

GUJARAT PETROSYNTHESIS LIMITED

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ISO COMPANY

**TWENTY - FOURTH ANNUAL REPORT
2000-2001**


Gujarat Petrosynthese Limited

BOARD OF DIRECTORS	Dr.R.M.THAKKAR	(Chairman and Managing Director)
	Dr. P.S.PALANDE	
	Mr.V.H.PANDYA	
	Dr. (Mrs)M.H.MEHTA	
	Mr. ADHIK SHIRODKAR	
	Dr. S.P.ADARKAR	
	Mr. M. RAMADOSS	(Nominee)
	Dr. A.C.SHAH	(Alternate to Dr(Mrs)M.H.MEHTA)
	Ms. CHARITA THAKKAR	Executive Director
	Ms.URMI N. PRASAD	Executive Director
	Ms.URSULA THAKKAR	Executive Director

COMPANY SECRETARY Mr. B.I.PATEL

BANKERS STATE BANK OF INDIA
BANK OF BARODA

LEGAL ADVISORS KANGA & CO

AUDITORS SURESH THAKKAR & CO

REGD. OFFICE & WORKS Petrochemical Complex Area
P.O.Petrofils, Pin : 391347
District Vadodara



Gujarat Petrosynthese Limited

NOTICE

Notice is hereby given that the Twenty-fourth Annual General Meeting of the Members of Gujarat Petrosynthese Limited will be held at Auditorium Hall, Central Gujarat Chamber of Commerce, Vanijya Bhavan, Race Course, Vadodara 390007 on 19th September, 2001 at 3.00 p.m. to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Dr.(Mrs) Mrinalini H.Mehta, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Dr. P.S.Palande, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

Registered Office
Petrochemical Complex Area,
P. O. Petrofils, Pin 391 347,
Dist. Vadodara
Place : Mumbai
Date : 28th July, 2001

By Order of the Board of Directors
For Gujarat Petrosynthese Limited

B. I. Patel
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.
2. The relevant explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. **Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the Secretary at the Registered Office well in advance, so that the same may reach him at least 7 days before the date of the meeting to enable the Management to keep the information required readily available at the meeting.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September 2001 to 19th September 2001 (both dates inclusive) for the purpose of Payment of Dividend.
5. (a) Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividends upto the Financial Year ended on 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Those Shareholders who have so far not claimed their dividends upto and including the said Financial Year are requested to claim the dividend from the Registrar of Companies, GHB Building, Opp. Rupal Park, Ankur Char Rasta, Naranpura, Ahmedabad 380 013 by submitting an application in the prescribed form no. II.



Gujarat Petrosynthese Limited

- (b) Shareholders who have not encashed / claimed the Dividend from the year ended 31st March, 1999 onwards are requested to approach the Company for issue of Duplicate thereof immediately. Unclaimed amount of dividend, if any will be transferred to the Central Government as provided under Section 205A of the Companies Act, 1956.
- 6. Dividend on shares recommended by Directors, if declared at this Annual General Meeting will be paid to those members whose names will appear in the Company's Register of Members on 19th September 2001 .
- 7. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company alongwith Share Certificates to consolidate their holding in one folio.
- 8. In terms of Section 109A of the Companies Act, 1956, shareholders of the Company may nominate a person on whom the shares held by him/ them shall vest in the event of his/ their death. Share Holders desirous of availing this facility may submit nomination in Form No. 2B in Duplicate. The form No.2B can be obtained from the company.
- 9. Members are requested to :
 - a) Notify immediately any change in their residential address.
 - b) Quote Registered Folio Number in every correspondence with the Company.
 - c) Bring their copies of the Annual Reports alongwith duly filled in attendance slip at the meeting.





Gujarat Petrosynthese Limited

DIRECTORS' REPORT

The Directors have pleasure in placing before you the Twenty - fourth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2001.

FINANCIAL RESULTS

	Rs. in Lacs	
	<u>2000-2001</u>	<u>1999-2000</u>
Sales Turnover	1395.61	1354.96
Operating Profit	298.28	315.92
Less : Interest	(10.43)	(21.26)
Depreciation	(40.34)	(39.83)
Profit before Tax	247.51	254.83
Less : Provision for tax	(118.00)	(98.00)
Profit after tax	129.51	156.83
Prior Period Adjustments	(135.42)	(26.13)
Add : Balance in Profit & Loss Account	304.75	110.30
Transfer from Investment Allowance (Utilised) Reserve	—	58.06
Transfer From Debenture Redemption Reserve	66.66	66.67
Balance available for appropriation	365.50	417.99
APPROPRIATIONS		
Debenture Redemption Reserve	—	25.00
Provision for Dividend	62.21	51.84
Provision for Dividend tax	6.35	11.40
Transfer to General Reserve	21.95	25.00
Balance carried to Balance Sheet	274.99	304.75

DIVIDEND

The Directors are pleased to recommend dividend of Rs. 1.20 per Equity Share of Rs.10 each, which, if approved, will absorb Rs.62.21 lacs on which tax liability inclusive of surcharge will be Rs.6.35 Lacs. Last year 10% dividend was declared and paid by the company.

OPERATIONS

During the year the company achieved a production of 7839 M.T. i.e 106% capacity utilisation. In the new economy of liberalisation, it is essential that the company concentrate on areas of its core competencies. To complement its manufacturing activities, the company has restarted its trading activities & in the last year has achieved almost Rs. 100 lacs revenue from trading.

DIRECTORS

At this Annual General Meeting, Dr.(Mrs.) M.H.Mehta and Dr. P.S.Palande retire by rotation as per the provisions of the Companies Act, 1956 and Articles of Association of the Company, and being eligible offer themselves for re-appointment. Dr.A.C.Shah ceased to be an alternate director due to the presence of Dr.(Mrs) M.H.Mehta at the Board Meeting, and thereafter he was again appointed as an Alternate Director in place of Dr.(Mrs) M.H.Mehta during the course of the year.

OTHER ACTIVITIES

During the year the company acquired through public auction by GSFC, the building, plant and machinery of a unit manufacturing glue based rat traps which are ecologically safe products. The glue is made from specially formulated polybutene which is to be produced by our company. This unit offers a downward integration possibility at negligible cost and good growth possibilities. The R & D unit of the company can expand activities in the area of traps for other insects such as mosquitoes etc., by developing new formulations.

This year the sales turnover of Karnataka Petrosynthese Limited increased to Rs.409 Lakhs. The company suitably changed the market strategies, which enabled it to achieve optimum capacity utilisation. However the prevailing market conditions are not permitting to keep rewarding selling prices. Consequently inspite of improved turnover the desired profit was not achieved. The Gross Profit stood at Rs.43.49 Lacs. Ultimately the net loss during the year was Rs.19.33 Lacs.



Gujarat Petrosynthese Limited

Operations of Southern Agrosynthese Limited stand suspended during the current year also. GPL Finance and Investments Limited, a subsidiary of your Company has achieved a turnover of Rs. 2.56 Lacs and Net Profit of Rs. 0.27 Lacs.

HEALTH, SAFETY AND ENVIRONMENT

Your Company is conscious of its responsibility towards creating, maintaining and ensuring safe and clean environment as well as health and safety of all its employees. Your company is committed to designing the Plant with safety features in mind. Periodic preventive maintenance of equipments is undertaken to avoid failures. All employees are trained to create and maintain safety awareness and emergency, preparedness through regular fire and safety programmes, celebration of safety week, Fire Day as well as regular mock drills to ensure continuing emphasis on safety. Your Company continues to meet the applicable statutory requirements in all respects and having pre employment and periodic medical check ups of employees for the early identification of occupational health hazards.

FIXED DEPOSIT

During the year the company has not accepted or renewed Fixed Deposits, as well as all deposits accepted in earlier years have already been repaid and no deposit is outstanding.

OTHER INFORMATION

The information in respect of Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo as required under Section 217 (2)(e) of The Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board Of Directors) Rules, 1988 is given in Annexure- I forming part of this report.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors hereby states as under :

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- That the Board has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- That the Board has taken proper and sufficient care for the 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 fraud and other irregularities.
- That the Board has prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

Your company has set-up an Audit Committee of Directors pursuant to Section 292(A) of The Companies Act, 1956 as amended. Dr. R.M. Thakkar, Dr. P. S. Palande and Dr. S. P. Adarkar are the members of the Audit Committee, and Dr. S. P. Adarkar is the Chairman of The Audit Committee.

PARTICULARS OF EMPLOYEES

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with (Companies Particulars of Employees) Rules, 1975, as amended the names and other particulars are set out in the Annexure II of the Directors' Report.

INDUSTRIAL RELATIONS

Relations between employees at all levels and management continue to remain cordial. The Directors place on record their appreciation of the efficient, loyal and devoted services rendered by the employees of the Company at all levels.

ACKNOWLEDGEMENT

Your Directors are grateful to Indian Petrochemicals Corporation Limited for the successful operation of the conversion contract. Your Directors also gratefully acknowledge the support and assistance of the Bankers of the Company.

For and on behalf of the Board Of Directors

Place : Mumbai
Date : July 28, 2001

DR. R.M. THAKKAR
CHAIRMAN & MANAGING DIRECTOR

Gujarat Petrosynthese Limited

ANNEXURE I TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year 2000-2001.

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|--|---|-----------------------------------|
| I. Conservation of Energy | : | Use of Standard quality equipment |
| II. Additional Investments and proposals if any being implemented for reduction of energy | : | Proposals are under consideration |
| III. Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods | : | Reduction in usage of electricity |

FORM A

A. POWER AND FUEL CONSUMPTION

1. Electricity		2000-2001	1999-2000
a) Purchased			
Units	KWH	35,89,692	42,44,971
Total Amount	Rs.	1,92,38,490	2,08,16,381
Rate/Units	Rs.	5.36	4.90
b) Own Generation through Diesel Generator			
Units	KWH	37,692	26,592
Units per Litre of Diesel Oil	KWH	3.200	2.417
Rate /Unit	Rs.	4.92	5.60
2. Furnace Oil			
Quantity	KL	2,959	3,288
Total Amount	Rs.	2,91,46,156	2,74,09,882
Average Rate	Rs.	9,850.00	8,336.32

B. CONSUMPTION PER UNIT OF PRODUCTION

Particulars	Standards (if any)		
Product : Polymer /MT	Electricity	KWH	457.927
	Furnace oil	KL	0.377
			489.729
			0.379



Gujarat Petrosynthese Limited

II. TECHNOLOGY ABSORPTION

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

1. Specific area in which R & D was Carried out by the Company	To produce high clarity polybutenes and to utilise by-products to produce value-added products.
2. Benefit derived as a result of the above R & D	Manufacture of new products and existing products at lower costs
3. Future plan of action	Manufacture of chemically pure and FDA Grade of Polybutene.
4. Expenditure on R & D	Rs.
a) Capital	34,913
b) Recurring	1,57,506
c) Total	<u>1,92,419</u>
d) Total R & D Expenditure as a percentage of total turnover	0.14%

Technology absorption, adoption and innovation

1. Efforts in brief, made towards technology absorption and innovation	Technology obtained from our collaborators has been fully absorbed. Improvements are being continuously made and have resulted in improved efficiency of operation.
2. Benefit derived as a result of the above efforts	
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished	
a) Technology furnished	
b) Year of Import	
c) Has technology been fully absorbed	N.A.
d) If not fully absorbed, areas where this has not taken place, reason therefore, any future plans of action	

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Foreign Exchange Outgo was Rs. 98.18 Lacs. As the Company is manufacturing an Import Substitution Product, it helps conserve foreign exchange of a corresponding amount. The Company has earned foreign exchange of Rs. NIL during the year.