245	311	700
Indirect Taxes Credit Recoverable	1,049	1,455	1,127
Other Receivables	16	-	-
	<b>1,310</b>	<b>1,766</b>	<b>1,827</b>
<b>16 Other Equity</b>			
<b>CAPITAL RESERVE</b>			
Opening balance	1,750	1,750	1,750
Addition during the year	-	-	-
Closing balance	<b>1,750</b>	<b>1,750</b>	<b>1,750</b>
<b>SECURITIES PREMIUM ACCOUNT</b>			
Opening balance	20,000	20,000	20,000
Addition/(utilisation) during the year	-	-	-
Closing balance	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>STATUTORY RESERVE</b>			
Opening balance	1,763	-	-
Addition/(utilisation) during the year	755	1,763	-
Closing balance	<b>2,518</b>	<b>1,763</b>	<b>-</b>
<b>GENERAL RESERVE</b>			
Opening balance	129,208	124,759	124,759
Addition/(utilisation) during the year	-	4,449	NA
Closing balance	<b>129,208</b>	<b>129,208</b>	<b>124,759</b>
<b>RETAINED EARNINGS</b>			
Opening balance	(75,172)	(78,808)	(78,808)
Loss for the year	(5,164)	9,848	-
Less : Transferred to Statutory Reserves	(755)	(1,763)	-
Less : Profit for the year transferred to General	-	(4,449)	-
Closing balance	<b>(81,092)</b>	<b>(75,172)</b>	<b>(78,808)</b>
<b>Total other equity</b>	<b>72,384</b>	<b>77,549</b>	<b>67,701</b>

**CAPITAL RESERVE**

Pertains to share application money forfeited in the case where remaining amount was not paid. This can be utilised in accordance with the provisions of the Act.

**SECURITIES PREMIUM RESERVE**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Act.

**GENERAL RESERVE**

General Reserve represents amounts transferred from Retained Earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956. The reserve can be utilised in accordance with the provisions of the Act. Declaration of dividend out of such reserve shall not be made except in accordance with the rules prescribed in this behalf under the Act.

**STATUTORY RESERVE**

Statutory Reserve represents the Reserve Fund created under Section 45 IC of the Reserve Bank of India Act, 1934. An amount of Rs.755.02 (in '000) representing 20% of Net Profit is transferred to the Fund for the year (Previous Year Rs.1,762.95 (in '000) ). No appropriation was made from the Reserve Fund during the year.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>15 EQUITY SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
80,00,000 (31 March 2017 - 80,00,000 and 01 April 2016 - 80,00,000) Equity Shares of '10/- each	80,000	80,000	80,00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>			
59,69,166 (31 March 2017- 59,69,166 and 01 April) 2016 - 59,69,166) Equity shares Of 10/- each	59,692	59,692	59,692
<b>Total issued, subscribed and fully paid up share capital</b>	<b>59,692</b>	<b>59,692</b>	<b>59,692</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	31.03.2018		31.03.2017	
	Equity Shares		Equity Shares	
	Number	Value ('000)	Number	Value ('000)
Shares outstanding at the beginning of the year	59,69,166	59,692	59,69,166	59,692
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>5,969,166</b>	<b>59,692</b>	<b>5,969,166</b>	<b>59,692</b>

**b. Terms/rights attached to the equity shares**

The Company has one class of equity shares having a par value of ' 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

**c. Details of the shareholders holding more than 5% shares in the Company**

Name of Shareholder	31.03.2018		31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
YASHASHREE COMMERCIAL SERVICES PRIVATE LIMITED	800,000	13.4	800,000	13.4
LIFE INSURANCE CORPORATION OF INDIA	538,498	9.02	538,498	9.02
CHARITA THAKKAR	485,417	8.13	485,417	8.13
MULTICHEM PRIVATE LIMITED	394,840	6.61	394,840	6.61
URSULA RAMESHCHANDRA THAKKAR	352,906	5.91	352,906	5.91
URMI PRASAD N	-	-	487,610	8.17
N RAJENDRA PRASAD	319,564	5.35	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>17 Deferred tax Liability (Net)</b>			
Deferred Tax Liabilities :			
On Property Plant and Equipment	1,401	8,614	9,216
On Fair Value of Investments	13	22	-
Deferred Tax Asset :			
On Carry forward losses	(2,110)	(3,307)	(3,278)
	<b>(696)</b>	<b>5,329</b>	<b>5,938</b>
<b>a) Movement in deferred tax balances</b>	Opening balance	Recognized in	Closing balance
<b>Movement in deferred tax during the year ended March 31, 2018</b>	as at 01.04.2017	Profit and Loss	as at 31.03.2018
Property, plant and equipment	8,614	(7,212)	1,401
Unused tax credit/losses	(3,307)	1,196	(2,110)
On Fair Value of Investments	22	(9)	13
<b>Net deferred tax liability (net)</b>	<b>5,329</b>	<b>(6,025)</b>	<b>(696)</b>
<b>Movement in deferred tax during the year ended March 31, 2017</b>	Opening balance	Recognized in	Closing balance
Property, plant and equipment	9,216	(603)	8,614
Unused tax credit/losses	(3,278)	(29)	(3,307)
On Fair Value of Investments	-	22	22
<b>Net deferred tax liability (net)</b>	<b>5,938</b>	<b>(609)</b>	<b>5,329</b>
<b>b) Income tax recognised in profit or loss</b>		<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Current tax</b>			
In respect of current year		437	4,339
In respect of earlier years		(149)	-
In respect of current year - MAT Credit		(29)	-
In respect of earlier years - MAT Credit		(3,120)	-
<b>Deferred tax</b>			
Relating to origination and reversal of temporary differences		-	-
		(6,025)	(606)
<b>Total income tax recognised for the year</b>		<b>(8,886)</b>	<b>3,733</b>
<b>c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		<b>31.03.2018</b>	<b>31.03.2017</b>
<b>Profit or (loss) before tax</b>		(14,051)	13,581
Tax expense/(income) calculated at 25.75% (2016-17:30.9%)		(3,618)	4,197
Effect of excess deferred tax liability recognised in previous years		(6,843)	-
Effect of short deferred tax asset recognised in previous years		503	-
Deferred Tax impact due to utilisation of tax losses		(271)	-
Expenses not deductible under income tax		3	-
Income taxable / Expenses deductible additionally under income tax		411	-
Adjustment due to changes in tax rates		(127)	-
Deferred tax not recognised on losses of subsidiary**		3708	-
Other		616	(463)
		<b>(5,618)</b>	<b>3,734</b>
Adjustments recognised in the current year in relation to the current tax of earlier years		(3269)	-
<b>Income tax expense recognised in profit or loss</b>		<b>(8,887)</b>	<b>3,734</b>
** No deferred tax asset is recognised on losses of one of subsidiary company, in absence of virtual certainty to absorb the accumulated losses in future period			
The tax rate used for the above reconciliations is the corporate tax rate of 25.75% for the year 2017-18 and 30.90% for the year 2016-17 payable by corporate entities based on the turnover criteria on taxable profits under Indian Income Tax Laws as on financial statements signing date.			
d) The company has recognized deferred tax asset for unutilised tax losses. The company as per forecast budgets and business plans has concluded that it will be able to utilise the tax losses which are available to be set off in coming five to six years as per tax laws.			

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	31.03.2018	31.03.2017	01.04.2016
<b>18 Borrowings (Current)</b>			
Secured			
From Bank	3,600	2,700	900
(Secured against pledge of fixed deposits with bank @ 2% incremental rate than interest received on fixed deposits)			
Unsecured			
From Holding Company - To Remove Line Item	-	-	34,800
From Related Parties	20,364	14,000	22,525
	<b>23,964</b>	<b>16,700</b>	<b>58,225</b>
<b>19 Trade payables</b>			
Trade Payables			
to micro small and medium Enterprise (Refer Note 38)	-	-	-
to others	12,696	12,919	16,323
	<b>12,696</b>	<b>12,919</b>	<b>16,323</b>
<b>20 Other financial liabilities (Current)</b>			
Deposits	17	-	-
Interest payable on loan	2,062	-	-
Other Payables	3,702	5,065	4,695
	<b>5,781</b>	<b>5,065</b>	<b>4,695</b>
<b>21 Provisions (Short Term)</b>			
Provision for Employee Benefits :			
For Gratuity	-	-	721
For Leave Encashment	-	-	-
	<b>-</b>	<b>-</b>	<b>721</b>
<b>22 Other current liabilities</b>			
Advance from Customers	46	14	1,608
Advance towards sale of fixed assets	-	1,250	500
Statutory Dues Payables	523	465	725
	<b>569</b>	<b>1,728</b>	<b>2,833</b>
<b>23 Revenue From Operations</b>		<b>2017-18</b>	<b>2016-17</b>
Sale of products		187,434	174,499
Sale of Services : Job Work		2,431	2,613
		<b>189,865</b>	<b>177,112</b>
<b>24 Other Income</b>			
Interest income on financial assets		-	-
Bank deposits		1,052	1,514
Others		54	56
On Income Tax Refund		-	756
Dividend Income		213	276
Profit on Sale of Assets		-	239
Profit on Sale of Investments***		268	3,958
Fair Value measurement of Investments		(383)	556
Sundry Balances Written Back		135	1,964
Prior Period Income		3	-
Miscellaneous Income		1,083	242
		<b>2,424</b>	<b>9,561</b>

\*\*\*Previous Year 2016-17 includes Rs. 2,70,000 of profit on sale of investments that is restated in previous year 2016-17 in comparison to figures reported in previously presented financial statements

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**


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Particulars	2017-18	2016-17
<b>25 Cost of Materials Consumed</b>		
Opening Stock of Materials	3,960	4,420
Add: Purchases	155,025	142,556
Less: Closing Stock	3,696	3,960
	<b>155,289</b>	<b>143,016</b>
<b>26 Changes in Inventory</b>		
Opening Stock of Finished Goods and Working in Progress	14,809	14,925
Less: Closing Stock of Finished Goods and Work in Progress	5,706	14,809
	<b>9,102</b>	(513)
Excise duty on Opening Stock	<b>(137)</b>	182
	<b>8,965</b>	<b>(331)</b>
<b>27 Employee Benefit Expenses</b>		
Salaries and wages	22,832	20,839
Contribution to provident and other funds	1,840	1,330
Gratuity Expenses	352	668
Leave Encashment Expenses	883	306
Staff welfare expenses	837	886
	<b>26,473</b>	<b>24,029</b>
<b>28 Finance Costs</b>		
<b>Interest expenses to</b>		
Bank	3	-
Others	1,018	2,591
<b>Total finance costs</b>	<b>1,022</b>	<b>2,591</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-18	2016-17
<b>30 Other Expenses</b>		
Bank Charges	80	108
Accounting Charges	30	30
Brokerage	-	101
Computer Expenses	112	95
Conveyance Charges	6	21
Demat Charges	9	12
Director's Sitting Fees	75	74
Discount and Rebate Given	12	278
Donations	13	8
Audit Remuneration		
Audit Fees including limited review	230	179
Tax Audit Fees and other services	77	68
Exchange Rate Difference	1	-5
Fees and Subscription Expenses	597	382
Filing Fees	6	1
Foreign Travelling Expenses	517	757
Freight Inward Expenses	1,910	1,617
Freight Outward	9	26
General Expenses	1,351	1,802
Insurance Expenses	492	997
Legal and Professional Fees***	5,959	6,174
Loss on Sale of Fixed Asset	-	104
Meeting Expense	244	181
Membership and Annual Fees	46	30
Postage & Courier Expenses	387	320
Power and Fuel Expenses	8,023	8,205
Pollution Control Expenses	443	483
Printing and Stationery Expenses	549	424
Prior Period Expenses	13	47
Rates & Taxes	670	864
Rental Expenses	1,270	903
Repair and Maintenance - Others	26	-
Repair and Maintenance - Building	684	129
Repair and Maintenance - Plant and Machinery	2,775	5,450
Security Expenses	2,509	2,970
Sundry Balances Written Off	71	4,399
Telephone Expense & Mobile Expense	483	485
Travelling and Conveyance Expenses	891	1,269
Vehicle Maintenance Expenses	1,262	1,401
	<b>31,832</b>	<b>40,391</b>

\*\*\*Includes Rs. 172.5 thousands of expenses, that are restated in previous year 2016-17 in comparison to figures reported in previously presented financial statements



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	2017-18	2016-17
<b>31 Exception Items</b>		
Profit on sale of asset **	19,784	43,177
	<b>19,784</b>	<b>43,177</b>

\*\* Exception items pertains to the land and buildings sold during the year. The assets sold are classified as held for sale as on 01 April , 2016 as decided by board of the company

**32. FINANCIAL INSTRUMENTS-FAIR VALUE AND RISK MANAGEMENT****a) Accounting classification**

The carrying value of financial instruments by categories are as follows:

Particulars	31.03.2018			31.03.2017			01.04.2016		
	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost	At cost	FVTOCI	Amortised cost
<b>Financial Assets</b>									
Investments in Bonds			4,700			4,700			3,800
Investments in Shares			1,245			3,012			16,104
Investments in Mutual Funds			23,300			11,397			-
Loans			5,676			5,944			6,071
Trade receivable			16,204			20,083			18,529
Cash and cash equivalents			28,448			13,301			17,122
Other financial assets			21,274			34,365			24,671
<b>TOTAL</b>	-	-	<b>100,847</b>	-	-	<b>92,803</b>	-	-	<b>86,296</b>
<b>Financial Liabilities</b>									
Borrowings			23,964			16,700			58,225
Trade payables			12,696			12,919			16,323
Other financial liabilities			5,781			5,065			4,695
<b>TOTAL</b>	-	-	<b>42,441</b>	-	-	<b>34,684</b>	-	-	<b>79,243</b>

**b) Fair value hierarchy and Method of valuation**

The following table shows fair value measurement hierarchy. Except for these financial instruments, the Company considers that the carrying value amount recognised in the financial statements approximate their fair value largely due to the short term maturities of these instruments.

Particulars	31.03.2018			31.03.2017			01.04.2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments in Mutual Funds	23,300	-	11,397	-	-	-	-	-	-
	5,676			5,944			6,071		

- Level 1 hierarchy includes financial instruments measured using quoted prices. This includes quoted shares and mutual funds. The fair value of equity instruments which are traded is valued using the closing price as at the reporting period.
- Investment in Government Bonds stated in Financial Statements approximate to its fair value. They are not traded in market and carry a fix coupon rate of 6% p.a.

**c) RISK MANAGEMENT FRAMEWORK**

The Company's principal financial liabilities include borrowing, trade and other payables. The Company's principal financial assets include loans, trade receivable, cash and cash equivalents and others. The Company also holds FVTPL investments. The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**d) Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

### i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given to related parties and others

The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage this, the Company periodically assess the financial reliability of customers, taking into account the financial condition and ageing of account receivables.

No impairment is observed on the carrying value of trade receivables.

#### Other Financial Assets

Credit risk from balances with banks, loans, investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties.

### ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of surplus funds, bank loans.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

INR ('000)

	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>March 31, 2018</b>						
<b>Financial liabilities</b>						
Borrowings	23,964	23,964	23,964			
Trade payables	12,696	12,696	12,696			
Other Financial Liabilities	5,781	5,781	5,781			
	<b>42,441</b>	<b>42,441</b>	<b>42,441</b>	-	-	-
	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>March 31, 2017</b>						
<b>Financial liabilities</b>						
Borrowings	16,700	16,700	16,700			
Trade payables	12,919	12,919	12,919			
Other Financial Liabilities	5,065	5,065	5,065			
	<b>34,684</b>	<b>34,684</b>	<b>34,684</b>	-	-	-
	Carrying amount	Contractual cash flows				
		Total	Within 1 year	1-2 years	2-5 years	More than 5 years
<b>April 01, 2016</b>						
<b>Financial liabilities</b>						
Borrowings	58,225	58,225	58,225			
Trade payables	16,323	16,323	16,323			
Other Financial Liabilities	4,695	4,695	4,695			
	<b>79,243</b>	<b>79,243</b>	<b>79,243</b>	-	-	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**
**iii) Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and commodity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is not material, as the Company's primary business activities are within India and does not have any exposure in foreign currency.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rate is not material as the Company borrowing from banks are very minimal

**Commodity price risk**

Company is exposed to fluctuation in prices of its inputs. The company in effect of changes in prices of inputs, have a process to revise its selling price accordingly.

**34. CAPITAL MANAGEMENT**

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and the total equity of the Company. For this purpose, net debt is defined as total borrowings less cash and cash equivalents.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirements are met through short-term/long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The Company's net debt to equity ratio is as follows:

	March 31,2018	March 31,2017	April 01,2016
Borrowing	23,964	16,700	58,225
Cash & cash equivalents	(28,448)	(13,301)	(17,122)
Net Debt (restricted to zero, if cash and cash equivalents are greater than borrowings)	-	3,399	41,104
Total equity	132,076	137,240	127,393
Debt/Equity ratio	0%	2%	32%

**35. LEASES**

Lease expenses are recognised on a straight-line basis over the period of lease. The particulars of the premises given under operating leases are as under:

Particulars	As at March 31,2018	As at March 31,2017
Future minimum lease rental receivable under operating leases are as follows:		
Not later than 1 year	1,150	1,200
Later than 1 year not later than 5 years	-	1,150
Later than 5 years	-	-

36. Based on the information received by the Company from the creditors in regard to their M.S.M.E Status, there are no amounts due to such creditors outstanding for over 30 days as on 31st March, 2018. Based on such information, there is no liability for interest on delayed payments. Moreover, the Company has not received any claims in respect of interest.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

## 37. Additional Disclosure

a) Pursuant to Schedule III

c. Value of Imported and Indigenous Raw Material Consumed during the year	2017-18		2016-17	
	Value	%	Value	%
Import	265	0.17%	313	0.21%
Indigenous	154870	99.83%	142,681	99.79%
	<b>155,135</b>	<b>-</b>	<b>142,994</b>	<b>-</b>
<b>d. C.I.F, Value of Imports</b>				
Raw Materials		207		395.40
Spares		84		-
		<b>292</b>		<b>395</b>
<b>b) Other disclosures</b>				
<b>a. Details of Turnover</b>		<b>2017-18</b>		<b>2016-17</b>
<b>Alloys &amp; Blends :</b>	<b>Qty (M.T)</b>	<b>Value</b>	<b>Qty (M.T)</b>	<b>Value</b>
Job Work	1,516	186,472	1,409	174,499
Sales	86	2,431	86	2,613
Polybutene	14	961	-	-
		<b>189,864</b>		<b>177,112</b>
<b>b. Consumption of Raw Materials</b>	<b>Qty (M.T)</b>	<b>Value</b>	<b>Qty (M.T)</b>	<b>Value</b>
Caustic Soda	-	-	-	21
Products / Plastics of Different Types	1,519	155,135	1,411	142,994
		<b>155,135</b>		<b>143,015</b>

## 38. EMPLOYEE BENEFITS

## I) Defined Contribution Plans

- Provident fund
- Superannuation fund and Pension scheme, 1995
- Employer's contribution to Employees State Insurance

## II) Defined Benefit Plans

## GRATUITY

- The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India.
- Company have created two different plans for their employees of different offices, termed as Plan A and Plan B
- Life Insurance Corporation of India provides valuation on basis of Projected Unit Credit Method.
- Disclosures are made to extent of informations received from LIC of India :

Membership Data:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Number of Members	15	14	10	11
Average Age	43.53	42.21	50.10	47.82
Average Monthly Salary	15,968	14,233	45,652	39,758
Average Past Service	13.60	13.21	9.10	7.73

Actuarial Assumptions:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Mortality Rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal Rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age
Discount Rate	7.5% p.a	8% p.a	7.5% p.a	8% p.a
Salary Escalation	6%	6%	4%	4%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Results of Valuation:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Present Value of Past Service Benefit	1,672,046	1,262,640	994,651	829178
Current Service Cost	114,991	88,651	29,414	21,012
<b>PV of Defined Benefit Obligation</b>	<b>1,787,037</b>	<b>1,351,291</b>	<b>1,024,065</b>	<b>850,190</b>
<b>Fund Value</b>	<b>1,787,037</b>	<b>1,351,291</b>	<b>3,456,397</b>	<b>3,217,554</b>

Amount Recognized in Balance Sheet:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Present value of defined benefit obligation at end of the year	1,787,037	1,351,291	1,024,065	850,190
Fair value of plan assets at end of the year	1,787,037	1,351,291	3,456,397	3,217,554
Net liability / (asset) recognized in the Balance Sheet	Nil	Nil	NIL***	NIL***

\*\*\*The valuations of defined benefit obligations are as on renewal date of group gratuity scheme i.e 01.03.2018. Consequent to amendment of The Payment of Gratuity Act, 1972 dated 29.03.2018, gratuity ceiling limit has increased from Rs. 10 Lakhs to Rs 20 Lakhs. Thus, company is expecting an increase in the liability as on reporting date for Plan B. The increase will cover up an overfunded contributions in past. Also, withdrawal from fund by retired employee is pending as on date of reporting. Thus, no recognition of defined benefit plan assets is required as on reporting date for over funded contributions.

Expenses recognised in statement of Profit and Loss:	Plan A		Plan B	
	2017-18	2016-17	2017-18	2016-17
Gratuity Expense recognised	346,601	643,340	-	-

In absence of information from LIC regarding quantification for different components of changes in defined benefit obligation and fund assets, disclosures pertaining to movement in defined benefit obligation and fair value of Plan Assets is not provided. Also, No actuarial gain / loss is recognised separately in Other Comprehensive Income in absence of information.

**39. CONTINGENT LIABILITIES**

- (i) Contingent liability for letter of credit is of Rs. NIL (P.Y. Nil).
- (ii) As per Assessment orders of commercial tax department Vadodara, the CST liability of Rs. Rs. 46,69,947 for FY 2011-12 and FY 2012-13 are contested in appeal before Dy. Commissioner of Commercial Tax Vadodara. Deposit of Rs. 4,47,000/- is made towards above liability. No provision is made for the said liability.
- (iii) Service tax & penalty 46,676/- for the period 2007-08 to 2011-12 is not accepted by the company and the same is contested in appeal. Cenvat credit of Rs. 32,149/- for the F Y 2010-11 & 2011-12 is not considered eligible for deduction by the excise department which is contested in appeal. In the event of adverse appellate orders, the above sums will be required to be paid with interest if any, which may reduce net profit of the year.
- (iv) The Company has received Income Tax Assessment Order for Asst. Year 2014-15. The loss claimed as per Return of Income of Rs. 2,02,07,941/- has been reduced due to disallowance of depreciation of Rs. 33,32,341/- and addition on account of non reconciliation of interest of Rs. 23,81,548/-. Therefore, loss has been reduced to Rs. 1,44,94,052/-. Since, final figure is loss determined, no demand of tax is raised. We have been informed that the company has belatedly filed an appeal against the said assessment order. The penalty proceedings have been completed u/s 271(1)(c) of the Income Tax Act levying penalty of Rs. 19,42,150/-. The part payment of Rs. 4,00,000/- is made against penalty demand till decision of appeal. No provision is made for the said liability.

**40. Going Concern Assumption for Gujarat Polybutenese Private Limited (Subsidiary) :**

The company has accumulated losses resulting in substantial erosion in its net-worth. Due to non availability of feed stock in near proximity and lack of orders on hand, no activity was carried out during the year and in the previous year. Manufacturing activity of the company is closed. The above conditions indicate the existence of material uncertainty that may cast significant doubt about company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis since the management is looking at various options including other avenues for business activities. Company's management is hopeful of managing its capital to ensure that it will be able to continue as going concern with support of its holding company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018****CORPORATE INFORMATION**

Gujarat Petrosynthese Limited (“the Company”) is a public limited company, incorporated and domiciled in India having its registered office at No. 24, II Main Phase I, Doddanekkundi Industrial Area, Mahadevpura Post, Bengaluru - 560 048, Karnataka, India. The equity shares of the Company are listed on BSE Limited. The Company is into real estate development. The Company is primarily engaged in the business of plastic polymers and blends.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(i) Basis of preparation:**

The consolidated financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read together with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities, which are measured at fair value.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”) and the relevant provisions of the Act as applicable. These consolidated financial statements are the first consolidated financial statements of the Company under Ind AS. Refer to Note 3 for information on first time adoption of Ind AS. Current Assets do not include elements which are not expected to be realised within 1 year and Current Liabilities do not include items which are due after 1 year, the period of 1 year being reckoned from the reporting date.

**(ii) Principles of consolidation****• Subsidiary**

The Consolidated Financial Statement comprises of Gujarat Petrosynthese Limited (“the Company”) and its subsidiaries GPL Finance and Investments Ltd. and Gujarat Polybutene Private Limited.

Subsidiary companies are incorporated in India. The Company holds 100% equity in both of its subsidiaries company.

The financial statements of the Company and its subsidiary companies have been on line by line basis added together of like items of assets, liabilities, income and expenses after fully eliminating inter-company balances and inter-company transactions resulting in unrealized profits or losses.

**(iii) Fair value measurement**

The Company’s accounting policies and disclosures require the measurement of fair values for financial assets and liabilities.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**(iv) Revenue Recognition:**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when all significant risk and rewards of ownership in goods are transferred to customers and recovery of consideration from customer is probable and revenue can be estimated reliably. Revenue is recognized net of trade discounts and indirect taxes.

Revenue from rendering services is recognized when performance of agreed contractual task is completed.

Interest income is recognized on accrual basis on time proportion basis using effective interest rate.

Dividend income is accounted when right to receive is established.

**(v) Property, Plant and Equipment:**

**Recognition and measurement:**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment includes purchase price, including freight, duties, taxes and expenses incidental to acquisition and installation. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Property, plant and equipment are derecognized from financial statements, either on disposal or when no economic benefits are expected from its use or disposal. The gain or losses arising from disposal of property, plant and equipment are recognized in the Statement of Profit and Loss in the year of occurrence.

**Subsequent expenditures:**

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repair and maintenance costs are recognized in the Statement of Profit and Loss during the year in which they are incurred.

**Depreciation:**

Depreciation is provided on all property, plant and equipment on straight-line method in the manner and useful life prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions/deletion is provided on pro-rata basis with reference to the date of addition/deletion as the case may be.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Company has adopted cost model for all class of items of Property Plant and Equipment.

**(vi) Impairment of Non-Financial Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. If such recoverable amount of the asset or cash generating unit is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is any indication that any impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the recoverable amount is reassessed and such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

**(vii) Assets taken on Lease:**

**Operating Lease**

A Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company is classified as operating lease. Payments made under operating lease are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease deposits given are financial instruments (financial assets) and need to be measured at fair value on initial recognition. The difference between the fair value and the value of deposits is considered as prepaid rental expenses and recognized over the lease term on a straight line basis. Unwinding of discount is treated as interest income for deposit given and is accrued as per the effective interest rate method.

**(viii) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets****Initial recognition and measurement**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

**Subsequent measurement**

For the purpose of subsequent measurement, the financial assets are classified as under:

**i) Financial assets at amortized cost**

A financial asset is measured at the amortized cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in other income using the EIR in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss.

**ii) Financial assets at fair value through other comprehensive income (FVTOCI)**

Financial assets are classified as FVTOCI, if both of the following criteria are met:

- These assets are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Fair value movements are recognised in the other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains or losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Profit or Loss and recognised in other income/(loss).

**iii) Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is recognized in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises.

**iv) Equity instruments**

All equity instruments are measured at fair value. Equity instruments which are for trading are classified as FVTPL. All other equity instruments are measured at fair value through other comprehensive income (FVTOCI). The classification is made on initial recognition and is irrevocable.

Where the Company's management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit and loss when the Company's right to receive payments is established.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.



**Impairment of financial assets**

The Company applies 'simplified approach' for recognition of impairment loss on financial assets for loans, deposits and trade receivables.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.

**De-recognition**

A financial asset is derecognized when:

- the rights to receive cash flows from the assets have expired or
- the Company has transferred substantially all the risk and rewards of the asset, or
- the Company has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities****• Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction cost.

**• Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. For trade and other payables maturing within operating cycle, the carrying amounts approximate the fair value due to short maturity of these instruments.

**• Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using Effective Interest Rate (EIR) method. Gain and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized.

Amortized cost is calculated by taking into account any discount or premium on acquisition and transaction costs. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

**• Derecognition**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

**• Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reflected in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**(ix) Inventories:**

Raw Materials and consumables are valued at cost on First in First out (FIFO) basis or net realizable value whichever is lower. Raw material and consumables are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the fair value of consideration paid including duties and taxes (other than those refundable), inward freight, and other expenditure directly attributable to the purchase. Trade discounts and rebates are deducted in determining the cost of purchase.

Work in progress is valued at cost basis or net realizable value whichever is lower. They are not written down below cost if the finished products are expected to be sold at or above cost.

Finished goods are valued at lower of cost or net realizable value. The cost is computed on specific identification basis

Stores and spares are charged to revenue in the year of purchase.

Consumables are charged to revenue on actual consumption basis.

**(x) Taxes:**

The tax expense comprises current and deferred tax. Tax is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity or in OCI.

**i. Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**ii. Deferred Tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amount used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**(xi) Employee benefits:****Short term employee benefits:**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Defined contribution plans:**

The Company's contribution to Provident Fund, Pension, Superannuation and Employees State Insurance Contribution are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contribution made to the respective fund/scheme and are charged as an expense based on the amount of contribution required to be made.

**Defined benefit plans:**

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period.

The liability of gratuity to the employees is covered under the Group Gratuity scheme with the Life Insurance Corporation of India. The annual service cost on basis of valuation received from LIC, the amount is paid to LIC of India and debited to Profit and Loss Account.

**Long Term Compensated Absences**

The liability of leave encashment of employees is covered with LIC. On basis of Actuarial Valuations, the present value of liability is accounted and paid to the LIC of India.

**(xii) Borrowing Costs:**

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

All other borrowing costs are recognized as expense in the period in which these are incurred.

**(xiii) Cash and Cash Equivalents:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, demand deposit and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(xiv) Provisions & Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(xv) Earnings per share**

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(xvi) Dividend**

Dividend to the equity shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is approved by the shareholders.

**(xvii) Foreign Exchange Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

**2. USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed at each reporting date. Any revision to accounting estimates and assumptions are recognised prospectively i.e. recognised in the period in which the estimate is revised and future periods affected.

**i. Recognition and measurement of defined benefit obligations**

The cost of defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increase and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## ii. Fair value measurement of financial instruments

When the fair values of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from the observable market, where possible, but where this is not feasible, a review of judgement is required in establishing fair values. Changes in assumptions relating to these assumptions could affect the fair value of financial instruments.

## iii. Deferred taxes

Deferred tax is recorded on temporary differences between tax bases of assets and liabilities and their carrying amounts, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profit during the periods in which those temporary differences and the tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward periods are reduced.

## 3. FIRST TIME ADOPTION OF IND AS

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 01, 2016 (the Company's date of transition to Ind AS). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (as amended) and other relevant provisions of the Act ("Indian GAAP" or "previous GAAP"). The effects of the transition to Ind AS on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the following notes.

Ind AS 101 allows first-time adopters certain exemptions/exceptions from the retrospective application of certain requirements under Ind AS. In preparing these financial statements, the Company has applied the following exemptions:

### Ind AS Optional Exemptions:

#### Deemed cost for property, plant and equipment

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value and use that as its deemed cost as at the date of transition (April 01,2016).

#### Designation of previously recognized financial instruments

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its investment in subsidiaries as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure its investment in subsidiaries at their previous GAAP carrying value and use that as its deemed cost as at the date of transition (April 01,2016).

#### Reconciliation

The following reconciliations provide the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101:

- a. Equity as at April 01,2016 and as at March 31,2017
- b. Total comprehensive income for the year ended March 31, 2017

## Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(Rs. In '000)

	Notes	As at March 31,2017 (End of last period presented under previous GAAP)	As at April 01, 2016 (Date of transition)
<b>Total equity under previous GAAP</b>		<b>1,34,645</b>	<b>1,17,683</b>
Fair Value of Investments	a	10,191	9,710
Reversal of depreciation on classified as assets held for sale	b	194	-
Recognition of Prior Period Income by restating it in last presented financial statements	c	270	-
Recognition of Prior Period Expense by restating it in last presented financial statements	c	(173)	-
Change in Profit on Sale of Investments	a	(7,940)	-
Deferred Tax impact on fair value of investments	e	(22)	-
<b>Total adjustments to equity</b>		<b>2,520</b>	<b>9,710</b>
<b>Total Equity under Ind AS</b>		<b>1,37,165</b>	<b>1,27,393</b>

## Reconciliation of total comprehensive income for the year ended March 31,2017

	Notes	Year ended March 31, 2017 (latest period presented under previous GAAP)
Profit as per previous GAAP		16,962
Adjustments:		
Fair Value of Investments	a	556
Reversal of depreciation on classified as assets held for sale	b	194
Recognition of Prior Period Income by restating it in last presented financial statements	c	270
Recognition of Prior Period Expense by restating it in last presented financial statements	c	(173)
Change in Profit on Sale of Investments	a	(7,940)
Deferred Tax impact on fair value of investments	e	(22)
Profit for the year as per Ind AS		<b>9,848</b>
Other comprehensive income for the year (net of tax)		
Total comprehensive income for the year under Ind AS		<b>9,848</b>

## Impact of Ind AS adoption on the Statement of Cash Flow for the year ended March 31, 2017

There were no material differences between the Cash Flow Statement presented under Ind AS and the previous GAAP.

Notes:

- Under the previous GAAP current investments were measured at lower of cost or fair value. Under Ind AS, these financial assets have been designated as measured at FVTPL. On the date of transition to Ind AS, these financial assets have been measured at their fair value which is higher than the cost as per the previous GAAP, resulting in an increase in the carrying amount by Rs. 10,191,000/- as at March 31, 2017. Also, due to restatement of investments at fair value as on 01<sup>st</sup> April, 2016, the profit on sale of investment have accordingly restated as compared to that reported under previous GAAP.
- Depreciation of Rs. 1,94,000/- charged to Statement of Profit and Loss is reversed on those assets that were classified as "Fixed Asset" as per Previous GAAP and now classified as "Assets held for Sale" in accordance with Ind AS.
- In accordance with IND AS prior period items is to be restated in previous period if they are pertaining to periods that are presented as comparative figures to financial Statements. Thus accordingly the prior period items are restated.
- Deferred taxes have been recognized on adjustments made on transition to Ind AS.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018**

Rs. In Thousands

Particulars	Year Ended March, 2018	Year Ended March, 2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax	(14,051)	13,581
<b>Adjustments for :</b>		
Add : Depreciation	2,272	6,575
Add : Interest Expense	1,022	2,591
Less : Profit/Loss on sale of assets	(19,784)	(43,073)
Less : Profit/Loss on sale of Investment	(268)	(3,958)
Add : Fair Value measurement of Investment	383	(556)
Less : Interest Income	(1,106)	(1,570)
<b>Operating profit before working capital changes</b>	<b>(31,532)</b>	<b>(26,409)</b>
<b>Adjustments for :</b>		
Increase / (Decrease) of Financial Liabilities	716	369
Increase / (Decrease) of Non-Financial Liabilities	91	(1,855)
Decrease / (Increase) of Financial Assets	14,548	(10,592)
Decrease / (Increase) of Non-Financial Assets	457	60
Decrease / (Increase) of Trade Receivables	3,879	(1,554)
Decrease / (Increase) of Trade Payables	(224)	(3,404)
Decrease / (Increase) of Inventories	9,366	(36)
<b>Cash Generated from Operations</b>	<b>28,833</b>	<b>(17,012)</b>
Income Tax Paid	(2,699)	(43,421)
<b>Net cash from Operating Activities (A)</b>	<b>(3,068)</b>	<b>(44,041)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of fixed assets	(676)	(9,497)
Sale of Fixed Asset	21,000	89,397
Amount Receivable towards sale of asset	2,476	-
Amount Received in previous year for sale of fixed asset	(1,250)	-
Amount Received in advance for sale of fixed asset	-	750
Sale of Investment	14,700	23,298
Purchase of Investment	(25,383)	(21,182)
Interest Income	1,106	1,570
<b>Net cash used in Investing activities (B)</b>	<b>11,973</b>	<b>84,336</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Short Term Borrowings	7,264	(41,525)
Interest Paid on borrowings	(1,022)	(2,591)
<b>Net cash from Financing Activities (C)</b>	<b>6,242</b>	<b>(44,116)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>15,147</b>	<b>(3,821)</b>
CASH & CASH EQUIVALENTS AS AT 1st April, 2017 (Opening Balance)	13,301	17,122
<b>CASH &amp; CASH EQUIVALENTS AS AT 31.03.2018 (CLOSING)</b>	<b>28,448</b>	<b>13,301</b>

1. All figures in bracket are outflows.  
Indirect Method as set out in the Indian Accounting Standard (AS) on Cash Flow Statement.

As per our report of even date

**For Dayal and Lohia**Chartered Accountants  
Firm Regn. No. 102200W**Anil Lohia**(Partner)  
Membership No.31626**Ankita Gokani**  
Company Secretary**Charita Thakkar**  
(Jt. Managing Director)  
DIN : 00321561

For and on behalf the Board of Directors

**R. M. Thakkar**  
Chairman &  
Non Executive Director  
DIN : 00248949**Urmi N. Prasad**  
Jt. Managing Director & CFO  
DIN : 00319482PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018PLACE : Mumbai  
DATE : 14<sup>th</sup> May, 2018

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID\*, Client ID\* & Name of the Shareholder / Joint holders / Proxy in BLOCK LETTERS to be furnished below).

DP ID*	Regd. Folio No. / *Client Id.	No.of Shares held	Name & Address of the registered Shareholder

(\*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the 41<sup>st</sup> Annual General Meeting of the Members of Gujarat Petrosynthese Limited held on Friday, 21<sup>st</sup> September, 2018 at 3.00 p.m. at No. 24, II Main, Doddadenekundi, Industrial Area, Phase I, Mahadevapura Post, Bangalore – 560 048.

SIGNATURE OF THE

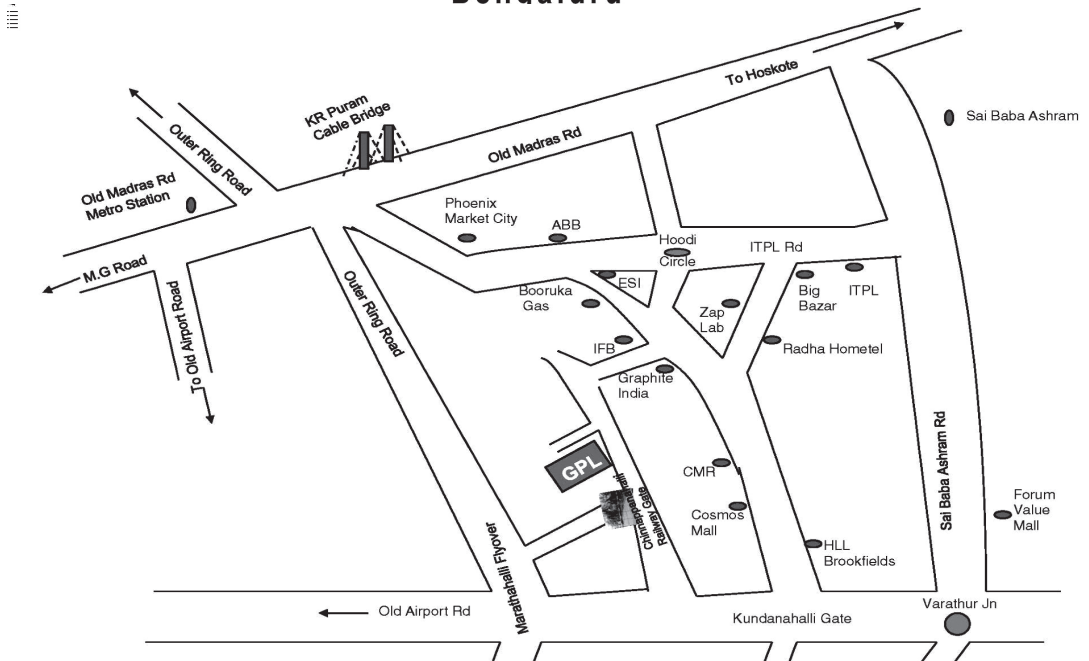
SHAREHOLDER OR PROXY \_\_\_\_\_

NOTES:

- Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- Shareholders are requested to advise, indicating their Folio Nos. DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Bigshare Services Pvt. Ltd., Bharat Tin Works Building I 1<sup>st</sup> Floor IOpp. Vasant Oasis I Next to Keys Hotel, Marol Maroshi Road I Andheri – East I Mumbai – 400059.

\*Applicable for investors holding shares in Electronic (Demat) Form

**Directions to Registered Office of Gujarat Petrosynthese Ltd., Bengaluru**





# GUJARAT PETROSYNTHSE LIMITED

Reg. Off: No.24, II Main, Doddanekundi Industrial Area, Phase I, Mahadevapura Post, Bangalore-560 048.

Ph: 91 – 80 - 28524133 Fax: 91– 80 - 28524171 E-mail : info@gpl.in, Website: www.gpl.in

CIN No. L23209KA1977PLC043357

**Form No. MGT - 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) :

Registered Address :

E- Mail Id :

Folio No./ Client ID\* : \_\_\_\_\_ DP ID \_\_\_\_\_

I / We, being the member(s) of holding ..... shares of the above named company, hereby appoint following as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Members of Gujarat Petrosynthese Limited held on Friday, 21<sup>st</sup> September, 2018 at 3.00 p.m at No. 24, II Main, Doddanekundi, Industrial Area, Phase I, Mahadevapura Post, Bangalore – 560 048 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Name:..... Address:.....

E- Mail ID:..... Signature:..... or failing him/her

2. Name:..... Address:.....

E- Mail ID:..... Signature:..... or failing him/her

3. Name:..... Address:.....

E- Mail ID:..... Signature:..... or failing him/her

Item No.	Resolution(s)	For Resolution	Against
1.	To consider and adopt: (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the report of the auditors thereon		
2.	To appoint a Director in place of Ms. Urmi N. Prasad, (DIN 00319482), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers herself for re-appointment.		
3.	Re-appointment of Mr. M.D.Garde (DIN: 00689103) as an Independent Director of the Company		
4.	Re-appointment of Mr. V. Raghu (DIN: 02012383) as an Independent Director of the Company.		

Signed this ..... day of September, 2018.

Signature of the Shareholder .....

Signature of Proxy holder(s).....

Affix Re. 1  
Revenue  
Stamp

**Note:**

1. This form of Proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.



**BY COURIER**



*If undelivered, please return to:*

**GUJARAT PETROSYNTHESE LIMITED**

Regd. Office : No. 24, IInd Main, Phase I,

Dodanekkundi Industrial Area, Mahadevapura, Bengaluru - 560 048.

Ph. No. : 080-28524133, E-mail : [info@gpl.in](mailto:info@gpl.in)