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**GUJARAT PETROSYNTHESIS LIMITED**

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**TWENTY - FIFTH ANNUAL REPORT  
2001-2002**

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General Petrochemicals 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. D. GARDE	(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 ADVISOR**

KANGA & CO

**AUDITORS**

SURESH THAKKAR & CO

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

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Gujarat Petrosynthese Limited

## NOTICE

Notice is hereby given that the Twenty-fifth Annual General Meeting of the Members of Gujarat Petrosynthese Limited will be held at the Auditorium Hall, Central Gujarat Chamber of Commerce, Vanija Bhavan, Race Course, Vadodara – 390007 on Tuesday the 31<sup>st</sup> December 2002 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, 2002 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 Ms. Ursula R. Thakkar, who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr.V.H.Pandya, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following Resolution with or without modification as an Ordinary Resolution.  
"RESOLVED THAT Mr. M. D. Garde be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by Rotation."
7. To consider and, if thought fit, to pass the following Resolution with or without modification as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 269, 309, 310, read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, and subject to the approval of any other authorities as may be required, the Company hereby approves the re-appointment and terms of remuneration of Ms. Charita Thakkar as Whole Time Director designated as Executive Director for a further period of 5 years w.e.f. 1st October 2001 upon the terms and conditions approved by the Board of Directors of the Company at their meeting held on 24<sup>th</sup> November, 2001, which has also been approved by the Central Government vide their letter dated 10.10.2002, as set out in the draft agreement to be entered into by the Company with Ms. Charita Thakkar and submitted to this Meeting duly initialled by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to grant increments and to alter and vary the terms and conditions of the said appointment and/or agreement, in such manner as may be agreed to between the Board of Directors and Ms. Charita Thakkar, so as not to exceed the limits specified in schedule XIII of The Companies Act, 1956 or any amendments thereto.

8. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.  
"RESOLVED THAT pursuant to the provisions of section 269, 309, 310, read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, and subject to the approval of any other authorities as may be required, the Company hereby approves the re-appointment and terms of remuneration of Ms. Ursula Thakkar as Whole Time Director designated as Executive Director for a further period of 5 years w.e.f. 1st November 2001 upon the terms and conditions approved by the Board of Directors of the Company at their meeting held on 24<sup>th</sup> November, 2001, which has also been approved by the Central Government vide their letter dated 10.10.2002, as set out in the draft agreement to be entered into by the Company with Ms. Ursula Thakkar and submitted to this Meeting duly initialled by the Chairman for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to grant increments and to alter and vary the terms and conditions of the said appointment and/or agreement, in such manner as may be agreed to between the Board of Directors and Ms. Ursula Thakkar, so as not to exceed the limits specified in schedule XIII of The Companies Act, 1956 or any amendments thereto.
9. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant to the provisions of section 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, and subject to the approval of any other authorities as may be required, the Company hereby approves the re-appointment of Dr. Rameshchandra M. Thakkar as Managing Director for a further period of 3 years w.e.f. 12th October 2002 upon the terms and conditions, as set out in resolution passed by the Board of Directors of the Company at their meeting held on 9<sup>th</sup> October 2002 and the Agreement dated 12<sup>th</sup> October, 2002 entered into by the Company with Dr. Rameshchandra M. Thakkar with liberty and power to the Board of Directors to grant increments and to alter, vary from time to time the terms & conditions of appointment, agreement and or remuneration, in such manner as may be agreed to between the Board of Directors and Dr. Rameshchandra

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Gujarat Petrosynthese Limited

M. Thakkar, so as not to exceed the limits specified in schedule XIII of The Companies Act, 1956 or any amendments thereto, which agreement is hereby specifically sanctioned.

10. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

RESOLVED THAT pursuant to provisions of Section 149 and other applicable provisions if any, of the Companies Act, 1956, the Company hereby approves the commencement of new business stated at Sub Clause No. 74,75,83, 86 & 103 of the Object Clause No.III C (Other Business) of The Memorandum of Association of the Company. FURTHER RESOLVED THAT Dr.R.M.Thakkar Chairman and Managing Director and/or Mr.B.I.Patel, Company Secretary of the Company be and are hereby authorised to file requisite forms and declarations or any other document with the office of The Registrar of Companies or any other authority to give effect to this resolution.

11. To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Section 228 and other applicable provisions if any, of the Companies Act, 1956, the Company hereby decides to have the accounts of Bangalore Branch be audited otherwise than by the Company's Auditor. AND THAT the Board of Directors of the Company be and is hereby authorised, to appoint a Branch Auditor in consultation with the Company's auditor to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company for the financial year 2002-2003 & to decide remuneration as may be mutually agreed upon between the Auditors and the Board of Directors of the Company".

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

"RESOLVED THAT Dr. A.C. Shah be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by Rotation".

Registered Office  
Petrochemical Complex Area,  
P.O. Petrofils, Pin 391347,  
Dist. Vadodara  
Place : Mumbai  
Date : 02.12.2002

By Order of the Board of Directors  
For Gujarat Petrosynthese Limited

Sd/-  
**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 14.01.2003 To 16.01.2003 (both dates inclusive) for the purpose of Payment of Dividend and allotment of shares of the Company to the Shareholders of erstwhile Karnataka Petrosynthese Ltd., in the ratio of 1 (one) share of Rs. 10/- each for every 5 (five) shares of Rs. 10/- each held in Karnataka Petrosynthese Ltd.)
5. The documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days during office hours, upto the date of the Annual General Meeting.
6. (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.  
(b) Shareholders who have not encashed / claimed the Dividend from the year ended 31.3.96 onwards are requested to make their claims to the Company without delay. Since as per amended Section 205A of the Act and insertion of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date of its transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investors Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
7. 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 16.01.2003.
8. 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 along with the duly filled in attendance slip at the meeting.

## ANNEXURE TO THE NOTICE

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

The following explanatory statement sets out all the material facts relating to the special business mentioned in the accompanying Notice.

#### ITEM NO. 6

The nomination of Mr. M. Ramadoss was withdrawn and in his place Mr. M. D. Garde General Manager of The New India Assurance Company Ltd., was nominated by General Insurance Corporation of India on behalf of itself and its subsidiaries. Accordingly Mr. M. D. Garde was appointed by the Board of Directors of the Company as an Additional Director on 31.10.01, who holds office of Director only upto the date of this Annual General Meeting and being eligible offers himself for re-appointment and in respect of whom the Company has received notice in writing under section 257 of The Companies Act, 1956 from a member proposing Mr. M. D. Garde for the office of Director, liable to retire by rotation.

The Directors recommend the appointment of Mr. M. D. Garde.

Except Mr. M. D. Garde, no Director of the Company is in any way concerned or interested in the Resolution at item No. 6 of the notice.

#### ITEM NO 7

The term of office of Ms. Charita Thakkar as Whole Time Director of the Company expired on 30<sup>th</sup> September 2001. The Board of Directors at their meeting held on 24<sup>th</sup> November, 2001 has subject to the approval of Central Government and Members, re-appointed Ms. Charita Thakkar as Executive Director for a period of 5 years w.e.f. 1<sup>st</sup> October, 2001, upon the terms and conditions as set out in the resolution and Draft agreement.

The Company has already received permission from the Central Government vide their letter No. 1/76/2002- CL VII dated 10.10.2002 to the re-appointment of Ms. Charita R. Thakkar on the following terms and conditions:

**Salary** : Rs. 25,000/- p.m. (Rupees Twenty-Five Thousand per month) in the scale of Rs. 25,000 - 2000 - 35,000/-.

**Commission** : 1% (one) percent commission on the net profits of the company in a particular year subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

**Perquisites** : As approved by the Board of Directors of the Company at their meeting held on 24.11.2001, subject to a maximum of Rs. 25,000/- per month (100% of salary).

Earned/Privilege leave may be allowed to the managerial personnel as per Rules of the Company. Leave accumulated and not availed of during her tenure as Whole Time Director may be allowed to be encashed at the time of retirement as per Rules of the Company.

The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the company.

The draft agreement to be entered into by the Company with Ms. Charita Thakkar is available for inspection by the members on any working day during business hours of the company upto the date of the Annual General Meeting.

Ms. Charita Thakkar is deemed to be concerned or interested in the resolution which pertains to the remuneration payable to her. Further Dr. R. M. Thakkar, Ms. Charita Thakkar, Ms. Ursula R. Thakkar and Ms. Urmi N. Prasad are deemed to be concerned or interested in the resolution in so far as Ms. Charita Thakkar is related to each of them. None of the other Directors of the company are in any way concerned or interested in the resolution.

The abstract of the terms of contract/reappointment between the company and Ms. Charita Thakkar which is required to be given to every member under the provisions of Section 302 of The Companies Act, 1956 has been sent to all members of the Company.

The Board recommends the resolution for your approval.

#### ITEM NO 8

The term of office of Ms. Ursula R. Thakkar as Whole Time Director of the Company expired on 31<sup>st</sup> October 2001. The Board of Directors at their meeting held on 24<sup>th</sup> November, 2001 has subject to the approval of Central Government and

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Members, re-appointed Ms. Ursula R. Thakkar as Executive Director for a period of 5 years w.e.f. 1<sup>st</sup> November, 2001, upon the terms and conditions as set out in the resolution and Draft agreement.

The Company has already received permission from the Central Government vide their letter No.1/77/2002- CL VII dated 10.10.2002 to the reappointment of Ms. Ursula R. Thakkar on the following terms and conditions:

**Salary** : Rs. 25,000/- p.m. (Rupees Twenty Five Thousand per month) in the scale of Rs. 25,000 - 2000 - 35,000/-.

**Commission** : 1% (one) percent commission on the net profits of the company in a particular year subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

**Perquisites** : As approved by the Board of Directors of the Company at their meeting held on 24.11.2001, subject to a maximum of Rs.25,000/- per month (100% of salary).

Earned/Privilege leave may be allowed to the managerial personnel as per Rules of the Company. Leave accumulated and not availed of during her tenure as Whole Time Director may be allowed to be encashed at the time of retirement as per Rules of the Company.

The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the company.

The draft agreement to be entered into by the company with Ms. Ursula R. Thakkar is available for inspection by the members on any working day during business hours of the company upto the date of the Annual General Meeting.

Ms. Ursula R. Thakkar is deemed to be concerned or interested in the resolution which pertains to the remuneration payable to her. Further Dr. R.M. Thakkar, Ms. Charita Thakkar, Ms. Ursula R. Thakkar and Ms. Urmi N. Prasad are deemed to be concerned or interested in the resolution in so far as Ms. Ursula R. Thakkar is related to each of them. None of the other Directors of the company are in any way concerned or interested in the resolution.

The abstract of the terms of contract/reappointment between the company and Ms. Ursula R. Thakkar which is required to be given to every member under the provisions of section 302 of The Companies Act, 1956 had been sent to all members of the Company.

The Board recommends the resolution for your approval.

## ITEM NO. 9

The term of office of Dr. Rameshchandra M. Thakkar as Managing Director of the company expired on 12.10.2002. Looking to the contribution of the Managing Director to the progress of the company and his ability to shoulder the additional responsibilities, the remuneration payable to the appointee has been approved by the remuneration committee of the company at their meeting held on October 9, 2002. Also the Board of Directors has at their meeting held on October 9, 2002, subject to the approval of the Members, re-appointed Dr. Rameshchandra M. Thakkar as Managing Director for a period of 3 years effective from October 12, 2002, upon the terms and conditions set out in the resolution of the Board and Agreement dated 12.10.2002 entered in to by the Company with the appointee, which are briefly described herein below:

Dr. Rameshchandra M. Thakkar shall be entitled to the following emoluments, benefits and perquisites subject to the ceilings laid down under Sections, 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 with effect from 12<sup>th</sup> October, 2002.

**1. Salary** : Rs. 1,25,000/- (Rupees One Lac Twenty Five Thousand only) per month.

**2. Commission** : 1.5% commission on the net profits of the company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

### 3. Perquisites :

- i. (a) The expenditure by the company on hiring furnished accommodation for the Managing Director will be borne by the company subject to a ceiling of Rs. 15,000/- per month. The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per The Income Tax Rules, 1962. (b) If the company does not provide housing accommodation, the Managing Director shall be entitled to House rent allowance subject to the ceiling laid down in Housing (a) above.
- ii. The Company shall pay as per the Company's policy, medical expenses including such expenses as shall relate to surgical, optical and dental treatment incurred by Dr. Rameshchandra M. Thakkar for himself and his family (family includes dependent parents, wife, and children who are dependent on him).



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- iii. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the Company.
- iv. Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. The Company shall pay annual premium towards personal accident insurance as per the Rules of the company.
- vi. Encashment of leave on full pay and allowances as per the rules of the company but not exceeding one month's leave for every eleven months of service.

Dr.Rameshchandra M. Thakkar shall also be entitled to the following perquisites, which shall not be included in the computation of ceiling on remuneration specified above.

- a) Contribution to provident fund, superannuation fund, annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under Income Tax Act, 1961.
- b) Gratuity payable should not exceed half a month's salary for each completed year of service.
- c) Encashment of Leave at the end of the tenure.
- d) Chauffeur driven, company maintained car for use on company's business and telephone at residence. However personal long distance calls on telephone and the use of car for private purpose shall be billed by the company.

The perquisites, wherever applicable shall be valued as per the Income Tax Rules, 1962.

The Managing Director shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

Dr.Rameshchandra M. Thakkar, is deemed to be concerned or interested in the resolution which pertains to the re-appointment and remuneration payable to him. Further Dr.Rameshchandra M.Thakkar, Ms. Charita Thakkar, Ms Ursula R. Thakkar, Dr.(Mrs.) M.H.Mehta and Ms.Urmi N. Prasad are deemed to be concerned or interested in the resolution in so far as Dr.Rameshchandra M. Thakkar is related to each of them. None of the other Directors of the company are in any way concerned or interested in the resolution.

The abstract of the terms of contract/re-appointment between the company and Dr.Rameshchandra M. Thakkar which is required to be given to every member under the provisions of section 302 of The Companies Act, 1956 had been sent to all members of the Company.

The Board recommends the resolution for your approval.

#### ITEM NO: 10.

Members must be aware that as stated in the Directors Report of the Company for the year 2000-2001 the Company acquired through public auction from GSFC, the building, plant and machineries of a unit manufacturing glue (Polybutenes) based traps to catch rodent etc. Now the said unit is ready to commence its activities. As per the provisions of Section 149 of The Companies Act, 1956 the member approval by way of Special Resolution is necessary to commence any business covered under Other Objects of the Object Clause of Memorandum of Association of the Company. Accordingly, the resolution mentioned at item No. 10 of the Notice convening this meeting is recommended for your approval.

None of the Directors of the Company are in any way concerned or interested in the resolution.

#### ITEM NO: 11

The Scheme of Amalgamation of Gujarat Petrosynthese Ltd. (GPL) with Karnataka Petrosynthese Ltd. (KPL) has been approved by the statutory authorities and KPL has been merged with the Company with retrospective effect from 1.4.2001. The unit of erstwhile KPL is located in Bangalore. Looking to the administrative convenience, it is advisable to have the accounts of the Bangalore Unit audited by an auditor located at Bangalore. In view of the above, the approval of members is sought for in terms of provisions of Section 228 of the Companies Act, 1956.

None of the Directors of the Company are in any way concerned or interested in the resolution.

#### ITEM NO: 12

Dr. A.C. Shah was an alternate director to Dr. (Mrs) M.H. Mehta. The Board of Directors of the Company has appointed him as an Additional Director at their meeting held on 2.12.2002. Being an additional director, Dr. A.C. Shah, holds office of Director only upto the date of this Annual General Meeting and being eligible offers himself for re-appointment and in respect of whom the Company has received notice in writing under Section 257 of the Companies Act, 1956 from a member proposing Dr. A.C. Shah for the office of Director, liable to retire by rotation.

The Board of Directors recommend the appointment of Dr. A.C. Shah.

Except Dr. A.C. Shah, no Director of the Company is in any way concerned or interested in the Resolution at item No. 12 of the notice.

**Statement in terms of Schedule XIII of The Companies Act, 1956 as amended vide Notification No.GSR 36(E), Dated 16.1.2002 relating to remuneration payable to Managing Director.**

#### I. General Information:

1. Nature of Industry – Polymer

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2. Date or expected date of commencement of commercial production – 1984.
3. Financial performance based on given indicators – as per the audited financial results for the year ended on 31.3.2002.

Particulars	Amount (Rs.in Lac)
Sales	1669.75
Other Income	7.95
Total Income	1677.70
Material Cost	235.68
Staff Cost	166.92
Other Expenses	976.64
Total Expenditure	1379.24
Profit Before Depreciation, Interest and Tax	298.46
Depreciation	45.45
Profit before Interest and Tax	253.01
Interest	6.10
Profit Before Tax	246.91
Exceptional Items if any	—
Profit Before Tax	246.91
Net Profit after Tax	115.51

4. Export Performance and net foreign exchange earned for the year ended on 31.3.2002 – Nil
5. Foreign Investments or collaborators if any – Nil

## ii. Information about the appointee:

1. Background Details- Dr.R. M. Thakkar is one of the founder promoters of the Company. He has been Managing Director of the Company since inception. Dr. Rameshchandra M. Thakkar obtained his Doctorate in chemistry from the University of Zurich, Switzerland. He was awarded the Associateship of Royal Institute of Chemistry in London and Post Doctorate Fellowship of the French National Research Council. He was also the Founder Chairman of the Society of Plastics Engineers, Indian chapter and has published several research papers in recognized international chemical journals.
2. Past Remuneration – Rs. 6,00,000/- Salary and Rs. 7,40,143/- Perquisites, Total Rs.13,40,143/- paid as remuneration during the year ending on 31.3.2002.
3. Job profile and suitability – Dr. Rameshchandra M. Thakkar renders services as Chairman and Managing Director of the Company
4. Remuneration Proposed – Salary Rs.1,25,000/- per month, 1.5% commission on net profit and perquisites more particularly described in the explanatory statement herein before.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person Looking to the size of the company, the profile of the appointee, the responsibilities shouldered by him, the aforesaid remuneration is commensurate with the remuneration package paid to similar senior level appointees in other companies.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any – Besides the remuneration proposed, the Managing Director does not have any other pecuniary relationship with the company (refer Note No. 18 of Schedule R of the Account).

## III. Other Information:

1. Reasons for loss or inadequacy of profit – The Company is making profits.
2. Steps taken or proposed to be taken for improvement – Not Applicable.
3. Productivity and profits in measurable terms-

Particulars	This Year (Rs. Lac)	Previous Year (Rs. Lac)
Sales	1669	1395
Other Income	7	36
Net Profit	115	129



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Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49(VI)(A) of the Listing Agreement).

Name of Director	Dr. R.M. Thakkar	Ms. Ursula Thakkar	Ms. Charita Thakkar	Mr. V.H. Pandya	Mr. M.D. Gade	Dr. A.C. Shah
Date of Birth	30.09.1924	24.09.1967	01.11.1960	26.09.1926	19.09.1945	16.10.1952
Date of Appointment	14.09.1977	27.09.1996	28.09.1990	16.03.1982	31.10.2001	02.12.2002
Expertise in specific functional areas	Dr. R.M. Thakkar is Managing Director of the company since inception.	Ms. Ursula Thakkar joined the company in the year 1996 as Executive Director during 1994-96 worked as consultant with William Kent Intl. USA Washington	Ms. Charita Thakkar joined the company as Dy. Finance Manager and at present Executive Director.	Mr. V.H. Pandya has expertise in Chemical Engineering	Mr. Gade is an insurance executive and presently working as General Manager with The New India Assurance Co. Ltd.	Dr. A.C. Shah is Finance Executive. He is Ex-Chairman & Managing Director of Bank of Baroda
Qualifications	D. Phil (Zurich)	BF (Honors), MBA (Harvard)	MBA (TUC), MMSI (Stanford)	B. Sc. (Honors)	B.E. (Electrical), MBA	M.A., Ph.D (Economics)
Directorship held in other companies (excluding foreign companies)	Karnataka Petrosynthese Ltd. GPL Finance and Investments Ltd.	Nil	Karnataka Petrosynthese Ltd.	Nil	Nil	1) National Organic Chemical Industries Ltd. 2) Reliance Capital Trustee Co. 3) The Zandu Pharmaceutical Works Ltd. 4) S.Kumars Nationwide Ltd. 5) Elecon Engineering 6) Adani Exports Ltd. 7) ANZ Grindlays Asset Management Company 8) Aptech Training Ltd.
Committee Positions held in other Companies	Karnataka Petrosynthese Ltd. - Share Transfer Committee	Nil	Karnataka Petrosynthese Ltd. - Share Transfer Committee	Nil	Nil	1) The Zandu Pharmaceuticals Works Ltd. - Shareholders' Grievances Committee 2) S.Kumars Nationwide Ltd. - Audit Committee 3) Aptech Training Ltd. - Share Inv. Committee

Registered Office  
Petrochemical Complex Area,  
P.O. Petrofils, Pin 391347,  
Dist. Vadodara  
Place : Mumbai  
Date : 02.12.2002

By Order of the Board of Directors  
For Gujarat Petrosynthese Limited

Sd/-  
B. I. Patel  
Company Secretary

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Gujarat Petrosynthese Limited

## DIRECTORS' REPORT

The Directors have pleasure in placing before you the Twenty Fifth Annual Report of Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2002.

### FINANCIAL RESULTS

	Rs. in Lacs	
	2001-2002	2000-2001
Sales Turnover	1,669.75	1,395.61
Operating Profit	298.46	298.28
Less : Interest	(6.10)	(10.43)
Depreciation	(45.45)	(40.34)
Profit before tax	246.91	247.51
Less: Provision for Tax	(22.00)	(118.00)
Provision for Deferred Tax	(109.40)	--
Profit after Tax	115.51	129.51
Prior period adjustments/Income Tax for Earlier Years	(28.38)	(135.42)
Add : Balance in Profit & Loss Account	143.29	304.75
Transfer from Debenture Redemption Reserve	—	66.66
Balance available for Appropriation	230.42	365.50
APPROPRIATIONS		
Provision for Dividend	72.22	62.21
Provision for Dividend Tax	—	6.35
Transfer to General Reserve	25.00	21.95
Balance carried to Balance Sheet	133.20	274.99
	230.42	365.50

### AMALGAMATION OF KARNATAKA PETROSYNTHESIS LIMITED WITH THE COMPANY

Karnataka Petrosynthese Limited (KPL) has merged with your Company, after receipt of all necessary statutory approvals. The said amalgamation is with retrospective effect from April 1, 2001. The Annual Accounts of your Company for the Financial Year ended March 31, 2002 therefore include the results of KPL.

The Hon'ble High Court of Gujarat at Ahmedabad, vide its order dated 21.11.02, and The Hon'ble High Court of Karnataka at Bangalore, vide its order dated 26.11.2002, have granted the Scheme of Amalgamation between Gujarat Petrosynthese Limited (Transferee Co.) and Karnataka Petrosynthese Limited (Transferor Co.). Members of the Company had earlier approved the said Scheme of Amalgamation in the Court Convened Meeting held on 4.3.2002. Consequent upon amalgamation the Company will issue equity shares to the shareholders of erstwhile Karnataka Petrosynthese Limited in the ratio of 1(one) share of Rs.10/- each fully paid against 5 (five) shares of Rs. 10/- each fully paid held in Karnataka Petrosynthese Ltd.

### DIVIDEND

The directors are pleased to recommend a dividend of Rs. 1.20 per Equity Share on 60,18,802 equity shares of Rs. 10/- each (which includes 8,34,402 equity shares to be issued to the shareholders of KPL on Amalgamation) for the Financial Year ended 31<sup>st</sup> March, 2002, which if approved at the forth coming Annual General Meeting will be paid to all those Equity Shareholders whose names appear in Company's Register of Members as on 16th January, 2003.

### INDUSTRY STRUCTURE & DEVELOPMENT

The Company is part of the Petrochemical Industry and uses Feed Stock from the Naphtha Cracker of IPCL since its inception. It pioneered the manufacture of PIB in India starting production in 1984. Subsequently, three other manufacturers came into operation, one at Madras, second one at Mumbai and third one at Cochin. All the plants had their capacity of 5000 Tons annually at the start up. Initially, the demand was mostly for lubricating oil additives but in recent years the use of polybutenes in 2-Stroke engines has become an important application to meet statutory requirements. Our Polybutene unit has increased its capacity, by in-house technological improvements and is currently producing over 8000 tons annually.