

**MAHARASHTRA
POLYBUTENES
LIMITED**

24th

ANNUAL REPORT

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MAHARASHTRA POLYBUTENES LIMITED**BOARD OF DIRECTORS**

Brijmohan Rathi	Chairman & Managing director
V.B. Dalal	Director
Abhay N. Manudhane	Director
Rangesh Nayar	Director

CHIEF FINANCIAL OFFICER

Shivnarayan Garg

COMPANY SECRETARY

Sakina Dickenwala

REGISTERED OFFICE

R-802, TTC Industrial Area,
Thane Belapur Road, Mahape,
Navi Mumbai-400701

AUDITORS

BKG & Associates,
Chartered Accountants,
Mumbai

BANKERS

Central Bank of India

REGISTRAR AND TRANSFER AGENT

Sharex Dynamic (India) Pvt Ltd

Unit 1, Luthra Industrial Premises
Andheri Kurla Road, Safed Pool,
Andheri(E), Mumbai-400072

Contact No: 022-2851 5606/2851/5644

Fax No: 022 2851 2885

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NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Shareholders of **MAHARASHTRA POLYBUTENES LIMITED** will be held on Saturday, 28th September, 2013 at 11.00 A.M. at Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Statement of Profit & Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Abhay N. Manudhane who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of the Companies Act, 1956 M/s. B.K.G & Associates, Chartered Accountants, the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at remuneration to be fixed by the Board.”

B. SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of sections 198, 269 and 309 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the articles of the association of the company and subject to such other approvals, permissions and sanctions, as may be required, approval of the Company be accorded to the reappointment of Mr. Brijmohan Rathi as Chairman and Managing Director of the Company with effect from 30th January 2013 at remuneration of Rs. 2,50,000/- per month.

RESOLVED FURTHER THAT the tenure of appointment for the said designation will be for the next 5 (Five) years from the date of appointment and he will be entitled to carry out all essential formalities as entrusted on him by the Board of Directors of the Company.

RESOLVED FURTHER THAT, in the event of loss, absence or inadequacy of profits, the gross monthly remuneration payable to Mr. Brijmohan Rathi shall not exceed minimum remuneration prescribed in Schedule XIII of the Act. However, in such an event, payment of commission will be proportionately reduced so as to restrict the overall managerial within the maximum permissible limits as prescribed under the companies act, 1956.

RESOLVED FURTHER THAT any of the Directors or Company Secretary of the Company be and is hereby authorized to sign, execute and submit all necessary documents required to give effect to comply with all the essential formalities in this regards.”

By Order of the Board of Directors

**Sakina Dickenwala
Company Secretary**

Place: Navi Mumbai

Date: 14th August, 2013

NOTES:

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

at the Meeting.

- v. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
- vi. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- vii. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturdays, between 11 a.m. and 1 p.m. upto the date of the meeting.
- viii. The Company has notified closure of Register of Member and Share Transfer Books from 24th September 2013 to 27th September 2013 (both days inclusive).
- ix. Non-Resident Indian Members are requested to inform the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited, immediately of:
 - a. The change in the residential status on return to India for permanent settlement;
 - b. The particulars of the Bank Account maintained in India with complete name, branch, and account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
- x. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, M/s. Sharex Dynamic (India) Private Limited.

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

ITEM NO. 4

The tenure of Mr. Brijmohan Rathi as Managing Director was upto 30th January 2013. Subject to the approval of the Shareholders in the next Annual General Meeting, the Board of Directors have at their Meeting held on 28th January 2013, pursuant to the approval of the remuneration committee, approved the re-appointment of Mr. Brijmohan Rathi as Managing Director of the Company for a period of 5 years w.e.f. 30.01.2013.

The proposed remuneration will be within overall limit of Schedule XIII of the Companies Act, 1956. Briefly, the terms and conditions of the re-appointment and remuneration of Mr. Brijmohan Rathi are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. The re-appointment shall be for a period of 5 (Five) years w.e.f. 30.01.2013.
3. Remuneration:

Salary: Rs. per month 2,50,000/- per month.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of annual general meeting.

None of the directors are interested or concerned in this resolution except Mr. Brijmohan Rathi

This explanatory statement together with the accompanying notice are to be treated as relevant abstracts of the terms under Section 302 of the Companies Act, 1956.

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended on March 31, 2013.

FINANCIAL HIGHLIGHTS

(₹ In Lacs)

PARTICULARS	Year ended 31.03.2013	Year ended 31.03.2012
Sales	4298.91	7423.91
Other Income	19.18	34.00
Profit Before Depreciation and Tax	201.34	619.63
Less: Depreciation	169.99	169.39
Profit Before Tax	31.35	450.24
Sundry credit balance written off/(back)	0.91	(0.60)
Provision for MAT	5.80	91.58
Provision for deferred Tax	(2.61)	149.75
Profit after Tax	27.25	209.51
Proposed Dividend	Nil	Nil
Dividend Distribution Tax	Nil	Nil
Balance carried forward to Balance Sheet	27.25	209.51

The Balance in Profit & Loss Account for the year is ₹ 27.25 Lacs (Previous year ₹ 209.51 Lacs). Balance of ₹1246.67 Lacs (Previous Year ₹ 1219.41 Lacs) is carried to Balance Sheet under the head reserves.

1. PERFORMANCE FOR THE FINANCIAL YEAR 2012-2013

The company has achieved a turnover of ₹ 4298.91 Lacs for the year ended March 31, 2013 as against Rs 7423.91 Lacs for the previous year. The year witnessed decline in operation due to non-availability of raw material. The Company expects better performance in the current year with good capacity utilization.

The company produces various grades of PIB like HV 10, HV 30, HV 100 and HV 200. The feedstock prices remained high during the year; however the company was able to manage and cater to the customers' requirements and expectations.

2. DIVIDEND

Due to the ongoing expansion/diversification plans and raw material situation, the Board of

Directors are of the opinion that shareholders would be best served by retaining the surpluses back into the company. Hence no dividend has been proposed.

3. FIXED DEPOSIT

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

4. FUTURE BUSINESS PLANS OF THE COMPANY

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

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

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

5. DIRECTORS

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

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) that in the preparation of accounts for the period ended 31st March, 2013, the applicable Accounting Standards have been followed and there are no material departures;
- ii) that the selected Accounting Policies are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the year end and profit and loss account of the Company for that period;
- iii) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;

iv) that the accounts have been prepared on a going-concern basis.

7. PERSONNEL

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

8. AUDITORS AND AUDITORS' REPORT

M/s B K G & Associates, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and they are eligible for the reappointment.

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

9. COST AUDIT

M/s C. G. Pampat & Co, Cost Accountants, Mumbai have been appointed as the Cost Auditors of the Company for the financial year 2012-2013. The Cost Statements for the financial year 2012-13 will be filed with appropriate authorities.

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

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

11. CORPORATE GOVERNANCE

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

12. EMPLOYEE RELATIONSHIP

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

13. LISTING WITH STOCK EXCHANGE

The equity shares of the Company are listed with the Bombay Stock Exchange.

14. DEMATERIALISATION OF SHARES

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

15. ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Brijmohan Rathi
Chairman and Managing Director

Place: Navi Mumbai

Date: 14th August, 2013

ANNEXURE TO THE DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013.

A. CONSERVATION OF ENERGY

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

- (c) Impact of energy conservation measures :

Specific energy consumption of fuel oil per ton of steam generated and electricity consumption had come down due to measures adopted in A (a)(i) and (ii) above.

- (d) Total energy consumption per unit of production: As per Form A.

B. Technology absorption :

- (e) efforts made in technology absorption as per Form B.

C. FOREIGN EXCHANGE

- (f) Activities relating to export, initiative to increase export, Development of New export markets for Products and Services and Export Plan:

The Company is exploring opportunities in overseas market and manufactures export grade products.

- (g) Total Foreign exchange earned and used (in Rs.)

	Year Ended	
	31.03.2013	31.03.2012
Foreign Exchange Earned	Nil	45313073
Foreign Exchange Used	Nil	Nil

FORM A

Form for disclosure of particulars with respect to conservation of energy

Power and Fuel Consumption		Current Year	Previous Year
1.	Electricity		
	a. Purchased Unit (KWH)	1321686	2094030
	Total Amount (₹)	8204998	12885576
	Rate Per unit (₹/KWH)	6.21	6.15
	b. Own generation :		
	i) Through diesel generator		
	Unit (KWH)	4623	5456
	Unit per litre of diesel oil	60.3	43
	Cost per unit (₹/KWH)	16.42	12.4
	ii) Through Steam turbine/generator		
	Unit (KWH)	N.A	N.A
	Unit per liter of fuel oil/gas	N.A	N.A
	Cost per unit (₹/KWH)	N.A	N.A
2	Coal (quality and where used)		
	Quantity	N.A	N.A
	Total Cost	N.A	N.A
	Average rate	N.A	N.A
3	Furnace Oil/ LSHS		
	Quantity (MT)	433	785
	Total Amount (₹)	21657298	28505678
	Average rate (₹ / MT)	47226	36322
4	Others/ Internal Generation		
	Quantity	N.A	N.A
	Total Cost	N.A	N.A
	Rate/Unit	N.A	N.A
B.	Consumption(Unit/ MT)		
	Electricity	501.21	447.15
	Fuel oil	0.164	0.167

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION.****A. Research and Development (R&D)**

- | | | |
|----|---|-----|
| 1 | Specific areas in which R&D carried out by the Company: | Nil |
| 2 | Benefit derived as a result of the above R & D: | Nil |
| 3. | Future plan of action: | Nil |
| 4. | Expenditure on R & D: | Nil |

B. Technology, Absorption, Adaption and Innovation

- | | | |
|----|---|----------------|
| 1. | Efforts, in brief, made towards technology Absorption, adaption and innovation: | Not Applicable |
| 2. | Benefits derived as a result of the above efforts : | Not Applicable |
| 3. | Details about imported technology imported during the last five years reckoned from the state of beginning of financial year: | Not Applicable |

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRIAL STRUCTURE AND DEVELOPMENT:

The main product of the company is Polyisobutene (PIB), an industrial chemical used in the manufacture of lubricant oil, jelly filled cables, impulsions as well as in formulation of engine oil for two strokes engines. Other application of PIB are in the manufacturing of adhesives, caulking and sealing compounds, leather finishing, engineering, plastics, insecticide etc.

There are four indigenous manufacturing units for this product in India. Overall company's product demand has good potential worldwide. Due to cost structure there are no possibilities of coming up with new capacity in companies product (PIB). However, the demand of our product is increasing due to newer application in chemical industry and specialty chemicals are being found like replacing some of the additives in lubricant industry with PIB.

OPPORTUNITIES AND THREATS:

The Company enjoys good reputation with the institutions and industries. The alternative financial arrangement is planned and implemented.

The Company expects better performance in the current year 2013-2014 with higher capacity utilization. The Company has been successfully in winning orders from Lubrizol India Pvt. Ltd. Bharat Petroleum Corporation Ltd, Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited and other big players in the Industry. Further, the company is exploring opportunities to increase the quantum of exports of its products in various countries to increase its capacity utilization.

SEGMENTATION OR PRODUCT WISE PERFORMANCE:

The company manufactures and sells single product Polyisobutene (PIB).

OUTLOOK, RISK, AND CONCERNS:

The international market and realization for PIB has been buoyant during the year. The demand in the country has been steady, the outlook for the realization and demand in the coming years is bright and your company is planning to take advantage of the opportunities in domestic as well as in international market. The Company could not achieve the production targets because of irregular supply of raw material. Now, the Company has tied up with M/s Haldia Petrochemicals Ltd situated in West Bengal for the raw material but the transportation cost is much higher which is the main concern and an issue for the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The internal control system is well structured and ensures optimum use of resources and safeguards the assets. The Company follows pre-defined rules and procedure and the same commensurate

with the size and the nature of the Company. The Company has an efficient system of internal audit, accounting and administrative controls to ensure safety of Company's assets and interests.

The Company has well structured organization hierarchy with clear authority and responsibility. The information flow system is efficient and the reporting system is strong.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year the company has carried its operation to the best of the available resources and manpower. The financial performance commensurate with operations.

DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATIONS:

The relations with the worker during the year were satisfactorily. The Directors place on record their appreciation for the sincere and efficient services rendered by the executive, staff and workmen of the Company and are confident that they will contribute to the company's prosperity and growth.

CORPORATE GOVERNANCE

PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine management's ability to take sound decisions vis-a-vis its entire stakeholders-in particular, its shareholders, creditors, the state and employees. There is a global consensus on the objective of Good Corporate Governance is Maximizing long- term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well – performing capital and financial markets, whatever maximizes shareholder value must necessarily maximize corporate value, best satisfy the claims of creditors, employees and the state.

A Company which proactively complies with the law and adds value to it through Corporate Governance initiatives would also command a higher value in the eyes of present and prospective shareholders.

The basic philosophy of the Company is that Corporate Governance is not an end in itself but is a catalyst in the process of maximization of shareholder value. Therefore, shareholder value as an objective is the basic premise in all aspects of corporate governance.

Compliance with revised Clause 49 of the Listing Agreement

The Company has complied with the revised Clause 49 of the Listing Agreement. The Code of conduct prescribes certain dos and don't for Directors and senior managers to promote ethical conduct in accordance with the stated values of the company and also to meet the prescribed statutory requirements.

1. BOARD OF DIRECTORS :

A. Composition and categories of Directors:

The Board is comprised of 4 Directors as on March 31, 2013. The name and categories of the Directors, the number of Directorship and Board Committees position held by them in the companies along with details of attendance of Directors at Board Meetings, Annual General Meeting and other Directorships are given below. None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 committees (As specified in Clause 49 of the Listing Agreement).

MAHARASHTRA POLYBUTENES LIMITED

Name of Director	Designation	Category	No. of Board Meetings		Attendance at Last AGM	*Other Directorship	** Membership of Other Board Committees	** Chairmanship of Other Board Committees
			Held	Attended				
Brijmohan Rathi	Chairman & Managing Director	Promoter , Executive	5	5	Yes	1	1	-
V. B. Dalal	Director	Independent, Non-Executive	5	5	Yes	1	2	2
Rangesh Nayar	Director	Independent, Non-Executive	5	4	Yes	-	-	-
Abhay N. Manudhane	Director	Independent, Non-Executive	5	5	Yes	-	-	-
Pyarelal Rathi #	Director	Promoter, Non-Executive	5	1	No	-	-	-

Passed away on 10th July, 2012.

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Private Limited Companies and Section 25 Companies.

** In accordance with Clause 49 of the Listing Agreement, Membership/ Chairmanship of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered excluding details of Maharashtra Polybutenes Limited.

B. Details of Board Meetings:

Five Board Meetings were held during the year. The dates on which the meetings were held are May 15, 2012, August 13, 2012, November 10, 2012, January 28, 2013 and February 15, 2013. The 23rd Annual General Meeting was held on September 27, 2012.

C. Code of Conduct:

The Code of business conduct and ethics for directors and Senior Management Personnel as adopted by the Board is comprehensive code applicable to all Directors and Senior Management Personnel. The Company has posted the code of conduct on its website <http://www.mahapoly.com>. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the period ended March 31, 2013.

2. AUDIT COMMITTEE :

The Board has in accordance with section 292A of the Companies Act, 1956, constituted the Audit Committee. The objective of the Audit committee is to assist the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirement.

(a) The terms of reference:

The terms of reference of the Audit Committee are as stated in Clause 49(II) of the Listing Agreement and Section 292A of the Companies Act, 1956 and more particularly include the following;

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

(b) Composition of Audit Committee:

Name of Directors	Position held
V. B. Dalal	Chairman
Rangesh Nayar	Member
Abhay N. Manudhane	Member

All the members of the Committee are financially literate.

(c) Meeting and Attendance during the year:

During the year under review, the Audit Committee met four times. The dates on which the meetings were held are on May 15, 2012, August 13, 2012, November 10, 2012, and February 15, 2013.

3. REMUNERATION COMMITTEE :
(a) Terms of reference

The objective of the remuneration committee is to determine the Company's policy on executive remuneration. The role of the remuneration Committee is also to review market practices and to decide remuneration packages of Managerial Personnel or Director's remuneration of the Company. No commission has been paid to any Director. Sitting fees are paid to the Directors for attending the meetings of the Board.

(b) Composition

Name of Directors	Designation
V. B. Dalal	Chairman
Rangesh Nayar	Member
Abhay N. Manudhane	Member

During the year under review, remuneration committee met once on 28th January 2013.

(c) Details of Remuneration

Name of Director	Sitting Fees (Rs)	Salary	Services Contract/ Notice Period/ Severance fees
Brijmohan Rathi	Nil	30,00,000	30 th Jan 2013 to 29 th Jan 2018
V. B. Dalal	25,000	Nil	Retirement by Rotation
Abhay N. Manudhane	25,000	Nil	Retirement by Rotation
Rangesh Nayar	20,000	Nil	Retirement by Rotation
Pyarelal Rathi#	5,000	Nil	-

Passed away on 10th July 2012.

The Company does not have a stock option plan or performance linked incentives for its Directors.

4. SHARE TRANSFER COMMITTEE:

The Share Transfer Committee oversees the performance of Registrar and Share Transfer Agent and recommends measures for improvement of the quality of investor services. Details of Share Transfer approved by the Committee are placed before the Board/ Investor Grievance Committee from time to time.

(a) Composition:

Name of Members	Position held
Brijmohan Rathi	Chairman
Prakash Selot	Member
Shivnarayan Garg	Member

Company Secretary of the Company, was the Compliance Officer during the financial year 2012-2013.

(b) Details of share transfer requests received, not resolved and pending:

The Company has duly appointed share transfer agent M/s. Sharex India Private Limited, (R&T agent) for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to investors within the prescribed time.

5. INVESTOR GRIEVANCE COMMITTEE:

The committee has been assigned the work of redressal of Investors complaints on quarterly basis as per clause 49 (G) (iii) of the Listing Agreement. During the year, under review Investor Grievance Committee met 4 times. The dates on which meetings were held are May 15, 2012, August 13, 2012, November 10, 2012, and February 15, 2013.

(a) Composition

The Committee comprises of following Directors:

Name of Directors	Designation
V. B. Dalal	Chairman
Brijmohan Rathi	Member
Abhay N. Manudhane	Member
Rangesh Nayar	Member

(b) Terms of reference

Terms of Reference of the committee is to look into the redressing of shareholders requests/complaints like issue of duplicate share certificate, non-receipt of Annual Report, non-receipt of dividend etc. During the year under review, the Company has received 33 complaints, against 62 complaints received last year and the same have been resolved within time period.

6. GENERAL BODY MEETINGS:

(a) Annual General Meeting

Location, date, time and venue, where last three Annual General Meetings were held are as follows:

AGM	Financial Year	Date	Location of Meeting	Time	No of Special Resolution Passed
21 st	2009- 2010	September 22, 2010	Navi Mumbai Sports Association, Sector- 1A, Vashi, Navi Mumbai- 400 703	11.30 a.m.	Nil
22 nd	2010- 2011	September 3, 2011	Navi Mumbai Sports Association, Sector- 1A, Vashi, Navi Mumbai- 400 703	11.00 a.m.	4
23 rd	2011- 2012	September 27, 2012	Navi Mumbai Sports Association, Sector- 1A, Vashi, Navi Mumbai- 400 703	11.00 a.m.	1

(b) Extraordinary General Meeting

No Extra Ordinary General Meeting was held during the year under review.

7. DISCLOSURES :

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the company at large.

None of the transaction with any of the related parties was in conflict with the interests of the Company. None of the Senior Management Personnel had any material transaction with any of the related parties, which were in conflict with the interests of the Company.

Attention of Members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts – Schedule '19', forming part of the Annual Report.

- (b) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause

All the mandatory requirements of Clause 49 of the Listing Agreement have been complied with. In respect of the non – mandatory requirements the Board has set up a remuneration committee.

8. MEANS OF COMMUNICATION:

Half yearly report sent to each shareholder.	No, as the Quarterly/ Yearly results of the Company are published in the newspapers as well as on Company's website
Quarterly / Yearly result	The Company has published its Quarterly Results in newspapers and on Company's website
Any Website, where displayed	www.mahapoly.com
Whether it also displays official news releases and the presentation made to institutional investors or to the analysts newspapers in which results are normally published in	Yes, wherever necessary
Management Discussion & Analysis	This forms part of the Annual Report

9. GENERAL SHAREHOLDER INFORMATION:

(a) **24th Annual General Meeting**

Date: Saturday, 28th day of September, 2013

Time: 11.00 a.m.

Venue: Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai – 400 703

(b) **Events in Financial Year : 2013 - 2014**

Financial Reporting for the Quarter ending:

- 30th June, 2013 : By mid of August, 2013
- 30th September, 2013 : By mid of November 2013
- 31st December, 2013 : By mid of February 2014
- 31st March, 2014 : By end of May, 2014

(c) Date of Book Closure

Tuesday, September 24, 2013 to Friday, September 27, 2013 (both days inclusive).

(d) Listing on Stock Exchange and payment of fee

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort, Mumbai 400 001

Annual listing fee for the year 2013-2014, as applicable, has been paid by the Company to BSE.

(e) Stock Code:

(i) Scrip code on BSE : **524232**

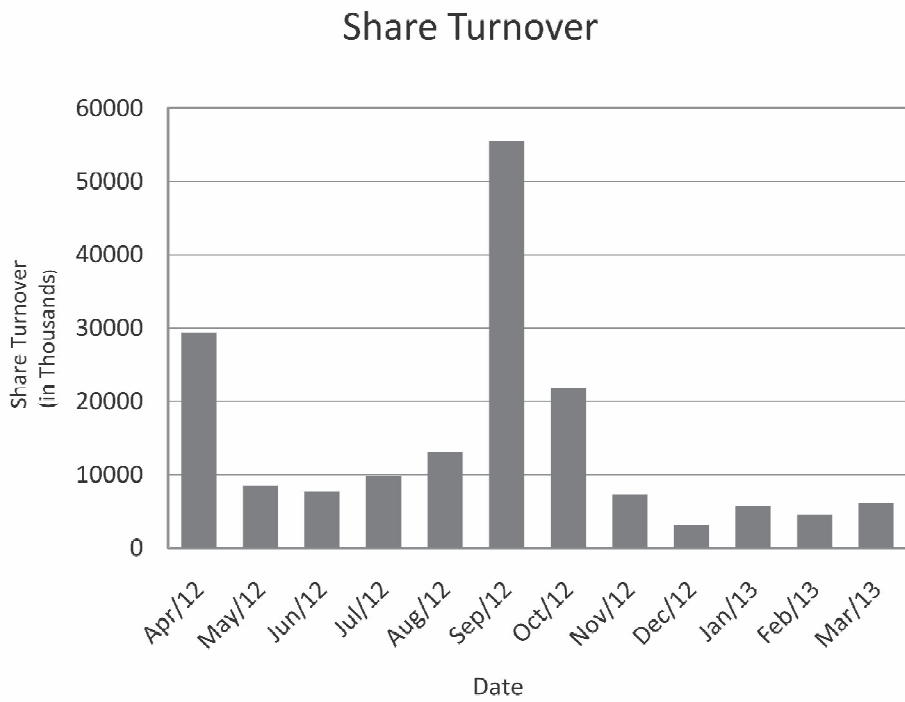
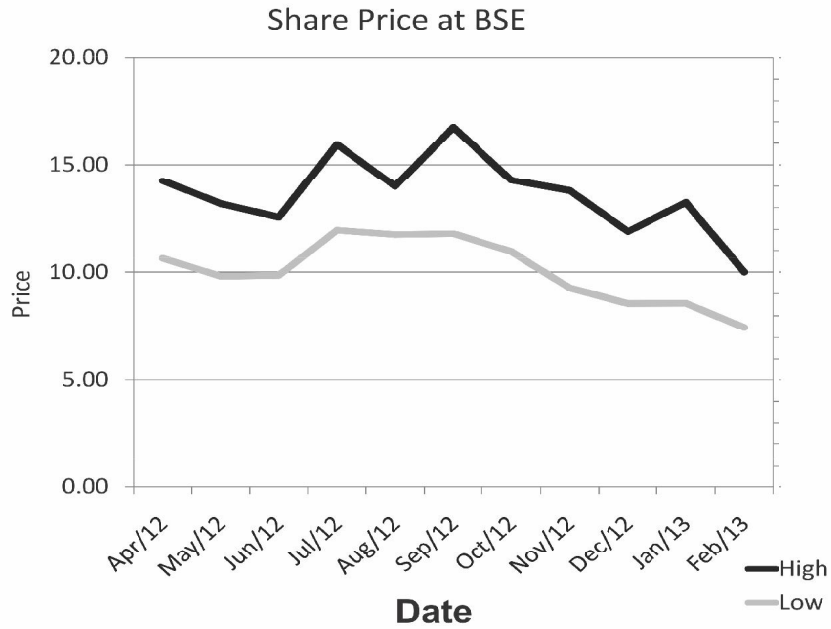
(ii) Demat ISIN in NSDL and CDSL for Equity Shares : **INE488E01037**

(f) Market Price data:

The Equity shares of the Company are listed on Bombay Stock Exchange Limited. The details of high and low market price data for the financial year ended March 31, 2013 are as under;

	Share Price		BSE Sensex		Volume of Shares Traded
	High (₹)	Low (₹)	High (₹)	Low (₹)	
April 2012	14.25	10.65	17,664.10	17,010.16	2,94,11,781
May 2012	13.20	9.80	17,432.33	15,809.71	85,42,041
June 2012	12.57	9.85	17,448.48	15,748.98	77,34,112
July 2012	15.95	11.96	17,631.19	16,598.48	98,16,302
August 2012	14.00	11.76	17,972.54	17,026.97	1,31,77,293
September 2012	16.75	11.80	18,869.94	17,250.80	5,54,80,200
October 2012	14.28	10.96	19,137.29	18,393.42	2,18,25,592
November 2012	13.80	9.25	19,372.70	18,255.69	73,15,565
December 2012	11.90	8.55	19,612.18	19,149.03	30,38,745
January 2013	13.25	8.56	20,203.66	19,508.93	56,98,058
February 2013	10.00	7.46	19,966.69	18,793.97	46,00,128
March 2013	9.40	6.53	19,754.66	18,144.22	61,15,442

Source- BSE Website



(g) Registrar and Transfer Agent:

M/s. Sharex Dynamic (India) Private Limited
 Unit 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E),
 Mumbai – 400 072
 Tel No.: 022- 2851 5606/ 2851 5644
 Fax No.: 022- 2851 2885
 Website: www.sharexindia.com
 Email: investor@sharexindia.com

(h) Share Transfer System:

Share transfer requests received are normally confirmed within the period of 15 days from date of receipt.

(i) Distribution of Shareholding as on March 31, 2013:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares Held	% of shareholding
Upto to 5000	30455	99.52	3213067	2.06
5001 - 10000	39	0.13	288153	0.18
10001 - 20000	18	0.06	289903	0.19
20001 – 30000	12	0.04	304450	0.20
30001 – 40000	6	0.02	214850	0.14
40001 – 50000	2	0.01	98500	0.06
50001 – 100000	25	0.08	2053493	1.32
100001 - Above	43	0.14	149442154	95.85
Grand Total	30600	100.00	155904570	100.00

(j) Dematerialization of Shares and liquidity as on March 31, 2013:

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
No. of shareholders having shares in Physical Mode	25080	81.96	2083970	1.34
No. of Beneficial Owner and shares in Demat mode				
—NSDL	4050	13.24	55695642	35.72
—CDSL	1470	4.8	98124958	62.94
Grand Total	30600	100	155904570	100

(k) Categories of Shareholders as on March 31, 2013:

Category	No. of shares held	% to total shareholding
Promoters, Director and Relatives	112931645	72.44
Banks, Financial Institutions	400	0.00
Private Corporate Bodies	9534016	6.12
NRI/OCBs	3560	0.00
Public	33350599	21.39
Clearing Members	84350	0.05
Grand Total	155904570	100.00

(l) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no ADR/ GDR/ Warrants or any convertible instruments issued by the Company.

(m) Plant Locations:

R-802, TTC Industrial Area, Thane Belapur Road, Mahape, Navi Mumbai – 400 701

(n) Address for Correspondence for Investors:

Registrar and Transfer Agent : M/s. Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (E),
Mumbai – 400 072, Tel No.: 022- 2851 5606/ 2851 5644 Fax No.: 022- 2851 2885
Email: Investor@sharexindia.com

Company: Maharashtra Polybutenes Limited
R-802, TTC industrial Area, Thane Belapur Road, Mahape, Navi Mumbai – 400 701
Email: help.investor@mahapoly.com

NON MANDATORY REQUIREMENTS
1. Maintaining of Chairman's office by Non-Executive Director:

No, as the Company has appointed Executive Director as Chairman.

2. Remuneration Committee

The Company has set up Remuneration Committee to determine the packages for executive directors. Please refer to point no.3 of this report.

3. Shareholders' Rights

The quarterly/ yearly results of the company are published in one English and one vernacular Newspaper. Further, the quarterly/ yearly results are also posted on the website of the company www.mahapoly.com.

**Details of the Directors seeking re-appointment at the forthcoming
Annual General Meeting.
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Abhay Manudhane
Date of Birth	22-Sep-54
Date of Appointment	14-May-11
Areas of Experience	Mr. Abhay Manudhane is a qualified Chartered Accountant and Company Secretary and has over 32 years of rich experience of working in the industry. He has worked with well known multinational and Indian Companies in various capacities. He has held positions of CEO of a well known chemical and fertilizer company for over 8 years and has made complete turnaround of the company into most profitable company in its field. He has also worked as Executive Director with very well known and well established cement company.
Educational Qualifications	Post Graduate in Law, FCA, FCS and DCM
Companies in which he holds Directorship	Nil
Membership, Chairmanship of Board Committees	Member of Audit Committee, Remuneration Committee and Investor Grievance Committee
Shareholding in the Company	Nil

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**The Board of Directors
Maharashtra Polybutenes Limited
Mumbai**

I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2013 and to the best of our knowledge and belief, I hereby certify that:

1. These statements neither contain any material untrue statement nor omit any material fact nor contain any misleading statement.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standard, applicable laws and regulations.
3. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year 2012-2013 which are fraudulent, illegal or which violates e the Company's code of conduct.
4. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control system of the Company. Based on my most recent evaluation, no deficiencies in the design or operation of control were noted.
5. I further certify that:-
 - There have been no significant changes in internal control during this year.
 - There have been no significant changes in accounting policies during the year.
 - There have been no instances of significant fraud of which we have become aware of and the involvement therein, of management or an employee having a significant role in the Company's internal control system.
6. I further declare that pursuant to clause 49 (1) (d) all Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the current year.

**Place: Navi Mumbai
Date: 14th August, 2013**

**Brijmohan Rathi
Chairman and Managing Director**

CERTIFICATE

To
The Members of
M/s Maharashtra Polybutenes Ltd
Navi Mumbai

We have examined the compliance of condition of Corporate Governance by **M/s. Maharashtra Polybutenes Limited** for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither in audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, and based on the representation made by the director and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement

On that basis of representation received from Registrars and Share Transfer agent and as per the records maintained by the Company which are presented to the Share Transfer Committee and Investor Grievance Committee , we state that during the period ended 31st March, 2013 no investor grievance are pending for a period exceeding one month.

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

FOR BKG & ASSOCIATES
CHARTERED ACCOUNTANTS

C.A. B.K.Gupta
Partner
Membership No.: 040889
Firm Reg. No.: 114852W

Place : Mumbai
Dated : 14th August, 2013.

AUDITORS' REPORT

TO THE MEMBERS OF MAHARASHTRA POLYBUTENES LIMITED

We have audited the accompanying financial statements of MAHARASHTRA POLYBUTENES LIMITED, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosure 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2013 ;

- (b) in the case of the Profit and Loss Account, 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, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion 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 Cash Flow Statement dealt with by the Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - e. On the basis of written representative received from the directors as on March, 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. At present, no Rules relating to the amount of cess for rehabilitation or revival or protection of assets of sick industrial companies, payable by a company under section 441A of the Act have been notified by the Central Government. Thus, it would not be possible for the auditor to comment on the regularity or otherwise about the cess till the time relevant rules or regulations are issued.

**FOR BKG & ASSOCIATES
CHARTERED ACCOUNTANTS**

**C.A. B.K.Gupta
Partner
Membership No.: 040889
Firm Reg. No.: 114852W**

**Place : Mumbai
Dated : 28th May,2013.**

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date.

1 In respect of its Fixed Assets:

- a) The Company is in the process of maintenance of proper records showing full particulars including details and situations of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c) In our opinion the Company has not disposed off any major asset/ substantial part of its business during the year and the 'Going Concern' status of the Company is not affected.

2. In respect of its Inventories:

- (a) As inform to us, the Inventory has been physically verified during the year by the management at reasonable intervals.
- (b) In our opinion the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

3 In respect of loans covered u/s 301:-

In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

- a) The Company had granted interest bearing unsecured loan of Rs. 65,41,326/- Including (opening balance) to one party and interest free unsecured advances Rs. 4,15,27,325/- to one party. In respect of the said loans / advances, maximum amount outstanding at any time during the period covered under the audit was Rs.6,70,41,326/- and the year end balance is Rs. 4,91,93,381/-.
- b) In our opinion and according to the information and explanation given to us, term and condition of the advance granted by the Company are not prima facie prejudicial to the interest of the Company except non charging of interest on advances of Rs. 4,15,27,325/-.
- c) The loans granted were re-payable on demand. As informed, repayment have been made during the year whenever demanded by the lender, thus there has been no default on repayment.
- d) During the year the company has taken interest bearing unsecured loan from one party Rs. 1,98,81,110/- (Including opening balance) during the financial year covered under

audit. In respect of the said loan, maximum amount outstanding at any time during the period covered under audit was Rs. 69,04,670/- and the year end balance of the said loan is Rs. 31,91,499/- including accrued interest which are yet to be payable whenever demanded by lenders.

- e) In our opinion and according to the information and explanation given to us, the rate of interest and other term and condition of the loan taken by the Company are not prima facie prejudicial to the interest of the Company.
 - f) The loans taken were re-payable on demand. As informed, repayment have been made during the year whenever demanded by the lender, thus there has been no default on the part of the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business. During the course of our audit, we have not observed any major weakness in the internal system.
 5. (a) According to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered where ever applicable.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register in pursuance of Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 6. As informed to us, the company has not accepted deposits from the public.
 7. The company has adequate internal audit system commensurate with size of the Company and the nature of its business.
 8. Company has maintained the cost records pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
 - 9 (a) According to the books of accounts examined by us and also based on representations received from the management and information and explanation given to us, the company has been regular in depositing liability towards undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, tax deducted at sources, excise duty and other material statutory dues wherever applicable to it except Income Tax, Central Sales Tax and MVAT. No undisputed amounts payable were in arrears in respect of Income tax, tax deducted at sources as at 31/03/2013 for a period of six months from the date they become payable except Income Tax (FY 2009-10) of Rs. 42,32,171/- Income tax for (FY 2011-12) 84,77,658/- CST of Rs. 34,60,117/- and MVAT of Rs. 72,05,565/-
(b) According to the information and explanations given to us there is no statutory dues which have not been deposited on account of dispute.
 10. The Company does not have accumulated losses at the end of the financial year. The

Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions / bank.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of this clause are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the company has not given guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no fund raised on short term basis have been used to finance long term assets.
17. According to the information and explanations given to us, the company has not made any preferential allotment to the parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly the provisions of this clause are not applicable to the Company.
18. According to the information and explanations given to us, the company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the company.
19. During the period covered by our audit report, the company has not raised any money by way of a public issue.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the year.

**FOR BKG & ASSOCIATES
CHARTERED ACCOUNTANTS**

**C.A. B.K.Gupta
Partner
Membership No.: 040889
Firm Reg. No.: 114852W**

**Place : Mumbai
Dated : 28th May,2013.**

MAHARASHTRA POLYBUTENES LIMITED

BALANCE-SHEET AS AT 31ST MARCH, 2013

Particulars	Note No.	₹	₹
		AS AT 31-03-2013	AS AT 31-03-2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	155,904,570	155,904,570
(b) Reserves and Surplus	2	124,666,792	121,941,480
		280,571,362	277,846,050
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	13,954,950	21,823,998
(b) Long Term Provisions	4	1,733,112	2,029,382
		15,688,062	23,853,380
(3) Current Liabilities			
(a) Short-Term Borrowings	5	167,770,661	153,952,496
(b) Trade Payables	6	41,200,140	17,285,295
(c) Other Current Liabilities	7	42,884,974	26,222,063
(d) Short-Term Provisions	8	14,405,735	16,446,733
		266,261,510	213,906,587
Total Equity & Liabilities		562,520,934	515,606,017
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
Net Tangible Asset		137,702,782	151,374,340
(b) Non-current investments	10	68,029,600	68,000,000
(c) Deferred tax assets (net)	11	12,465,958	12,204,549
(d) Long term loans and advances	12	1,742,550	1,856,050
		82,238,108	82,060,599
(2) Current Assets			
(a) Inventories	13	188,402,820	91,434,552
(b) Trade receivables	14	83,351,471	55,659,185
(c) Short-term loans and advances	15	61,451,497	128,944,346
(d) Cash & bank balances	16	8,008,470	3,108,962
(e) Other current assets	17	1,365,787	3,024,033
		342,580,044	282,171,078
Total Assets		562,520,934	515,606,017

Notes referred to above form an integral part of the Balance Sheet & Profit and Loss Account

Significant Accounting Policies

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Notes to Accounts

1 to 28

For BKG & ASSOCIATES
Chartered Accountants

For & On behalf of the Board

C A. B.K.Gupta
Membership No.: 040889
Firm Reg. No.: 114852W

S.N.GARG
CFO

V. B.DALAL
Director

BRIJMOHAN RATHI
Chairman and
Managing Director

Place: Mumbai
Date: 28th May, 2013

SAKINA DICKENWALA
Company Secretary

ANNUAL REPORT 2012 - 2013

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

Sr. No.	Particulars	Schedule	₹	₹
			For The Year Ended 31-03-2013	For The Year Ended 31-03-2012
I	Net Revenue from operations	18	429,891,248	742,390,874
II	Other Income	19	1,917,501	3,400,169
III	Total Revenue (I +II)		431,808,749	745,791,043
IV	Expenses:			
	Cost of materials consumed	20	368,561,234	539,230,810
	Purchase of Stock-in-Trade	21	15,048,635	14,042,793
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(84,627,889)	(3,050,239)
	Manufacturing Expenses	23	58,513,267	70,213,591
	Employee Benefit Expense	24	16,573,378	20,736,148
	Financial Costs	25	29,210,073	25,556,291
	Depreciation and Amortization Expense	26	16,998,535	16,939,401
	Other Expenses	27	8,396,251	17,098,694
	Total Expenses (IV)		428,673,484	700,767,489
V	Profit before exceptional and extraordinary items and tax	(III - IV)	3,135,265	45,023,554
VI	Exceptional Items			
	Sundry Balance written off / (back)		91,264	(60,585)
VII	Profit before tax	(V - VI)	3,044,001	45,084,139
VIII	Tax expense:			
	(1) Current tax (MAT)		580,100	9,157,700
	(2) Provision for tax (Net Deferred tax Asset)		(261,411)	14,975,219
IX	Net Profit for the Year	(VII-VIII)	2,725,312	20,951,220
X	Earning per equity share:			
	(1) Basic		0.02	0.13
	(2) Diluted		0.02	0.13

Notes referred to above form an integral part of the Balance Sheet & Profit and Loss Account

Significant Accounting Policies

28

Notes to Accounts

1 to 28

For BKG & ASSOCIATES
Chartered Accountants

For & On behalf of the Board

C A. B.K.Gupta
Membership No.: 040889
Firm Reg. No.: 114852W

S.N.GARG
CFO

V. B.DALAL
Director

BRIJMOHAN RATHI
Chairman and
Managing Director

SAKINA DICKENWALA
Company Secretary

Place: Mumbai
Date: 28th May, 2013

MAHARASHTRA POLYBUTENES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	₹	₹	₹	₹
	For the year ended on 31st March 2013		For the year ended on 31st March 2012	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax and Extraordinary items		3,135,265		45,023,554
Adjustment for :				
Depreciation	16,998,535		16,939,401	
Interest Charge	29,210,073		25,556,291	
Other Income	(1,917,501)		(3,400,169)	39,095,523
		44,291,107		
Operating Profit/(Loss) before Working Capital changes :		47,426,372		84,119,077
Adjustments for: Working Capital Changes				
Trade & Other Receivables	41,572,309		(28,522,738)	
Inventories	(96,968,268)		(7,993,970)	
Trade Payables	40,160,384	(15,235,575)	(80,036,478)	(116,553,185)
Cash Generated from Operations :		32,190,797		(32,434,108)
Direct taxes paid		(2,500,000)		(10,315,802)
Cash Flow before Extraordinary items :		29,690,797		(42,749,910)
Exceptional Items				
Sundry Balances excess provision written back (net)		91,264		(60,586)
Net Cash inflow/(out flow) from Operating Activities - "A"		29,599,532		(42,689,325)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(3,326,977)		(24,992,931)
Interest Received		1,917,501		3,400,169
Investment		(29,600)		-
Net Cash from/(used) in Investing Activities - "B"		(1,439,076)		(21,592,762)
CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings		5,949,117		80,393,300
Interest paid		(29,210,073)		(25,556,291)
Dividend paid		-		(2,850,097)
Net Cash From / (used) in Financial Activities - "C"		(23,260,956)		51,986,912
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		4,899,500		(12,295,175)
Cash and Cash Equivalents (Opening Balance)		3,108,962		15,404,138
Cash and Cash Equivalents as at the end		8,008,470		3,108,962

Note :

- 1) Figures In Brackets represents outflows.
- 2) Previous year's figures have been regrouped wherever necessary .

As per our attached Report of even date

For BKG & ASSOCIATES
Chartered Accountants

C A. B.K.Gupta
Membership No.: 040889
Firm Reg. No.: 114852W

For & On behalf of the Board

S.N.GARG
CFO

V. B.DALAL
Director

BRIJMOHAN RATHI
Chairman and
Managing Director

SAKINA DICKENWALA
Company Secretary

Place: Mumbai
Date: 28th May, 2013

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Notes Forming Integral Part of the Balance Sheet as at 31st March, 2013

Sr. No.	Particulars	₹ AS AT 31-03-2013	₹ AS AT 31-03-2012
Note : 1 Share Capital			
1	<u>AUTHORIZED CAPITAL</u>		
	20,00,00,000 Equity Shares of Rs. 1/- each. (previous year 2,00,00,0000 Equity shares of Rs 1/ each)	200,000,000	200,000,000
		200,000,000	200,000,000
2	<u>ISSUED , SUBSCRIBED & PAID UP CAPITAL</u>		
	15,59,04,570 Equity Shares of Rs. 1/- each (Previous year 15,59,04,570 Equity Shares of Rs. 1/- each)	155,904,570	155,904,570
		155,904,570	155,904,570

- a) Reconciliation of the number of share outstanding is set out below:

Name of the shareholder	No of Shares
Equity shares at the beginning of the year	15,59,04,570 1,55,90,457
Add: shares issued during the period	Nil Nil
Add: Increase in no. of shares due to division / split*	Nil 14,03,14,113
Equity shares at the end of the period	15,59,04,570 15,59,04,570

- b) Shares in the company held by each shareholders holding more than 5% shares:

Name of the Shareholder	No. of Shares Held	Percentage (%)
Sunciti Financial Services Pvt.Ltd.	65,849,793 (65,850,000)	42.24 (42.24)
New Era Advisors Pvt. Ltd.	25,134,090 (25,13,4090)	16.12 (16.12)
Radhe Shyam Chandak	11,603,220 (11,603,220)	7.44 (7.44)
Brijmohan Pyarelal Rathi	9,750,000 (97,50,000)	6.25 (6.25)
Arthi Devi Chandak	10,272,680 (10,27,2680)	6.59 (6.59)

Figures in bracket represented previous year balance

MAHARASHTRA POLYBUTENES LIMITED

c) There are nil number of shares (Previous year Nil) reserved for issue under option and contracts /commitment for the sale of shares/disinvestment including the terms and amounts.

d) Rights of Shareholders:

The company has issued only one class of Equity Shares of the face value of Rs.1/- each. Each Equity Share is entitled for one vote. In the event of the liquidation of the company, shareholders will receive residual assets of the company after paying all the liabilities.

Sr. No	Particulars	₹ As At 31-03-2013	₹ As At 31-03-2012
Note : 2 Reserve & Surplus			
1	Surplus (Profit & Loss Account)	2,725,312	20,951,220
	Add:Balance brought forward from previous year	121,941,480	94,750,341
	Add:Excess provision of previous year written back	-	6,239,919
		124,666,792	121,941,480
Note : 3 Long Term Borrowings			
1	Secured		
	Term Loans - from Central Bank of India	3,954,950	11,823,998
2	Unsecured		
	Other borrowings (from entities other than banks)	10,000,000	10,000,000
		13,954,950	21,823,998

Additional Information:

Details of Term Loan from Central Bank of India are as under:

It is repayable in 30 equal monthly installments from April 2012 to September 2014.

It is secured by mortgages of equipment procured out of the Bank Term's Loan and extension of charges on fixed assets of the Company at Mahape, Navi Mumbai and personal guarantee given by Managing Director and Chairman, Mr. Brijmohan Rathi.

Sr. No	Particulars	₹ As At 31-03-2013	₹ As At 31-03-2012
Note : 4 Long Term Provisions			
Provision for Employee Benefits			
1	Gratuity	900,734	1,127,220
2	Leave Encashment	832,378	902,162
		1,733,112	2,029,382
Note : 5 Short Term Borrowings			
1	Secured		
	Working Capital Loan from Central Bank of India		
a	Cash Credit (secured by hypothecation of stock of Raw Material, Semi Finished Goods, Finished Goods & Receivables)	80,572,561	79,617,507
b	Overdraft (secured by assignment of book debt)	50,611,632	50,652,120
c	Export Packing Credit (secured by hypothecation of goods meant for export)	19,920,000	20,000,000
		151,104,193	150,269,627
2	Unsecured		
	Loans and advances from related parties	4,666,468	3,682,869
	From Others	12,000,000	-
		167,770,661	153,952,496

Additional Information:

Working capital loans are also secured by mortgage on leasehold land along with factory building on Plot No. R-802, TTC Industrial area, Mahape, New Mumbai and hypothecation of Plant & Machineries and personal guarantee given by managing director

Note: 6 Trades Payable

Creditors for supplies/services	41,200,140	17,285,295
	41,200,140	17,285,295

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Sr. No	Particulars	₹ As At 31-03-2013	₹ As At 31-03-2012
Note : 7 Other Current Liabilities			
1	Unclaimed Dividend	229,526	218,245
2	Current maturities of long-term debt	8,000,000	8,000,000
3	Interest accrued and due on short term borrowings	935,431	3,590,801
4	Advance from Customers	855,508	2,957,982
5	Duties and Taxes payable to Government	32,864,509	11,455,036
		42,884,974	26,222,063
Note : 8 Short Term Provisions			
1	Provision For Employees Benefits	1,115,806	1,236,904
2	Net Provision for Income Tax (MAT 2009-10)	4,232,171	6,392,150
3	Net Provision for Income Tax (MAT 2011-12)	8,477,658	8,817,679
4	Net Provision for Income Tax (MAT 2012-13)	580,100	-
		14,405,735	16,446,733

Note : 9 Fixed Asset

₹

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		As At 01-04-2012	Addition during the year	Deduction / Adjustments during the year	As at 31-03-2013	Upto 01-04-2012	For the Year	Deduction/ Adjustment	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
	Tangible Fixed Asset										
1	Lease hold Land	102,543,713	-	-	102,543,713	17,894,511	1,107,472		19,001,983	83,541,730	84,649,202
2	Building	62,191,732	-	-	62,191,732	37,612,420	2,077,204		39,689,624	22,502,108	24,579,312
3	Plant and Machineris	221,128,463	2,779,016	-	223,907,479	203,966,790	11,724,221		215,691,011	8,216,468	17,161,673
4	Furniture & Fixtures	1,425,272	51,289	-	1,476,561	1,376,465	90,776		1,467,241	9,320	48,807
5	Computer	1,851,046	359,367	-	2,210,413	1,842,197	305,197		2,147,394	63,019	8,849
6	Office Equipment	30,848,172	137,305	-	30,985,477	6,976,741	1,468,038		8,444,779	22,540,698	23,871,431
7	Laboratory Equipment	4,750,039	-	-	4,750,039	3,694,973	225,627		3,920,600	829,439	1,055,066
	TOTAL	424,738,437	3,326,977	-	428,065,414	273,364,097	16,998,535	-	290,362,632	137,702,782	151,374,340
	PREVIOUS YEAR	399,745,506	24,992,931	-	424,738,437	256,424,696	16,939,401	-	273,364,097	151,374,340	-

Sr. No	Particulars	₹ As At 31-03-2013	₹ As At 31-03-2012
Note : 10 Non Current Investment			
Unquoted fully paid up - Non traded			
In New Era Advisors Pvt. Ltd.			
1	64,000 (Previous Year 64,000) 0% non convertible preference shares of Rs. 10/- each	64,000,000	64,000,000
2	10,000 (Previous Year 10,000) Equity shares of Rs. 10 each	3,500,000	3,500,000
In 'Gujarat Textile SEZ Infrastructure Pvt. Ltd.			
	50,000 (Previous Year 50,000) Equity Shares of Rs. 10 each	500,000	500,000
In 'Sunciti Financial Services Pvt. Ltd.			
	29,600 Equity Shares of Rs. 10/ each	29,600	-
		68,029,600	68,000,000
Note : 11 Deferred Tax Assets (Net)			
Opening Balance		12,204,549	27,179,768
Add: Deferred Tax Asset/ (Liability) created during the year			
1	Deferred Tax Asset		
	Carried forward off Loss	-	-
	Reversal of Loss set off during the year	(5,794,724)	(19,618,793)
	Disallowance under Income Tax Act, 1961	(113,542)	203,010
2	Deferred Tax Liability/ (Reversed)		
	Related to Fixed Asset	6,169,675	(4,440,564)
Closing Balance		12,465,958	12,204,549
Break up of Closing Balance:			
(Deffered Tax assets due to Accumulated c/f losses Rs.3,98,03,600/- , due to Employees Benefit Rs.5,35,532/-, and Deferred tax liabilities due to depreciation Rs.2,78,73,775/-)			
Note : 12 Long Term Loans and Advances (Unsecured and Considered Good unless otherwise stated)			
1	Security Deposit	1,742,550	1,856,050
		1,742,550	1,856,050
Note : 13 Inventories (As taken, valued and certified by the Management)			
1	Raw Material	5,382,283	5,311,800
2	Finished Goods	148,094,235	75,198,420
3	Stores, spares and others	9,753,876	8,558,053
4	Stock of Traded Goods	12,627,770	2,366,279
5	Goods in Transit	12,544,656	
		188,402,820	91,434,552

MAHARASHTRA POLYBUTENES LIMITED

Sr. No	Particulars	₹ As At 31-03-2013	₹ As At 31-03-2012
Note : 14 Trade Receivables			
(Unsecured and Considered Good unless otherwise stated)			
1	Outstanding for more than six months	304,752	2,030,427
2	Others	83,046,719	53,628,758
		83,351,471	55,659,185
Note : 15 Short Terms Loans and Advances			
(Unsecured and considered goods unless otherwise stated)			
1	Loans and Advances to related parties	48,068,651	66,550,000
2	Securities Deposits	648,500	1,912,000
3	Loans and advances to Employees	216,078	1,128,019
4	Advances to Suppliers	293,452	10,583,955
5	Prepaid Expenses	249,956	267,331
6	Balance with Government Authorities	1,974,860	703,041
7	Others	10,000,000	47,800,000
		61,451,497	128,944,346
Note : 16 Cash & Cash Equivalent			
1	Bank Balance (with scheduled banks)	398,917	831,547
2	Cash on Hand	1,065,106	1,236,187
	Cheque in Hand	306,000	-
3	Fixed Deposits with Bank	6,238,447	1,041,228
		8,008,470	3,108,962
Note : 17 Other Current Assets			
1	Interest accrued on Government Deposits	94,895	94,682
2	Interest Accrued on Loans and Advances	1,124,730	2,906,926
3	Interest Accrued on Fixed Deposits	146,162	22,425
		1,365,787	3,024,033

Notes Forming Part of the Profit & Loss Accounts for the period ended 31 March, 2013

Sr. No	Particulars	₹ For The Year Ended 31-03-2013	₹ For The Year Ended 31-03-2012
Note : 18 Revenue from Operations			
1	Domestic Sales	507,875,160	843,280,797
	Less: Excise Duty and CST / VAT	77,983,912	100,889,923
		429,891,248	742,390,874
Note : 19 Other Income			
1	Interest on Deposits with Government Authorities (including TDS of Rs. 10,544/-)	105,439	105,202
2	Interest on Fixed deposits with Banks (including TDS of Rs. 22236/-)	222,362	65,049
3	Interest on Loans & Advances (including TDS of Rs. 1,58,970/-)	1,589,700	3,229,918
		1,917,501	3,400,169
Note : 20 Cost of Material Consumed			
	Opening Stock	5,311,800	3,240,825
	Add: Purchased during the year	379,537,334	541,301,785
	Less: Closing Stock	16,287,900	5,311,800
		368,561,234	539,230,810
Note : 21 Purchase of Traded Goods			
	Purchases	15,048,635	14,042,793
		15,048,635	14,042,793

MAHARASHTRA POLYBUTENES LIMITED

Sr. No	Particulars	₹ For The Year Ended 31-03-2013	₹ For The Year Ended 31-03-2012
Note : 22 Change in Inventories			
Finished Goods/Stock in Trade			
1	Closing Stock (at close)	162,192,588	77,564,699
2	Less:-Opening Stock (at commencement)	77,564,699	74,514,460
		84,627,889	3,050,239
Note : 23 Manufacturing Expenses			
1	Packing Material	510,000	3,740,150
2	Stores & Consumables	4,014,977	4,656,293
3	Power Expenses	8,286,244	12,885,576
4	Fuel Consumed	15,876,319	28,600,594
5	Freight and Octroi Charges	26,861,163	17,101,732
6	Water Charges	803,087	884,976
7	Repair & Maintenance - Plant & Machinery	2,161,477	2,344,270
		58,513,267	70,213,591
Note : 24 Employment Benefit Expenses			
1	Salaries & Wages	14,122,393	17,426,980
2	Contribution to Provident Fund and other Funds	795,205	889,958
3	Staff Welfare Expenses	1,655,780	2,419,210
		16,573,378	20,736,148
Note :25 Financial Cost			
1	Interest on Cash Credit Facility	19,365,029	15,212,196
2	Interest on Term loan	2,515,136	681,889
3	Interest on EPC	3,005,187	1,907,216
4	Interest on LC	542,388	-
5	Other interest	1,294,364	6,832,626
6	Bank Charges	1,369,817	1,084,840
7	Foreign Exchange (Gain)/ Loss	1,118,152	(162,476)
		29,210,073	25,556,291

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Sr. No	Particulars	₹ For The Year Ended 31-03-2013	₹ For The Year Ended 31-03-2012
Note : 26 Depreciation & Amortised Cost			
1	Depreciation	16,998,535	16,939,401
		16,998,535	16,939,401
Note : 27 Other Expenses			
Administrative and Selling & Distribution Expenses			
1	Auditors Remuneration	120,000	170,000
2	Advertisement Charges	55,592	63,607
3	Directors Remuneration	3,000,000	3,000,000
4	Postage & Communication Expenses	593,345	1,450,600
5	Directors Sitting Fees	75,000	95,000
6	Conveyance Expenses	816,194	1,053,829
7	Travelling Expenses (Including Foreign Travelling)	508,071	943,878
8	Repair & Maintenance -Others	520,107	1,433,761
9	Vehicle Expenses	470,984	715,002
10	Legal & Professional fees	729,527	873,268
11	Insurance Expenses	323,432	504,744
12	Rent & Taxes	91,325	350,001
13	Business Promotion Expenses	829,502	872,509
14	Printing & Stationery	209,006	498,497
15	Security Expenses	834,000	652,867
16	Service Charges	330,698	325,905
17	Loading & Unloading Expenses	29,330	205,622
18	General Expenses	708,673	588,906
19	Selling & Forwarding Expenses	128,242	261,290
20	Freight Outward	(1,976,777)	3,018,334
21	Prior Period Adjustment	-	21,074
		8,396,251	17,098,694

NOTE -28- SIGNIFICANT ACCOUNTING POLICIES**A. General**

Accounts are prepared under the historical cost basis in accordance with Generally Accepted Accounting Principles (GAAP), accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956. All Income and expenditure having material bearing are recognized on accrual basis, except where otherwise stated.

B. Use of estimates

The presentation of financial statements is in conformity with generally accepted accounting principles and it requires management to make estimates and assumptions that affects the reported amounts of assets and liabilities, and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

C. Fixed Assets

Fixed assets are stated at cost which is inclusive of freight, duties, taxes and all other incidental expenses related thereto. The diminution, if any, in the book value of these assets is provided for in the year of such determination of diminution.

D. Depreciation / Amortization

- l) Depreciation / amortization on the original cost of fixed assets is provided as under :
 - a) Leasehold land premium is being amortized from the commencement of commercial production over the remaining period of the lease.
 - b) In respect of other items of fixed assets, depreciation is provided on straight line method at the rates and in the manner as specified in Schedule XIV to the Companies Act, 1956.
 - c) Depreciation / amortization on the incremental amount added to the cost of fixed assets on the revaluation is provided on the basis of the estimated useful life.

E. Revenue:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods:

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Interest:

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Expenditure:

Expenses are accounted on accrual basis and the provisions are made for all known liabilities.

F. Investments:

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

G. Leased Assets:

- a) Operating Leases: Rentals are expensed with reference to lease terms and other considerations.
- b) Finance leases: The lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss account.
- c) All assets given on finance lease are shown as receivables at an amount equal to net investment in the lease. Initial direct costs in respect of lease are expensed in the year in which such costs are incurred.

H. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. For the purpose of calculating diluted earnings per share, the net profit or 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.

I. Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

J. Valuation of Inventories

Finished goods, Stores, spares, process chemicals, packing materials and fuel are valued at the lower of cost and net realizable value. Cost is assigned on FIFO basis. Obsolete, defective and unserviceable stocks are provided for.

K. Borrowing Cost:

Borrowing costs attributable to acquisition and reconstruction of assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

L. Retirement and other Benefits

Contributions to the Provident Funds are made in accordance with the rules of the funds.

Liability in respect of gratuity is provided for on the basis of valuation, as worked out at the year end by the Company according to provisions of the Payment of Gratuity Act, 1972.

Liability in respect of Leave encashment is provided on the basis of valuation, as worked out according to company policy

M. Foreign Currency Transactions

- a. Transactions in foreign currency are recorded at the rate of exchange prevailing at the date of transaction.
- b. Liabilities and assets in foreign currency outstanding as at the year end other than for financing fixed assets are converted at the rate prevailing at the year end and difference, if any, is adjusted in the profit and loss account.

N. Research and Development Expenses

Revenue expenditure is charged to the Profit & Loss Account and Capital expenditure is added to the cost of fixed assets in the year in which it is incurred.

O. Accounting for Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the

period. Deferred tax is recognized, for all timing differences, subject to the consideration of prudence applying the tax rates that have been substantively enacted by the balance sheet date. Deferred tax assets has been recognized on carry forward losses of earlier years , for which relief has been granted by BIFR order .However an application has been submitted to the CBDT for their approval.

P. Provisions, Contingent Liabilities and Contingent Assets

- I. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.
- II. Contingent Liabilities (excluding those, liability whereof is not ascertainable) are not recognized but are disclosed in the notes forming part of accounts.
- III. Contingent Assets are neither recognized nor disclosed in the financial statements.

Q. Segment Reporting Policies

Primary segment is identified based on the nature of products and services. Secondary segment is identified based on geography in which major operating division of the company operate.

For primary segment, the segment revenue, segment expenses, segment assets and segment liabilities have been identified to segment on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the group as a whole and are not allocable to segment on reasonable basis, have been included under “Unallocated revenue/expenses/assets/liabilities”

R. Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

NOTES TO ACCOUNTS

1. Segment Information

Business Segments:

The Company is engaged in the business of manufacture of Polybutenes. It is treated as a single segment. Hence no disclosure is required to be made under AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

Geographical Segments:

The Company is carrying on its operational activities in the domestic market i.e. India as well as in overseas market i.e. an export hence geographical segment i.e. domestic and overseas has identified as secondary segment and the details of segment results as per AS 17 issued by ICAI are as under :-

Information about Secondary Segments (Amount in ₹)

	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
Revenues by Geographical Market		
India	42,98,91,248	69,70,77,801
Outside India	-	4,53,13,073
Total	42,98,91,248	74,23,90,874
Additions to Fixed Assets and Intangible Assets		
India	33,26,977	2,49,92,931
Outside India	-	-
Total	33,26,977	2,49,92,931
Carrying Amount of Asset		
India	13,77,02,782	15,13,74,340
Outside India	-	-
Total	13,77,02,782	15,13,74,340

Notes:-

The geographical segments considered for disclosure are as follows:

- Sales within India includes Sales to Customers located within India
- Sales Outside India includes Sales to customers located outside India including merchant exporters.
- The carrying amount of segment assets in India and Outside India is based on geographical location of the respective assets

2. Contingent Liabilities not provided for in respect of:

	31-03-2013 (₹ In lacs)	31-03-2012 (₹ In lacs)
a) Letter of Credit (LC) issued by the Company's bankers for import of traded goods	Nil	12,40,000 (USD \$ 24,380)
(Converted on the foreign exchange conversion rate prevailing on the date of Balance Sheet)		
b) Bank Guarantee issued by the Company's bankers to suppliers in lieu of earnest money for tender	71,85,000	27,21,000
c) Claim against the Company not acknowledge as debts	Nil	1,57,000

Exchange rate as on 31-03-2012 is 1 US\$ - Rs. 50.875/-

3. Foreign earning and expenditure (Cash/Accruals basis):

Value of imports of calculated on CIF basis:

Traded Goods: Rs. 1,50,48,635 /- (P.Y. Rs. 29, 98,026)

Earning in foreign currency:

Export Sales on FOB basis: Rs Nil- (P.Y. Rs. 4, 53, 13,073/-)

Expenses incurred in foreign currency: Rs. Nil (P.Y. Rs. Nil).

4. Impairment of assets

As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of those assets. Hence, in the opinion of the management, there is no provision for impairment loss on the assets of the Company is required to be made under Accounting Standard-28 (Impairment of Assets) issued by the ICAI.

5. In the opinion of the Board, All assets other than Fixed Assets and non-Current Investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known and determined liabilities are adequate and not in the excess of the amount stated, in the financial statements.

6. Debtors and Creditors balances of some parties are subject to confirmation.
7. Sales / Operational income includes Excise Duty, & other levies.
8. In the absence of necessary information with the Company, relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the information required under the said Act could not be compiled and disclosed.

9. (I) Names of related parties

Names of related parties where control exists irrespective of whether transactions have taken place or not	Gujarat Textile SEZ Infrastructure Pvt. Ltd. (Company holding in stake is around 21.74%)
Names of other related parties with whom transactions have taken place during the year	1. New Era Advisors Pvt. Limited 2. Oxides & Specialties Limited 3. Sunciti Financial Services (P) Limited 4. Avni Energy Solution (P) Limited 5. International Spinning India (P) Ltd
Associates	N.A.
Key Management Personnel	Mr. Brijmohan Rathi, Chairman and Managing Director.
Relatives of key management personnel	N.A.
Enterprises owned or significantly influenced by key management personnel or their relatives	1. New Era Advisors Pvt. Limited 2. Oxides & Specialties Limited 3. Sunciti Financial Services (P) Limited 4. Mystique Media Limited 5. Avni Energy Solution (P) Limited 6. Gujarat Textile Sez Infrastructure Pvt. Ltd 7. International Spinning India (P) Ltd

(II). Related Party Disclosure

(Amount in ₹)

	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives	
	FY 2013	FY 2012	FY 2013	FY 2012
Employee Benefits for Key Management Personnel	-	-	-	-
Brijmohan Rathi	30,00,000	30,00,000	-	-
Inter corporate Deposits / Advance given				
New Era Advisors Pvt. Ltd.	-	-	-	6,00,00,000
Avni Energy Solution (P) Limited	-	-	10,00,000	65,50,000
Sunciti Financial Services (P) Ltd.			1,72,82,979	-
Advance received back				
Sunciti Financial Services (P) Ltd.	-	-	1,35,69,808	-
New Era Advisors Pvt. Ltd.		-	1,84,72,675	-
Avni Energy Solution (P) Limited			15,00,000	
Fixed Asset Purchased				
Oxides & Specialties Limited	-	-	-	35,08,725
Loan Taken				
Sunciti Financial Services (P) Ltd.	-	-	-	4,51,59,598
Loan Repay				
Sunciti Financial Services (P) Ltd.	-	-	-	(4,14,76,729)
Investment in Equity Shares				
New Era Advisors Pvt. Ltd.			-	-
Balance Outstanding at year	-	-		
Sunciti Financial Services (P) Ltd.			31,91,499	69,04,670
(including interest receivable)				
Balance receivable at year end				
New Era Advisors Pvt. Ltd.	-	-	4,15,27,325	6,00,00,000
Avni Energy Solution (P) Limited (including interest payable)	-	-	76,66,556	70,41,326

10. Additional Information pursuant to Financial Statements:
a) Capacity and Production:

	For the year ended 31st March, 2013 Quantity MT	For the year ended 31st March, 2012 Quantity MT
Polybutenes:		
Licensed Capacity	N.A	N.A
Installed Capacity **	10000	10000
Production		
Polybutenes (including Off-Grade)	2637	4683
LPG Return Stream	2451	5521
Drimer Trimer (By-Product)	431	805

** Installed capacity as certified by the Management and accepted by the Auditors, being a technical matter.

b) Turnover :

Class of Products	For the year ended 31st March, 2013 Quantity MT	For the year ended 31st March, 2012 Quantity MT
Polybutenes* (including Off-Grade)	2380	4778
LPG Return Stream	2073	5703
Drimer Trimer (By-product)	402	821

c) Opening & Closing Stock of Goods:

	For the year ended 31st March, 2013 Quantity MT	For the year ended 31st March, 2012 Quantity MT
1. Opening Stock		
A. Polybutenes (Including Off Grade)	600	695
B. LPG Return Stream	368	550
C. Drimer Trimer (By-product)	Nil	16
1. Closing Stock		
A. Polybutenes (including Off-Grade)	857	600
B. LPG Return Stream	746	368
C. Drimer Trimer (By-product)	29	Nil

11. Calculation of Earnings per Share:

	For the year ended 31st March, 2013 ₹	For the year ended 31st March, 2012 ₹
a) Numerator :		
Profit before tax for the year	31,35,265	4,50,23,554
Less : Sundry balances written off / (back)	91,264	(60585.00)
Less : Provision for Minimum Alternate Tax	5,80,100	91,57,700
Provision for deferred tax	(2,61,411)	1,49,75,219
Profit after Tax	27,25,312	2,09,51,220
(b) Denominator:		
Weighted Average No. of Equity Shares	15,59,04,570	15,59,04,570
(c) Basic and Diluted Earnings per share (Rs.)		
Before exceptional items	2.00	0.13
After exceptional items	0.02	0.13
(d) Nominal value per Equity Share	₹ 1 each	₹ 1 each

Note: The Basic and Diluted earnings per share computed in accordance with Accounting Standard (AS) 20- "Earnings per share "is same in view of potential equity shares being anti dilutive.

Salaries, Wages and other Employee benefits include payments made to staff and workers employed on contract basis.

Loan from Central Bank of India is secured against Mortgage of Land, Building, Plant & Machinery and Hypothecation of Stocks & Assignment of Book Debts. In addition to Personal Guarantee of Managing Director of the Company.

Letter of Credit (LC)/Bank Guarantee (BG) facilities are also secured with pre- defined percentage of margin by way of fixed deposit with the respective banks.

Remuneration to Statutory Auditor

	For the year ended 31st March, 2013 (₹)	For the year ended 31st March, 2012 (₹)
i) Audit Fees	1,00,000	1,00,000
ii) Tax Audit Fees	20,000	20,000
iii) Other fee	Nil	Nil
iv) Service Tax	Nil	14,832
TOTAL	1,20,000	1,34,832

12. LEASE TRANSACTION DISCLOSURES

Information on leases as per Accounting Standard 19 on "Accounting for Leases" issued by ICAI:

- i) Finance Lease : Nil (P.Y. – Nil)
- ii) Operating Lease Expenses:

The company has terminated its operating lease during the financial year 2012-13. Rental expenses for operating leases recognized in the Profit and Loss account for the year are Rs. 25,200/- (P.Y. Rs. 3,50,000/).

- 13** No forward exchange contracts are outstanding on the balance sheet dates which are entered to hedge foreign exchange exposures of the Company.
- 14** Previous year's figures have been regrouped/ rearranged wherever necessary to conform to current year presentation. Figures have been rounded off to the nearest rupee.

For BKG & ASSOCIATES
Chartered Accountants

For & On behalf of the Board

C A. B.K.Gupta
Membership No.: 040889
Firm Reg. No.: 114852W

S.N.GARG
CFO

V. B.DALAL
Director

BRIJMOHAN RATHI
Chairman and
Managing Director

SAKINA DICKENWALA
Company Secretary

Place: Mumbai
Date: 28th May, 2013

MAHARASHTRA POLYBUTENES LIMITED

MAHARASHTRA POLYBUTENES LIMITED

Regd. Off.: R-802, T.T.C. Industrial Thane Belapur Road, Mahape, Navi Mumbai - 400 701

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*/ Folio No. _____ Client ID* _____

Name _____

Address of the Shareholder _____

No. of Share (s) held _____

I/We hereby record my/our presence at the **24th ANNUAL GENERAL MEETING** of the Company to be held on Saturday, 28th September, 2013 at 11.00 A.M. at Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai - 400 703.

Signature of Shareholder or proxy

* Applicable for investors holding shares in electronic form/ demat .

MAHARASHTRA POLYBUTENES LIMITED

Regd. Off.: R-802, T.T.C. Industrial Thane Belapur Road, Mahape, Navi Mumbai - 400 701

PROXY FORM

DP ID*/ Folio No. _____ Client ID* _____

I/We _____ of _____ in the district of _____ being a member/ members of Maharashtra Polybutenes Limited hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the **24th ANNUAL GENERAL MEETING** of the Company to be held on Saturday, 28th September, 2013 at 11.00 A.M. at Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai - 400 703 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix Re. 1
Revenue
Stamp

* Applicable for investors holding shares in electronic form/ demat.

Book-Post

To,

If undelivered, please return to :

MAHARASHTRA POLYBUTENES LIMITED

R-802, TTC Industrial Area, Thane Belapur Road, Mahape, Navi Mumbai - 400 701. Tel. No. : 022-2778 2210

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges.

1.	Name of the Company	Maharashtra Polybutenes Limited
2.	Annual financial statements for the year ended	31 st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	No observation.
5.	To be signed by- Brijmohan Rathi, Managing Director Shivnarayan Garg, CFO B.K. Gupta, Auditor V.B. Dalal, Audit Committee Chairman	