

# 9th ANNUAL REPORT

2002 - 2003



**DEVARSA GAS - CHEM LIMITED**

**BOARD OF DIRECTORS**

Ashok Jain (*Managing Director*)  
 Rajen N. Jhaveri  
 Suman Sutaria  
 Jitendra Jain

**BANKERS**

Oriental Bank of Commerce  
 Bank of Maharashtra

**AUDITORS**

BHANDARI & ASSOCIATES  
*Chartered Accountants*

**REGISTRARS**

Choksh Infotech Ltd.  
 106, Mhada Shopping Complex,  
 2nd Floor, Near Oshiwara Police  
 Station, Jogeshwari (W),  
 Mumbai - 400102

**REGISTERED OFFICE**

16A/34, Samhita Complex,  
 Behind Crown Process,  
 Off- Saki Kurla Road,  
 Andheri (East),  
 Mumbai - 400 072

Report Junction.com  
**NOTICE**

Notice is hereby given that the 9th Annual General Meeting of the members of Devarsa Gas-Chem Limited will be held on 30th September, 2003, Tuesday at 1 p.m. at it's registered office at 16A/34, Samhita Complex, Behind Crown Process, Off- Saki Kurla Road, Andheri (East), Mumbai - 400 072 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, 2003 together with reports of the Auditors and Directors thereon.
2. To appoint a director in place of Shri Rajen N. Jhaveri, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration. M/s Bhandari & Associates, Chartered Accountants, the retiring auditors are eligible for re-appointment.

**Special Business :**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Suman Sutaria as a Director. Shri Suman Sutaria who was appointed as an Additional Director as on 30-11-2002 and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** notice having been received from a member pursuant to Section 257 of the Companies Act, 1956, signifying his intention to propose Shri Jitendra Jain as a Director. Shri Jitendra Jain who was appointed as an Additional Director on 30-11-2002 and who holds office upto this Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

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7. **"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for time being, exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from the Stock Exchange Ahmedabad and Jaipur.

**"RESOLVED FURTHER THAT** authority be and is hereby accorded to the Board or any Committee/ person(s) authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds and things, as may be necessary, expedient and desirable, for the purpose of giving effect to this Resolution."

**"RESOLVED THAT** pursuant to Section 163 of the Companies Act, 1956 and any other provisions as may be applicable, and in supersession of earlier decisions in this regard, consent of the Members be and is hereby given to keep the Register of Members, Indexes, Share Transfer Forms and Registers, instead of being kept at the Registered office of the Company, at the office of the Company's Share Transfer Agents, M/s CHOKSH INFOTECH LTD., 106, Mhada shopping complex, 2nd floor, Nr. Oshiwara police station, Jogeshwari (W), Mumbai-400102

### 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 close from September 27, 2003 to September 30, 2003. (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 along with 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., 106, Mhada Shopping Complex, 2nd Floor, Near Oshiwara Police Station, Jogeshwari (W), MUMBAI-400102.
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special business is annexed hereto.
8. DETAILS OF DIRECTORS, PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING, IS AS FOLLOWS :

Name of the Director	Suman Sutaria	Jitendra Jain
Date of Birth	--	25-07-1974
Expertise in Specific Functional Areas	Marketing	Expertise in LPG Sector
Qualifications	B.Com	B.Com., C.A.
List of other companies in which directorship held as on 31 <sup>st</sup> March, 03	--	-
Chairman/Member of the Committee of the Board of other Companies in which he is director as on 31-03-2003.	Member of 1. Audit Committee of Devarsa Gas-Chem Ltd.	Member of 1. Devarsa Gas-Chem Ltd.

### ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

Items No. 4 & 5

- i. Mr. Suman Sutaria was appointed as a Director in the Board meeting held on 30-11-2002. His particulars are annexed to the notice.

Under Section 260 of the Companies Act, 1956 he holds office as Additional Director upto the date of the Annual General Meeting. Notice has been received from a Member intimating his intention to propose the appointment of Mr. Suman Sutaria as Director at the ensuing Annual General Meeting. The Board of Directors consider that his appointment as a Director will be in the interest of the Company and recommends the acceptance of the resolution. None of the other Director except Mr. Suman Sutaria is interested in the above resolution relating to his appointment as a Director of the Company.

- ii. Mr. Jitendra Jain was appointed as a Director in the Board meeting held on 30-11-2002. His particulars are annexed to the notice.

Under Section 260 of the Companies Act, 1956 he holds office as Additional Director upto the date of the Annual General Meeting. Notice has been received from a Member intimating his intention to propose the appointment of Mr. Jitendra Jain as a Director at the ensuing Annual General Meeting. The Board of Directors consider that his appointment as a Director will be in the interest of the Company and recommends

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the acceptance of the resolution. None of the other Directors except Mr. Jitendra Jain is interested in the above resolution relating to his appointment as a Director of the Company.

## Item No. 6

Presently the company's securities are listed on the Stock Exchange, Mumbai (BSE), Ahmedabad and Jaipur. With the wide & extensive networking of BSE the investors have access to online dealing in the Company's securities across the country.

The Securities of the Company are not traded on the Stock Exchange at Ahmedabad & Jaipur. The annual listing fees payable to the said Stock Exchanges do not offer commensurate benefits to the Company & its investors in the changed scenario of the nationwide trading terminals set up by BSE. The continued listing on the said Stock Exchanges is therefore not considered necessary. Delisting of the Company's Securities from the aforesaid Stock Exchanges would result in administrative convenience and saving in costs on account of listing fees, etc. Therefore, the Board of Directors at its meeting held on 31 July 2003, has decided to apply for voluntary delisting of the Company's Equity Shares from the said Stock Exchanges. The proposed voluntary delisting of the Company's Equity Shares from the said Stock Exchanges will not adversely affect any investors including the Member's located in the regions where the said Stock Exchanges are situated. Pursuant to the SEBI (Delisting of Securities) Guidelines 2003, it is now proposed to seek the Member's approval by way of a Special Resolution for the voluntary delisting of the Company's Equity Shares from the said two Stock Exchanges as set out in the Resolution at item no. 6. In terms of the said guidelines, as the Company's Equity Shares shall continue to remain listed on BSE, no Exit Option is required to be offered to the shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the members. None of the Directors of the Company is concerned or interested in the Resolution at Item No. 6.

## Item No. 7

M/s Choksh Infotech Ltd. is the registrar and share transfer agents of the Company. The Statutory Registers and documents pertaining to the Company are maintained by them would be kept at their office and would be available for inspection by the members.

Section 163 of the Companies Act, 1956 requires the approval of the members by a Special Resolution to keep the above Registers in a place other than the Registered Office of the Company and hence the proposed Resolution. Your Directors recommend to the members to pass the resolution.

None of the Directors of the Company are deemed to be concerned or interested in the above resolution.

For and on behalf of the Board

Mumbai  
August 19, 2003

Managing Director

## DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are presenting the 9th Annual Report together with audited accounts of the Company for the year ended March 31, 2003.

(Rs. in Lacs)

## FINANCIAL RESULT

	Previous Year
Sales/Income from operations	80.01
Profit / (Loss) before Extra-Ordinary Item, Interest, Depreciation and Tax	(2.60)
Interest	3.98
Depreciation	69.42
Extra-Ordinary Item	33.40
Net Profit/(Loss) carried to Balance Sheet	(110.00)

## REVIEW OF OPERATIONS

The Company could achieve lower income from operations 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. (b) Almost negligible new connections due to higher refill price of our LPG and instant new connections given by PSU Oil Companies of subsidised domestic Cylinders.

## FUTURE PLANS

To ensure better capacity utilisation of its bottling plants; Company is doing contract filling of cylinders of other Company on job work basis alongwith bottling of own branded cylinders. Refilling activity can generate profits only if Central Government phase out subsidy on domestic cylinders.

## MEMBERS' RELATIONS

Your Company has strived to give efficient and quicker service to its valued members.

## DELISTING OF SHARES

The equity shares of the Company are listed on the Stock Exchanges at Mumbai, Ahmedabad and Jaipur. It is proposed to delist the equity shares of the company from the Stock Exchange at Ahmedabad and Jaipur in view of no trading at these exchanges for which approval of shareholders is being sought at the ensuing Annual General Meeting.

## FIXED DEPOSITS

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

## DIRECTORS

Shri Rajen N. Jhaveri, Director of the Company retire by rotation at the ensuing annual general meeting and being eligible, Shri Rajen N. Jhaveri offers himself for re-appointment.

During the year under review, Mr. Suman Sutar has been appointed as additional director with effect from 30-11-2002.

During the year under review, Mr. Jitendra Jain has been appointed as additional director with effect from 30-11-2002.

Mr. Sandeep Singhvi, Director of the Company has resigned with effect from 30-11-2002 due to his pre-



occupation. Your Director placed on record his recognition and appreciation of contribution made by him.

#### **APPOINTMENT OF M/S. CHOKSH INFOTECH LIMITED AS REGISTRAR AND SHARE TRANSFER AGENTS**

In the due compliance of the relevant SEBI circular requiring all the companies to have single point facility for all work related to share registry for shares in physical and electronic form; the Company has entrusted the job to M/s. Choksh Infotech Limited as the Registrar & Share Transfer Agents of the Company. However, as M/s. Choksh Infotech Limited, Registrar & Transfer Agents, are not in a position to take over the Electronic Mode transfer with immediate effect due to certain difficulties; hence M/s. Adroit Corporate Services Pvt. Ltd. will continue to do the same for some more time.

#### **AUDITORS**

M/s. 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, ADAPTATION 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.

#### **EMPLOYEES**

The relations between the company and its employees continued to be cordial. The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable, as none of the employees drew remuneration beyond the limits specified.

#### **CORPORATE GOVERNANCE**

The Company has taken necessary steps for full implementation of the Corporate Governance in terms of clause 49 of the listing agreement. Report on Corporate Governance is annexed as Annexured-A forming part of this report.

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#### **AUDIT COMMITTEE**

The Audit Committee of the Directors as required under section 292 A of the Companies (Amendment) Act, 2000 has been constituted by the Board.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the period under review. Pursuant to Section 217 (2AA) of the Companies Act, 1956, and in respect of the annual accounts for the period under review, the Directors hereby confirm that :

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently (except as hereinafter stated) and judgement and estimates that are reasonable and prudent have been made 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 that period.
- Proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities have been taken to the best of their knowledge and ability.
- The annual accounts have been prepared on a "going concern basis."

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management Discussion and Analysis Report as required under the listing agreement with the Stock Exchange is annexed as Annexure B forming part of this report.

#### **ACKNOWLEDGEMENTS**

The Directors also thank the distributors and dealers of the Company 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  
August 19, 2003

Managing Director

#### **ANNEXURE 'A' TO THE DIRECTOR'S REPORT REPORT ON CORPORATE GOVERNANCE**

##### **1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Transparency in all dealings, effective control and management of organisation, investor friendly attitudes towards shareholders has been the basic objective of the corporate governance of the Company.

##### **2. BOARD OF DIRECTORS**

The Board of Directors has 4 member comprising of 3 Non Executive Directors and 1 Managing Director. Six Board Meetings were held during the period 1st April 2002 to 31st March, 2003 on the following dates : 30-04-02, 25-05-02, 31-07-02, 31-10-02, 30-11-02 and 31-01-03. These were well attended.

The Eighth Annual General Meeting was held on 2nd August 2002.