

MAHARASHTRA POLYBUTENES LIMITED

**12TH
ANNUAL
REPORT
2000**

REPORT JUNCTION.COM

MAHARASHTRA POLYBUTENES LIMITED**BOARD OF DIRECTORS**

Mrs. R. A. Jadhav *Chairperson*
 R.M. Pandia
 K.C. Kothari
 L. K. Guglani *Whole Time Director*
 A. D. Mahajan
 G. C. Vasudev

BANKERS

State Bank of Travancore

AUDITORS

Lodha & Company

REGISTERED OFFICE & WORKS

R-802, TTC Industrial Area
 Thane-Belapur Road
 Navi Mumbai - 400 701

REGISTRAR & TRANSFER AGENTS

Computronics Financial Service (I) Ltd.
 Unit No. 53-56,
 Electronics Sadan No. 1,
 Shil Mahape Road, M.I.D.C., T.T.C.
 Mahape, Navi Mumbai - 400 709

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MAHARASHTRA POLYBUTENES LIMITED

Notice is hereby given that the Twelfth Annual General Meeting of the members of Maharashtra Polybutenes Limited will be held on Tuesday, 30th January, 2001 at 4.30 p.m. at the Rotary Club of New Bombay, Rotary Centre, Next to Sacred Heart Convent School, Sector 6, Vashi, Navi Mumbai- 400 703 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended July 31, 2000, together with Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. R.M. Pandia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. K.C. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. L.K. Gugliani, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 159 of the Articles of Association of the Company, and in respect of whom the Company has received notice in writing from a member of the Company expressing his intention of proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT Mr. G.C. Vasudeo, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 159 of the Articles of Association of the Company, and in respect of whom the Company has received notice in writing from a member of the Company expressing his intention of proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT in accordance with the provisions

of Section 269, 309 and 316 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary and Financial Institutions, the company do hereby appoint Mr. L.K. Gugliani as the Whole Time Director of the Company for a period of three years with effect from October 1, 2000 on the terms and conditions including the remuneration and perquisites as set out in the Draft Agreement to be entered into between the Company and him."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enter into an agreement on behalf of the Company with Mr. L.K. Gugliani as Whole Time Director and to take such steps and to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the aforesaid resolution."

By Order of the Board

L. K. Gugliani
Whole Time Director

Date : December 8, 2000.

Registered Office :

R-802, TTC Industrial Area,
Thane Belapur Road,
Navi Mumbai - 400 701."

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 OF THE COMPANY.
2. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item No. 5 to 7 is annexed hereto.
3. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturdays and holidays upto the date of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18th January, 2001 to Tuesday, 30th January, 2001 (both days inclusive).
6. Members/proxies who attend the meeting are requested to bring the enclosed attendance slip duly filled in and deliver the same at the entrance of the meeting hall.
7. Members are requested to bring their copies of the Annual Report at the time of attending the Meeting.

(P.T.O.)

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.****ITEM NO. 5 :**

The Board of Directors at its meeting held on August 30, 2000 had appointed Mr. L.K. Guglani as Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, and Article 159 of the Article of Association of the Company, he holds office only till the date of this Annual General Meeting. Mr. L.K. Guglani is a professionally qualified senior Business Executive with B.Tech (Chem. Engg.), MBA and has wide and varied management experience of various functional areas for 25 years. Mr. L.K. Guglani is currently working as Managing Director of one of the group Associate Company. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Mr. L.K. Guglani as a Director of the Company at the ensuing Annual General Meeting.

None of the Directors other than Mr. L.K. Guglani may be deemed to be concerned or interested in this resolution.

ITEM NO. 6 :

The Board of Directors of the Company on the nomination of Herdillia Chemicals Limited (HCL), promoters has appointed Mr. G.C. Vasudeo as an additional Director in its meeting held on November 24, 2000. In accordance with Section 260 of the Companies Act, 1956 and the Article 159 of the Articles of Association of the Company, he holds office upto the date of this Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. G.C. Vasudeo as a candidate for the office of Director together with requisite deposit as required by law.

None of the Directors other than Mr. G.C. Vasudeo is in any way interested or concerned in the resolution.

ITEM NO. 7 :

The Board of Directors at its meeting held on August 30, 2000 had appointed Mr. L.K. Guglani as Whole Time Director of the Company with effect from October 1, 2000 for a period of three years subject to the approval of members of the company at their next Annual General Meeting and approval of Central Government and other

Authorities as may be deemed necessary.

Mr. L.K. Guglani is professionally qualified senior executive having varied management experience in several functional areas viz. Production, technical services, marketing and profit center head. Mr. Guglani is currently heading an independent company in the group as Managing Director. In the interest of the company, the Board has appointed him as Whole Time Director in view of his wide experience, subject to the approval of members of the Company at their next Annual General Meeting and approval of Central Government and other Authorities as may be deemed necessary.

The draft of the agreement to be entered into between the Company and Mr. L.K. Guglani in respect of his appointment as Whole Time Director contains inter alia the following terms and conditions as to remuneration and perquisites, viz. that Mr. L.K. Guglani as Whole Time Director of the company will not be drawing any remuneration and perquisites from the company. The payment of sitting fees for attending the meetings of the Board of Directors of the Company or Committees thereof, shall be governed by the provisions of the Companies Act, 1956, as amended from time to time.

Since Mr. L.K. Guglani is based in Baroda and will be required to travel to Mumbai, while at Mumbai Mr. L.K. Guglani will be provided accommodation along with Boarding in Guest House / Hotel / Company flat with telephone facilities along with car and driver for office work. All expenses incurred for the business of the Company including entertainment expenses will be reimbursed on actual basis.

None of the Directors other than Mr. L.K. Guglani may be deemed to be concerned or interested in this resolution.

By Order of the Board
L. K. Guglani
Whole Time Director

Date : December 8, 2000.

Registered Office :

R-802, TTC Industrial Area,
Thane-Belapur Road,
Navi Mumbai - 400 701.

REPORT OF THE DIRECTORS

The Directors present herewith their Twelfth Annual Report together with the Audited Accounts of the Company for the year ended July 31, 2000.

1. FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year ended	
	31st July 2000	31st July 1999
Sales	31.19	60.13
Conversion charges	615.93	—
Other income	53.14	16.22
	700.26	76.35
Gross Profit/(Loss) before depreciation	(630.62)	(808.27)
Profit/(Loss) for the year	(728.55)	(853.46)
Profit/(Loss) carried to the Balance Sheet	(3647.07)	(2878.43)

2. OPERATIONS :

During the year, the operations were suspended till mid November 1999. Negotiations with IPCL for tolling arrangement for conversion of their C4 Raffinate into PIB were finalised by early October 1999 and the plant was thereafter recommissioned and commercial activities started by mid November 1999. The income from conversion charges for the actual period of production upto July 2000 was Rs. 615.93 lacs.

The tolling arrangement with IPCL has been extended by one more year till October 31, 2001 with the possible option to extend it for one year till October, 2002. The Company expects better performance in the coming year with better capacity utilisation.

3. ACCOUNTS :

The accounts for the year have been prepared on the basis of a "going concern" as the management expects the relief and rehabilitation package for the company's revival as per the revised rehabilitation proposal being submitted to the operating agency appointed by BIFR.

The accumulated losses amounting to Rs. 1529.42 lacs were adjusted against the revaluation reserves following legal advice.

As disclosed in the Accounting Policies and Notes to the Accounts, the process knowhow, consultation fees and leave encashment will be accounted on cash basis. Similarly, the Company has not provided for interest liability in respect of loans/debentures from certain bodies corporates for the period as the same will be accounted on cash basis.

The Company will be approaching the promoters to waive interest on the Inter Corporate Deposits/ Debentures obtained from them from time to time to facilitate finalisation of the BIFR Package. The Company had earlier enhanced the period of write off of deferred revenue expenditure from ten years to fifteen years resulting in accumulated losses being stated lower by Rs. 185.49 lacs.

The rest of the notes are self-explanatory.

4. PARTICULARS OF EMPLOYEES :

The provisions of Section 217 (2A) of the Companies Act, 1956; read with Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to the Company as none of the employees employed throughout the year or employed for part of the year has received remuneration equal

to or exceeding the limits prescribed in the said section.

5. THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1958

Particulars under Section 217(1) (e) of the Companies Act, 1956 relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed.

6. DIRECTORS :

During the year, Mrs. R.A. Jadhav was appointed as Nominee Director of Maharashtra Petrochemicals Corporation Limited and also as Chairperson of the Company in place of Mrs. K.V. Bansal.

Mr. S. Ramesh, Nominee Director of ICICI ceased to be a Director on the Board on withdrawal of nomination by ICICI.

Mr. A. Dani, resigned from the Board of Directors of the Company during the year. Mr. A. Deb, Managing Director also resigned from the Board effective September 30, 2000. Mr. A.S. Dayal resigned from the Board effective December 8, 2000. Dr. P.V. Krishna, nominee of Maharashtra Petrochemicals Corporation Ltd. (MPCL) ceased to be a Director on the Board on December 8, 2000 on nomination of Mr. A.D. Mahajan by MPCL.

The Board places on record its sincere appreciation for the very valuable contribution made by Mrs. K.V. Bansal, chairperson, Mrs. A. Dani, S. Ramesh, A.S. Dayal and Dr. P.V. Krishna during their respective term as Director of the Company. The Board also places on record its sincere appreciation of the expert advice, guidance and valuable services rendered by Mr. A. Deb during his association with the company as Managing Director and Director of the Company particularly for partial turnaround.

Mr. L.K. Guglani was appointed as an additional Director of the Company and has also been appointed as Whole Time Director for a term of 3 years w.e.f. October 1, 2000 subject to the approval of members of the company at their next Annual General Meeting and approval of Central Government and other Authorities as may be deemed necessary.

Mr. G.C. Vasudeo nominated by the promoters was appointed as an additional Director effective December 8, 2000. Mr. L.K. Guglani and Mr. G.C. Vasudeo who were appointed as additional Directors of the Company hold office till the date of this Annual General Meeting. Notices in writing under Section 257 of the Companies Act, 1956 have been received from a member of the Company proposing their candidature for the office of the Director.

Mr. R.M. Pandia and Mr. K.C. Kothari, Directors, retire by rotation and being eligible offer themselves for re-appointment at the forthcoming Annual General Meeting.

7. FIXED DEPOSITS :

During the year under review, the Company has not accepted any deposits from the public pursuant to Section 58-A of the Companies Act, 1956.

8. REFERENCE TO BIFR :

After submission of the company's rehabilitation proposal a joint meeting of promoters, bankers and financial institutions was held by the operating agency in October 2000. It was decided to request BIFR for grant of 3 months for submission of revised proposal. Thereafter in the hearing, BIFR has asked for submission of comprehensive rehabilitation proposal with the means of finance fully tied up