

SIXTH ANNUAL REPORT

1999 - 2000



DEVARSA GAS - CHEM LIMITED

BOARD OF DIRECTORS	:	B.R. Maheswari (Chairman) H. C. Goyal R. K. Mittal Rajen N. Jhaveri Ashok Jain (<i>Managing Director</i>)
BANKERS	:	Oriental Bank of Commerce Vijaya Bank Punjab National Bank
AUDITORS	:	BHANDARI & ASSOCIATES <i>Chartered Accountants</i>
REGISTRARS	:	Choksh Infotech Ltd. 35, Ajanta House, Marol Co-operative Industrial Estate Andheri-Kurla Road, Andheri (East) Mumbai - 400 059
REGISTERED OFFICE	:	108, Dimple Arcade, Asha Nagar, Kandivali (E) Mumbai - 400 101

Report  junction.com

CONTENTS	
	Page
Notice	1
Director's Report	1
Auditor's Report	2
Balance Sheet	3
Profit & Loss Account	4
Schedules forming part of Accounts	5
Cash Flow Statement	9
Balance Sheet Abstract & Company's General Business Profile	10

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the members of Devarsa Gas-Chem Limited will be held on 18th September, 2000 Monday, at 1 P.M. at Goenka Hall, J.B. Nagar, Andheri (East), Mumbai - 400 059 to transact the following business :

Ordinary Business :

1. To receive, consider and adopt the audited accounts of the Company for the year ended 31st March, 2000 together with reports of the Auditors and Directors thereon.
2. To appoint a director in place of Shri B.R. Maheshwari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri H.C. Goyal, who retires by rotation and offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

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 / herself and such proxy need not be a member of the Company. The proxy form must be lodged at the registered office of the Company at least 48 hours before the time of the meeting.
2. The Register of Members and Transfer Books of the Company will remain closed from September 5, 2000 to September 20, 2000 (both days inclusive).
3. Members are requested (a) to quote their folio number in all correspondence with the Company and (b) notify immediately to the Company any change in their addresses and the mandates.
4. The members are requested to bring the copy of Annual Report alongwith them at the meeting. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
5. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at least 7 days in advance, so as to enable the Company to keep the information ready.
6. All communication relating to shares are to be addressed to the Company's Registrar M/s. Choksh Infotech Ltd., 35 Ajanta House, Marol Co. - Op Industrial Estate, Andheri - Kurla Road, Andheri (East), Mumbai - 400 059.

DIRECTORS' REPORT**TO THE MEMBERS,**

Your Directors are presenting the Sixth Annual Report together with audited accounts of the Company for the year ended March 31, 2000.

(Rs. in Lacs)

FINANCIAL RESULT

Sales/Income from operations	470.82	617.94
Profit / (Loss) before Interest, Depreciation and Tax	64.12	72.55
Interest	35.73	37.68
Depreciation	130.05	113.46
Net Profit/(Loss) carried to Balance Sheet	(101.66)	(78.58)
Cash Accruals	37.61	44.10

OPERATIONS

The Company could achieve lower Income from operations and cash profit as compared to previous year. This is due to :

- (a) higher raw material cost (LPG) which could not be passed on to the consumers due to easy availability of PSU's subsidised domestic cylinders at very low prices than ours and competition from other parallel marketeer giant like Reliance Petroleum Limited. Bulk LPG prices have gone up substantially by approx. 80% than previous year which compelled us to hike our selling price of LPG which resulted into lower demand from consumers.
- (b) Almost negligible new connections due to higher refill price of our LPG and almost instant new connections given by PSU Oil Companies of subsidised domestic Cylinders.
- (c) Under-utilisation of LPG tankers due to lower upliftment of LPG by us and other clients and higher running and maintenance cost due to hike in diesel, oil & tyres prices.

FUTURE PLANS

To ensure better capacity utilisation of its bottling plants; Company is doing contract filling of cylinders of other companies on job work basis

DEVARSA GAS - CHEM LIMITED

alongwith* bottling of own branded cylinders. Refilling activity can generate profits only if Government phase out subsidy on domestic cylinders. As per plan, Government is expected to decontrol this sector by April, 2002 which may increase Company's profitability.

SAFETY

Your Company has taken all statutory approvals related to safety of its plants and personnel. Utmost care is taken and highest safety standards are ensured to carry out accident free operations. Necessary fire detection, prevention and fire fighting systems have been installed and adequate training has been imparted to its employees to achieve the safety standards.

MEMBERS' RELATIONS

Your company has strived to give efficient and quicker service to its valued members. The Company constantly monitors the response time taken by its share transfer agents as well as its secretarial department and is taking effective steps to further improve the services. Equity shares of the Company are listed at Mumbai, Ahmedabad and Jaipur Stock Exchanges.

RATING

In accordance with the provisions of the Liquefied Petroleum Gas (Regulation of Supply and Distribution) Order, 1993, Credit Analysis and Research Limited has awarded Low Risk Rating to your Company.

FIXED DEPOSITS

During the financial year under consideration, your company had neither accepted nor renewed any deposit from public within the meaning as Section 58-A of the Companies Act, 1956.

DIRECTORS

Shri B.R. Maheshwari and Shri H.C. Goyal, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

AUDITORS

Messrs Bhandari and Associates, Chartered Accountants, retire as auditors of your Company on the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC., FOREIGN EXCHANGE EARNING AND OUTGO

Pursuant to Section 217 (1) (e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Directors Report) Rules, 1988, your Directors are pleased to furnish the required information as follows which forms part of this report :

A. CONSERVATION OF ENERGY

The requirement for disclosure with respect to conservation of energy, under Form A is not applicable to the Company for the year under review.

B. TECHNOLOGY ABSORPTION

Disclosure of particulars in Form B, with respect to Technology absorption: **RESEARCH AND DEVELOPMENT**

The Company is constantly putting its efforts to improve the techniques and standards of LPG bottling and distribution. These efforts have helped the Company to improve overall efficiency and increase customer satisfaction. The Company shall continue with these programmes with its aim of improving the safety standards.

TECHNOLOGY ABSORPTION, ADAPATION AND INNOVATION

The Company has fully absorbed the technology for bottling of LPG at its plants. The Company has not imported any technology or process know-how.

FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no earnings or outgo of foreign exchange during the year under review.

PARTICULARS OF EMPLOYEES

None of employee was in receipt of a remuneration exceeding Rs. 3,000.00 per annum or Rs. 25,000 per month when employed for part of the year and accordingly the particulars pursuant to Section 217 (2A) of the Companies Act, 1956 are not applicable.

ACKNOWLEDGEMENTS

The Directors acknowledge the co-operation received from the various Government agencies and timely financial assistance and support given by banks during the year. The Directors also thank the distributors and dealers for the co-operation extended to the Company. The Directors also place on record their appreciation of the devoted services rendered by the employees of the Company at all levels.

For and on behalf of the Board

Mumbai
July 25, 2000

B.R. Maheshwari,
Chairman