

# Gujarat Speciality Lubes Limited.

11/11/12 26

Registered Office: Survey No 1285-86, Opp. Scott Glass Industries Limited,  
Village Anakhi, Taluka Jambusar, District- Bharuch.

## NOTICE

Notice is hereby given that Twentieth Annual General Meeting of Members of Gujarat Speciality Lubes Ltd. will be held on Thursday, the 20<sup>th</sup> September, 2012 at 11:00 a.m. at the address at Survey No 1285-86, Opp. Scott Glass Industries Limited, Village Anakhi, Taluka Jambusar, District- Bharuch to transact the following business.

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Shri Shailesh Shah, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

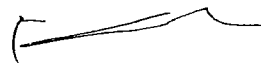
### Special Business:

4. To consider and if thought fit, to pass with or without modifications, following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Nalin Dhirajlal Shah who was appointed as an Additional Director of the Company, pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit to pass with or without modification, the following as Ordinary Resolution.

"RESOLVED THAT consent of the Company be and is hereby given for appointment of Shri Jayesh Vyas of M/s. Jayesh Vyas & Associates, Baroda, the Practicing Company Secretary, to issue Compliance Certificate, pursuant to Companies (Compliance Certificate) Rules, 2001 framed under Section 383A of the Companies Act, 1956, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on the terms and fees as may be decided by the Chairman in consultation with him plus out of pocket expenses."



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## **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxy, in order to be effective, should be lodged duly completed before 48 hours of the meeting.
3. Explanatory Statement pursuant to Section 173 of Companies Act, 1956 in respect of Item No. 4 & 5 is annexed herewith.
4. Register of Members and Share Transfer Register will remain closed from Monday, 17<sup>th</sup> September, 2012 to Thursday, 20<sup>th</sup> September, 2012 (both the days inclusive).
5. Shareholders are requested to:
  - (a) bring their copy of the Annual Report at the meeting.
  - (b) send all communications relating to their shareholding, quoting Folio No. / Client ID No. at Registered Office / at the office of the Registrar and Share Transfer Agents.
6. MEMBERS DESIROUS OF OBTAINING ANY INFORMATION WITH RESPECT OF THE ACCOUNTS OF THE COMPANY ARE REQUESTED TO SEND THEIR QUERIES IN WRITING TO THE COMPANY AT ITS REGISTERED OFFICE SO AS TO REACH AT LEAST SEVEN DAYS BEFORE THE DATE OF THE MEETING.

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## **Explanatory Statement pursuant to Section 173 of the Companies Act, 1956.**

### **Item Nos. 4**

Mr. Nalin Dhirajlal Shah has been appointed as an Additional Director of the Company, with effect from 12<sup>th</sup> March, 2012 and he holds office of the Directorship till the conclusion of ensuing Annual General Meeting. He, being eligible, consented to act as a Director of the Company. The Company has received notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the Directorship. The Board hopes that the Company would be immensely benefited by his contribution.

None of the Directors except Mr. Shailesh Dhirajlal Shah, being a relative, are concerned and interested in the said resolutions.

The Directors recommend the resolution for adoption.

### **item No.5**

Shri Jayesh Vyas, the Practicing Company secretary, who is M.Com, M.S.W, LL.B.(Sp), F.C.S holding Certificate of Practice from Institute of Company Secretaries of India, New Delhi. Being associated with the Company for a long, he has been assigned the work of issue of Compliance Certificate as required by the Companies (Compliance Certificate) Rules, 2001 framed under Section 383A(1) of the Companies Act, 1956. Being eligible, he offers for re-appointment for issue of such certificate. You are requested, to consider his appointment.

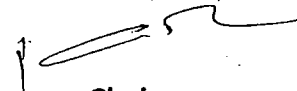
None of the Directors is concerned or interested in the Resolution.

The Directors recommend the Resolution for acceptance.

Date: 25<sup>th</sup> August, 2012

Place: Vadodara

For and on behalf of the Board,



Chairman

# Gujarat Speciality Lubes Limited.

Registered Office: Survey No 1285-86, Opp. Scott Glass Industries Limited,  
Village Anakhi, Taluka Jambusar, District- Bharuch.

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## DIRECTORS' REPORT

To,  
The Members,  
Gujarat Speciality Lubes Limited  
Vadodara

Your Directors have the pleasure in presenting the Twentieth Annual Report of your Company for the year ended on 31<sup>st</sup> March 2012. Following figures summarise the financial performance.

### Financial Results:

### Rs in Lacs

	Current Year 31/03/2012	Previous Year 31/03/2011
Other Income	0.06	137.10
Profit/ (Loss) before Depreciation	(5.67)	119.31
Less: Depreciation	<u>00.00</u>	<u>00.00</u>
Profit/ (Loss) after Depreciation	(5.67)	119.31

### Dividend:

In view of the loss incurred during the year, your directors regret that they are unable to recommend any dividends.

### Operation in retrospect:

The production operations could not be restarted even in the year under review and there were no sales during the year under review. Company is continuing its efforts for revival of the company and has accordingly submitted its Debt Restructuring Scheme to Hon'able BIFR and it is hoped that it will be finalised favourably for the company during the coming year F.Y. 2012-13. In the meanwhile, your company expects your continuing support in such trying times.

### Directors' Responsibility Statement:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 with respect to the Director's responsibility Statement, your directors confirm that:

- (i) That in the presentation of the accounts for the financial year ended 31<sup>st</sup> March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;

# Gujarat Speciality Lubes Limited.

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- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2012 on a 'going concern' basis.

## **Directorate:**

Shri Shailesh Shah, the Director retires by rotation in terms of Section 256 of the Companies Act, 1956 and being eligible offers himself for reappointment. Members are requested to consider his reappointment.

Mr. Nalin Dhirajlal Shah was appointed as an Additional Director at the meeting the Board of Directors with effect from 12<sup>th</sup> March, 2012. The Company has received notices in writing with the requisite deposit from members, under Section 257 of the Companies Act 1956 signifying their intentions to propose Mr. Nalin Dhirajlal Shah for appointment as Director of the Company. Consent in writing has also been received from him to act as Director of the Company, if appointed. Considering experience, business acumen, the Board hopes that his association as Director would immensely benefit the Company.

## **Statutory Disclosures:**

- a. Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 are not as no any manufacturing activity has been carried out by the Company.
- b. As required under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 information is not furnished as no employee is covered thereunder.
- c. In compliance of Section 383A (1) of the Companies Act, 1956, compliance certificate as issued by Shri Jayesh Vyas of M/s. Jayesh Vyas and Associates the Practicing Company Secretary, is annexed to this report.

**Fixed Deposit:**

Your Company has not accepted Deposits from the Public during the year under review.

**Auditors:**

The Auditor M/s. Dilip K. Thakkar & Co. retires at the conclusion of the ensuing Annual General Meeting and is eligible, offer themselves for re-appointment

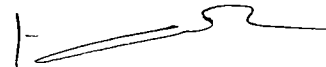
The Auditors' Report read with Notes to the Accounts referred to therein, are self explanatory and therefore do not call for any further comments.

**Appreciation:**

Your Director would like to place on record their valued appreciation for the assistance and Co-operation received by the Company from its Bankers, Clients, Agents, Auditors and above all the dedicated services of all the employees of the Company.

Place: Vadodara  
Date: 25<sup>th</sup> August, 2012

For and on behalf of Board of Directors



Chairman

## AUDITOR'S REPORT

TO,

The Members of  
GUJARAT SPECIALITY LUBES LTD.

### 1. Report on the financial statements

We have audited the accompanying financial statements of **GUJARAT SPECIALITY LUBES LTD.** (the Company) as at 31st March, 2012 which comprises the Balance Sheet as at 31<sup>st</sup> March, 2012 and statements of Profit and Loss of the Company for the year ended and a summary of significant accounting policies and other explanatory information.

### 2. Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance of the company in accordance with the financial principles generally accepted in India, including accounting standards referred to in sub-section (3c) of section 211 of The Companies Act, 1956('the Act'). 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.

### 3. 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 Accountant 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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.

#### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes on financial statements give the information required by The Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India;

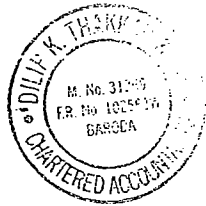
- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012; and
  - b) In the case of statements of Profit and Loss, of the loss for the year ended on that date.
5. As required by the Companies (Auditor' Report) Order, 2003 as amended by companies (Auditor's Report) (Amendment) Order, 2004 (together "The Order") issued by the Central Government of India in terms of sub -Section (4A) of section 227 of the companies Act, 1956, and on the basis of information and explanation given to us, and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
6. 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 beliefs 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 and Statement of Profit and Loss dealt with by this report, are in agreement with the books of account;
  - (d) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards as referred to in sub - section (3C) of section 211 of Companies Act, 1956



(e) On the basis of the written representation received from the directors as on 31<sup>st</sup> March, 2012, and taken on record by the Board of Director, We report that none of the directors are disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director in terms of Clause (g) of section 274 sub Section (1) of the Companies Act, 1956.

Place: Vadodara

Date: 25th August, 2012



For, Dilip K. Thakkar & Co.  
Chartered Accountants.

FRN: 102563W

A handwritten signature in black ink, appearing to read "Dilip K. Thakkar", written over a horizontal line.

Dilip K. Thakkar  
Proprietor  
Membership No. 31269

**Annexure to the Auditor's Report**  
**Referred our Report of Even Date**

1) In respect of its fixed assets;

- Proper records of fixed assets are still under compilation.
- Physical verification of fixed assets has not been conducted by the management during the year. Pending such physical verification and reconciliation, we are unable to state whether there are any material discrepancies between physical count and fixed asset records.
- As per information and explanation given by the management, part of fixed assets has become obsolete. Therefore, the same has been written off but it has not affected the Going Concern of the Company. In case if no fresh funds are infused in the company, then, in view of non – availability of working fund, there exists a substantial doubt to continue as a going concern in the foreseeable future.

2) In respect of its inventories;

- The management has informed us that the inventory at depot has not been physically verified during the year. Thus we are unable to comment on the procedures & methods for physical verification or any material discrepancies on physical verification by management.
- The management has not done physical verification of the inventories, lying at places other than depot.
- The company is not maintaining proper records of inventory.

3) 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;

- The Company has taken loans from eighteen parties covered in register maintained under Section 301 of the Companies act, 1956. The maximum amount involved during the year was Rs. 202.67 Lacs & the year end balance of loan taken was Rs. 202.67 Lacs. The loan taken was interest free and other terms and condition on which the loan has been taken are not prejudicial to the interest of the company. In respect of loan taken, whether the amount has been repaid regularly or not cannot be commented upon, as there is no stipulation as regards to the repayment of the amount.



- The company has given loan to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.372 lacs & at the year end balance of loan given to the parties was Rs. 0.372 lacs. The loan given was interest free and other terms and condition on which the loan has been given are not prejudicial to the interest of the company. In respect of loan given, whether the amount has been received regularly or not cannot be commented upon, as there is no stipulation as regards to the repayment of the amount.
- 4) In our opinion and according to the information and explanations given to us, the internal control procedures are not commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- 5) In respect of transaction covered under section 301 of the Companies Act, 1956;
- In our opinion and according to the information and explanation given to us, particulars of contracts or arrangements, referred to in section 301 of the Companies Act, 1956, have been so entered into in the register maintained under section 301 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs.5,00,000/- (Rupees Five Lacs only) or more in respect of any party
- 6) In our opinion and according to the information and explanation given to us, the company has not accepted deposits within the meaning of the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956, and the Rules made there under.
- 7) In our opinion & according to information & explanation given to us, the company is yet to set up the internal audit system.
- 8) The central government has prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 under NOTIFICATION NO GSR 686 dated 8.10.2002 however the same does not apply to company due to its turnover being less than Rs. 10 crores.
- 9) According to the Information and explanations given to us in respect of statutory and other dues;

According to the records of the company, there were undisputed amounts payable in respect of Entry Tax of Rs. 0.11 Lacs, Income Tax of Rs. 0.14 Lacs for the year 1997-98 & Rs. 4.53 Lacs for the year 1998-99, T.D.S. of Rs. 0.11 Lacs Sales Tax of Rs. 22.63 Lacs & Land revenue of Rs. 1.91 Lacs. which have remained outstanding as at March,31 2012 for a period of more than six months from the date they become payable.



- 10) The Accumulated Losses have resulted into erosion of the entire net worth. As per provisions of Section 3(1) (O) of the Sick Industrial Companies Act, 1985, the company has been declared a Sick Company. The company has incurred cash losses of Rs. 1.21 Lacs during the year and Rs. 17.79 Lacs in the previous year.
- 11) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The company has not issued any debentures till 31<sup>st</sup> March, 2012
- 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) In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14) Based on the information & explanation given by the management the company is not dealing or trading in shares, securities, debentures and other investments & accordingly the provisions of the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) Based on examination and on the basis of information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) According to the records of the company, the company has not obtained any term loans during the period under consideration. Hence, comments under the clause are not called for.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short term assets except core (permanent) working capital.
- 18) According to the information and explanations given to us, during the period covered by our audit report, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.



- 19) According to the information and explanations given to us, the Company has not issued any debentures during the year and hence the question of creation of securities in respect of debentures issued, does not arise.
- 20) The company has not raised any money by way of public issue during the year.
- 21) 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.



Place : Vadodara  
Date : 25th August, 2012

For, Dilip K. Thakkar & Co.  
Chartered Accountants  
Firm Registration No. 102563W

A handwritten signature in black ink, appearing to be "Dilip K. Thakkar".

Dilip K Thakkar  
(Proprietor)  
Membership No. 31269

**Balance Sheet as at 31st March,2012**

Particulars	Notes	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	31,000,000	31,000,000
(b) Reserves and Surplus	2	(49,668,834)	(49,101,692)
		(18,668,834)	(18,101,692)
<b>(2) Non-Current Liabilities</b>			
(a) Other Long Term Liabilities	3	24,804,213	24,652,213
(b) Trade Payables	4	6,847,227	6,822,804
(C) Deferred Tax Liability(Net)		298,044	298,044
		31,949,484	31,773,061
<b>(3) Current Liabilities</b>			
(a) Short-Term Provisions	5	49,150	86,950
		49,150	86,950
<b>Total</b>		<b>13,329,800</b>	<b>13,758,319</b>
<b>II.ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	6		
i. Tangible Assets		12,403,176	12,403,176
(b) Non-current investments	7	14,350	14,350
(c) Long term loans and advances	8	267,200	253,900
(d) Trade receivable	9	611,250	611,250
		13,295,976	13,282,676
<b>(2) Current Assets</b>			
(a) Inventories	10	Nil	452,406
(b) Cash and cash equivalents	11	33,824	23,237
		33,824	475,643
<b>Total</b>		<b>13,329,800</b>	<b>13,758,319</b>
<b>Significant Accounting Policies</b>	1 to 32		
<b>Notes on financial Statements</b>			

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For, Dilip K. Thakkar & Co.

Chartered Accountants

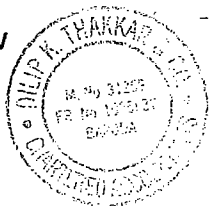
Firm registration No :102563W

Dilip K. Thakkar  
Proprietor

Membership No.31269

Place: Vadodara

Date: 25th August,2012



For and on behalf of the board

Kiran Baxi  
Director

Vijay Baxi  
Director

# Statement of Profit and Loss for the year ended 31st March, 2012

Particulars	Notes	For the year ended 31st march, 2012 (Rs.)	For the year ended 31st march, 2011 (Rs.)
<b><u>Income:</u></b>			
Other Income	12	5,878	13,710,015
<b>Total</b>		<b>5,878</b>	<b>13,710,015</b>
<b><u>Expenses:</u></b>			
Changes in Inventories	13	452,406	Nil
Financial Costs	14	6,084	192,653
Other Expenses	15	114,530	1,586,706
<b>Total</b>		<b>573,020</b>	<b>1,779,359</b>
Profit before exceptional and extraordinary items and tax		(567,142)	11,930,656
Exceptional Items		Nil	Nil
Profit before extraordinary items and tax		(567,142)	11,930,656
Extraordinary Items		Nil	Nil
Profit before tax		(567,142)	11,930,656
<b><u>Tax expense:</u></b>			
(1) Current tax		Nil	Nil
(2) Deferred tax		Nil	Nil
		Nil	Nil
Profit/(Loss) from the period from continuing operations		(567,142)	11,930,656
Profit/(Loss) from discontinuing operations		Nil	Nil
Tax expense of discounting operations		Nil	Nil
Profit/(Loss) from Discontinuing operations		Nil	Nil
Profit/(Loss) for the period		(567,142)	11,930,656
Earning per equity share:	16		
(1) Basic		(0.18)	3.85
(2) Diluted		Nil	Nil
<b>Significant Accounting Policies</b>	1 to 32		
<b>Notes on financial Statements</b>			

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For, Dilip K. Thakkar & Co.

Chartered Accountants

Firm registration No :102563W

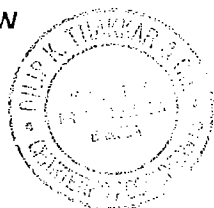
Dilip K. Thakkar

Proprietor

Membership No.31269

Place: Vadodara

Date: 25th August, 2012



For and on behalf of the board

Kiran Baxi  
Director

Vijay Baxi  
Director

**Note : 1 Share Capital**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	<b>AUTHORIZED SHARES</b> 40,00,000 (Previous Year 40,00,000) Equity Shares of Rs. 10/- each.	40,00,000	40,00,000
		40,00,000	40,00,000
2	<b>ISSUED, SUBSCRIBED AND FULLY PAID UP SHARES (No.)</b> 31,00,000 (Previous Year 31,00,000) Equity Shares of Rs. 10/- each, Fully paid up	31,00,000	31,00,000
	<b>Total issued, subscribed and fully paid-up share capital</b>	<b>31,00,000</b>	<b>31,00,000</b>

- 1.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period  
There is no change in the number of shares outstanding at the beginning and end of the financial year.
- 1.2 Terms/rights attached to equity shares  
The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
- 1.3 Shares held by holding/ultimate holding company and/or their subsidiaries/associates  
The company has no Holding /ultimate holding company and /or their subsidiaries/associates.
- 1.4 Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:
- a) Aggregate no and class of shares allotted as fully paid up pursuant to contract (s) without consideration being received in cash.
- b) Aggregate no & Class of shares allotted by way of bonus shares
- c) Aggregate no & class of shares bought back
- 1.5 Details of Shareholders holding more than 5% shares in the company  
There Shareholders holding more than 5% shares in the company during the year wee Nil (Previous Year: Nil).

As at  
31st March, 2012

As at  
31st March, 2011

Nil Nil  
Nil Nil  
Nil Nil

**Note : 2 Reserve & Surplus**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	Capital Reserve	16,859,766	16,859,766
2	Surplus/(deficit) in the Statement of Profit & Loss Balance as per last financial statements Less: Profit for the year transferred from Statement of profit & Loss At the Close of the Reporting Period	(65,961,458) (567,142) (65,528,600)	(77,892,114) 11,930,656 (65,961,458)
	<b>Total</b>	<b>(49,668,834)</b>	<b>(49,101,692)</b>

**Note : 3 Other Long Term Liability**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	Unsecured, Consider Good Loan from related Parties (Refer Note No.30) Loan from Directors Other Loans	19,325,070 942,105 4,463,779	19,323,601 778,074 4,463,779
2	Advance against order	73,259	86,759
	<b>Total</b>	<b>24,804,213</b>	<b>24,652,213</b>

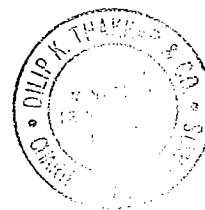
**Note : 4 Trade Payables**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	Trade Payables For Goods For Expenses	1,350,868 5,496,359	1,350,868 5,471,936
	<b>Total</b>	<b>6,847,227</b>	<b>6,822,804</b>

- 4.1 The Company has not received any intimation from the 'suppliers' regarding their status under the Micro, Small and Medium Enterprises development Act, 2006 and hence disclosures if any relating to amounts unpaid as at 31st March, 2012 together as required under the said Act, have not been given.

**Note : 5 Short Term Provisions**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
	<b>Provisions</b> Provision for expenses	49,150	86,950
	<b>Total</b>	<b>49,150</b>	<b>86,950</b>





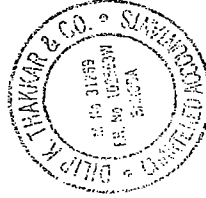
**GUJARAT SPECIALITY LUBES LTD.**  
Notes on Financial Statement for the year ended 31st March, 2012

**Note : 6 Fixed Assets**

Sr. No	Particulars	Gross Block			Depreciation/Amortisation			Net Block	
		As At 1st April, 2011	Additions	Deductions/ Adjustments	As At 31st march, 2012	for the year	Deductions/ Adjustments	up to 31st march, 2012	As At 31st march, 2012
Tangible Assets									
1	Free hold- Factory Land	501,978	Nil	Nil	501,978	Nil	Nil	Nil	501,978
2	Factory Building & Site	5,189,110	Nil	Nil	5,189,110	Nil	Nil	1,888,937	3,300,173
3	Office Equipment	338,066	Nil	Nil	338,066	Nil	Nil	242,736	95,330
4	Furnitures & Fixtures	146,001	Nil	Nil	146,001	Nil	Nil	96,762	49,239
5	Plant & Machinery	17,735,443	Nil	Nil	17,735,443	Nil	Nil	10,100,031	7,635,412
6	Laboratory Equipment	951,149	Nil	Nil	951,149	Nil	Nil	493,906	457,243
7	Electrical Installaton	820,081	Nil	Nil	820,081	Nil	Nil	456,280	363,801
	TOTAL	25,681,828	Nil	Nil	25,681,828	Nil	Nil	13,278,652	12,403,176
	(Previous Year)	28,240,780	Nil	Nil	28,240,780	Nil	Nil	15,837,604	12,403,176

6.1 The Company has not having any Intangible Assets, capital work in progress and Intangible assets under Development.

6.2 The Depreciation has not been provided on the fixed assets as the assets are not used during the year or other business transaction has not been carried out in the company.



**Note : 7 Non-current Investments**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	<u>Non-trade Investments</u> (valued at cost unless stated otherwise) Investment in equity instruments (Unquoted) Equity shares of Jan Kalyan Sahakari Bank Ltd.	14,350	14,350
	<b>Total</b>	<b>14,350</b>	<b>14,350</b>

**Note : 8 Long Term Loans and Advances**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	<u>Security Deposit</u> Unsecured, Considered Good : Security Deposit	30,000	30,000
		30,000	30,000
2	<u>Loan and advances to related parties</u> Unsecured, considered good (Refer Note No.30)	37,200	23,900
		37,200	23,900
3	<u>Other Loans &amp; Advances</u> Unsecured, considered good	200,000	200,000
	<b>Total</b>	<b>267,200</b>	<b>253,900</b>

**Note: 9 Trade Receivable**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	<u>Unsecured, considered doubtful unless stated otherwise</u> Outstanding for a period exceeding six months from the date they are due for payment	611,250	611,250
		611,250	611,250

**Note : 10 Inventories**

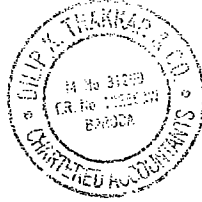
Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	Work In Progress	Nil	108,426
2	Finished Goods	Nil	343,980
	<b>Total</b>	<b>Nil</b>	<b>452,406</b>

10.1 Inventories which are consider as work in progress and other Inventories which are consider as Finished Goods, having become obsolete, have been written off during the year.



**Note : 11 Cash & Cash Equivalent**

Sr. No	Particulars	As At 31st March 2012 (Rs.)	As At 31st March 2011 (Rs.)
1	<u>Cash Balance</u>		
	Cash on Hand	2,569	649
	Total (A)	2,569	649
2	<u>Balance with Bank</u>		
	In current account	31,255	22,588
	Total (B)	31,255	22,588
	Total (A+B)	33,824	23,237



**Note : 12 Other Income**

Sr. No	Particulars	For the year ended 31st march, 2012 (Rs.)	For the year ended 31st march, 2011 (Rs.)
1	Bank Interest Income on Settlement	Nil	13,710,015
2	Non Operating Income	5,878	Nil
	<b>Total</b>	<b>5,878</b>	<b>13,710,015</b>

12.1 Other Non Operating Income shows the non payment of statutory dues of Provident fund at the time of settlement of litigation.

**Note : 13 (Increase)/Decrease in Inventories**

Sr. No	Particulars	For the year ended 31st march, 2012 (Rs.)	For the year ended 31st march, 2011 (Rs.)
1	Inventories at the end of the year		
	Raw Material	Nil	108,426
	Work In Progress	Nil	343,980
		Nil	452,406
2	Inventories at the beginning of the year		
	Raw Material	108,426	108,426
	Work In Progress	343,980	343,980
		452,406	452,406
	<b>Change in Inventories</b>	<b>452,406</b>	<b>Nil</b>

**Note : 14 Finance Cost**

Sr. No	Particulars	For the year ended 31st march, 2012 (Rs.)	For the year ended 31st march, 2011 (Rs.)
1	Bank Charges	6,084	5,440
2	Interest Expenses	Nil	187,213
	<b>Total</b>	<b>6,084</b>	<b>192,653</b>

**Note : 15 Other Expenses**

Sr. No	Particulars	For the year ended 31st march, 2012 (Rs.)	For the year ended 31st march, 2011 (Rs.)
1	Establishment Expenses		
	Auditors Remuneration		
	- Audit Fees	5,000	5,000
	- Tax & Consultancy	5,000	5,000
	Legal & Professional Expenses	19,000	364,524
	Rent, Rates & Taxes	20,000	31,700
	Postage & Telephone Expenses	17,800	18,380
	Listing Charges	13,750	13,750
	Travelling Expenses	Nil	922
	Printing & Stationery	33,980	34,811
	Sales Tax for the financial year 2003-04	Nil	866,591
	Sales Tax for the financial year 2004-05	Nil	246,028
	<b>Total</b>	<b>114,530</b>	<b>1,586,706</b>



**GUJARAT SPECIALITY LUBES LTD.**

**Notes on Financial Statement for the year ended 31st March,2012**

**Note : 16 Earning Per Share (EPS)**

The following reflects the profit and share data used in the basic EPS Computation.

Sr. No	Particulars	For the year ended 31st march,2012 (Rs.)	For the year ended 31st march,2011 (Rs.)
	Total Operation for the year(Continuing Operations)		
	Profit/(loss) after tax	(567142)	11,930,656
	Net Profit/(loss) for calculation of basic EPS	(567142)	11,930,656
	Number of Equity Shares	3,100,000	3,100,000
	Number of Equity Shares for calculation of basic EPS	3,100,000	3,100,000
	Earning Per Share (EPS)	(0.18)	3.85



## Gujarat Speciality Lubes Ltd.

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON FINANCIAL STATEMENTS

#### 17. SIGNIFICANT ACCOUNTING POLICIES:

##### A. Basis of Preparation:

The financial statements have been prepared under the historical cost convention, in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the Company. All revenue/income and cost/expenditure having a material bearing on the financial statements are recognized on accrual basis as and when earned or incurred except recognition of dividend income and retirement benefit expenditure except non provision of non moving stock & certain expenses which cannot be estimated on a reasonable basis.

##### B. Change in Accounting Policy:

Presentation and disclosure of financial statements

During the year ended 31<sup>st</sup> March, 2012 the revised Schedule VI notified under the companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

##### C. Use of Estimates:

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period.

##### D. Fixed Assets:

Fixed Assets are recorded at historical cost along with capitalized portion of specific and allocated expenses. Fixed Assets acquired and constructed are stated at historical cost including attributable cost and incidental expenses, erection/ commissioning expenses for bringing the asset to its intended use.



#### **E. Depreciation:**

Depreciation on all Fixed Assets is provided on Straight Line Method in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956, in the manner and at the rates prescribed in Schedule XIV to the said Act.

Additions are depreciated on pro-rata basis for number of days used during the year at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on assets sold, discarded or demolished during the year is being provided at the rates up to the day on which such assets are sold, discarded or demolished.

#### **F. Inventories:**

Raw materials are valued at cost or net realizable value in case the cost of raw material has declined and the realization value of the finished products is expected to be lower than the cost of the product. Raw materials are valued at cost on First In First Out basis.

Finished stock is valued at cost or net realizable value whichever is lower

Work in progress is valued at net realizable value.

Trading stock is valued at cost or net realizable value whichever is lower.

"Cost" comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost of purchase includes duties, taxes, freight and other expenses net of trade discounts, rebates, sales tax set off and liquidated damages. Valuation of stock of finished goods is exclusive of all duties & taxes.

#### **G. Retirement Benefits:**

The company has accounted for liability for Gratuity and Privilege Leave encashment on retirement/separation by making provision on the basis of actuarial valuation at the year end.

#### **H. Amortization of Preliminary & Public Issue Expenditure**

Preliminary & Public Issue Expenditure are amortized over a period of 10 year on Straight Line Method.

#### **I. Income Tax**

Income taxes are accounted for in accordance with Accounting Standard-22 AS " Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Tax expense comprises both current and deferred tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities using the applicable tax rates. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured using the relevant enacted tax rates.



#### **J. Investment:**

(1) All long term investments are valued at cost & provision for diminution in value is made, whenever such diminution is not temporary. (2) All current investments are valued at lower of cost or fair market value

#### **K. Provision and Contingent Liabilities:**

(1) Provision are recognized when there is a present obligation as a result of past event.

(2) Contingent Liability –

2.1 Show Cause notice issued by various Government Authorities are not considered as obligation.

2.2 When the demand notice are raised against such show cause notices and are disputed by the company, then these demands are classified as obligations.

2.3 The treatment in respect of disputed obligations is as under.

(a) A provision is recognizing in respect of present obligations where the out flow of resources is probable.

(b) All other cases are disclosed as contingent liabilities unless the possibility of outflow of resources is remote

#### **L. Borrowing Cost:**

Borrowing cost that are contributable to the acquisition of qualifying assets are capitalized up to the period such assets are ready for its intended use. All other borrowing assets are charges to profit & Loss a/c

#### **M. Accrual Basis:**

All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis. The capital subsidy is accounted on receipt basis.

#### **N. Impairment of Assets:**

At each Balance Sheet date, the company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss and provide for impairment. Where the impairment loss subsequent reverses, the carrying amount of the assets (cash generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the assets in prior accounting periods.





**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012:**

18. Company still continues to be a Sick Industrial Company within the meaning of Section 3(1) (o) of the Sick Industries (Special Provisions) Act 1985 with a registration no 24/2001 issued by BIFR.

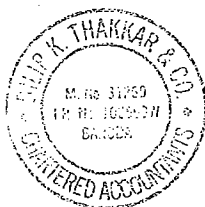
19. The Company has examined carrying cost of its identified Cash Generating Units (CGU) by comparing present value of estimated future cash flows from such CGUs, in terms of Accounting Standard – 28 on Impairment of Assets, according to which no provision for impairment is required as assets of none of the CGUs are impaired as on 1<sup>st</sup> April, 2011. There have been no indications of impairment during the financial year ended 31<sup>st</sup> March, 2012.

20. The company has not followed the AS-22 of accounting for taxes on income, due to uncertainty of future tax liability to arise in future, and the management believes that it will not affect the true financial position of the company on not following the Accounting Standard. Thus the Deferred Tax Liability is not provided for in the books.

**21. Contingent Liabilities Not Provided For:**

**(a) Disputed Liabilities:**

Particulars	Amount (Rs. in Lacs)
1. Delay payment charges or Interest on Sales Tax (Gujarat) for financial year 2004-05. (The provision for actual liability of Rs. 2.46 lacs is made in FY 10-11 but interest for the period from the date of original order till the date of its final payment is estimated at 18% p.a. for period from the date of the order i.e. 29.9.2008 till 31.3.11 is shown as a contingent liability)	1.27 Lacs
2. Listing fees not debited from FY2005-06 till 2011-12 Of Bombay Stock Exchange in view of De-Listing and Consequent improbability of reviving listing – revival of this listing may require company to pay listing fees not booked for 7 years at 12500/- per year ( Listing fees of 12500/- is based on last fees charges to the company)	0.88 lacs



22. Managerial Remuneration

	As at the year ended 31/03/2012	As at the year ended 31/03/2011
Remuneration to Whole time directors	0.00	0.00

23. Auditor's remuneration

	As at the year ended 31/03/2012	As at the year ended 31/03/2011
For Audit Fees	5000	5000
For Taxation Matters	5000	5000
Total	10000	10000

24. Expenditure in Foreign Currency: NIL

25. Earnings in Foreign Currency: FOB Value Of Exports: NIL

26. C.I.F value of import: NIL

27. In the opinion of the Management, Current Assets, Loans & Advances are approximately of the value stated, except otherwise stated, if realized in the ordinary course of business. The provision of all known liabilities, is adequate and not in excess of the amounts reasonably necessary.

28. Balance Confirmation/adjustment/reconciliation:

Balances in Long Term Loans and Advances, Deposits received/paid, Trade receivables Trade Payables and Other Long Term liabilities are subject to third party confirmations and adjustments/reconciliation, if any.

29. Transactions in respect of which documentary evidences are not available have been certified by the directors as true & correct. Directors have confirmed that no personal expenses have been charged to revenue.



### 30. Related Party Disclosure

As per Accounting Standard – 18, the disclosure of transaction with related Parties are given below:

#### LOANS TAKEN:

Particulars	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>From Directors</b>		
K. P. Baxi	181526	181526
S. D. Shah	458978	458978
V.P.Baxi Loan	137570	137570
Nalin D. Shah	164031	Nil
<b>TOTAL(A)</b>	<b>942105</b>	<b>778074</b>
<b>From Relatives</b>		
P. J. Baxi	275782	275782
Baxi Finance Consultant P. Ltd	4063547	4077047
D.P Baxi	425795	425795
Radhika V. Baxi	15000	15000
Prapti Baxi	55022	55022
RAJIT S SHAH	19000	10000
Sandhya P. Baxi Loan	27000	27000
Priyam Baxi	19000	19000
Shanti Enterprise -Loan I	5001300	5001300
Shanti Enterprise -Loan II	8737269	8737269
Bharat D. Shah	497355	497355
Nalin D. Shah	Nil	164031
Viraj Baxi	19000	19000
Shree Syndicate	40000	Nil
Syndicate Textile Collection	130000	Nil
<b>TOTAL(B)</b>	<b>19325070</b>	<b>19323601</b>
<b>TOTAL(A+B)</b>	<b>20267175</b>	<b>20101675</b>

