

MAHARASHTRA POLYBUTENES LIMITED

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**13 TH
ANNUAL
REPORT
2001**

MAHARASHTRA POLYBUTENES LIMITED

BOARD OF DIRECTORS

Mrs. R. A. Jadhav	<i>Chairperson</i>
K. C. Kothari	<i>(upto 5th December, 2001)</i>
A. D. Mahajan	
L. K. Guglani	<i>Managing Director</i>
S. P. Vohra	
P. S. Sharma	
A. D. Joshi	<i>(from 6th December, 2001)</i>

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,
Electronic Sadan No. 1,
Shil Mahape Road, M.I.D.C., T.T.C.
Mahape, Navi Mumbai - 400 709

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NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Maharashtra Polybutenes Limited will be held on Friday, January, 25, 2002 at 12.00 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 31st July, 2001 together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. A.D. Joshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. D. Mahajan, 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 Dr. S. P. Vohra, 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 a 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. P. S. Sharma, 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 a 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."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Ordinary Resolution :

"RESOLVED THAT in accordance with the provisions of Section 269, 309, 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 and hereby redesignate Mr. L.K.Guglani as the Managing Director of the Company for residual period of his term with effect from May 29, 2001 on the same 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.Guglani as Managing 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. Guglani

Managing Director

Dated : December 12, 2001

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 Saturday 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 Tuesday, 15th January, 2002 to Friday, 25th January, 2002 (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 Annual Report at the time of attending the Meeting.

MAHARASHTRA POLYBUTENES LIMITED

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 29, 2001 had appointed Dr. S.P. Vohra as an additional Director of the Company. In accordance with Section 260 of the Companies Act, 1956, and Article 159 of the Articles of Association of the Company, he holds office only till the date of this Annual General Meeting. Dr. S. P. Vohra is a retired senior Business Executive with varied management experience in various functional areas. The Company has received notice in writing from a member pursuant to Section 257 of the Companies Act, 1956, proposing the candidature of Dr. S. P. Vohra as a Director of the Company at the ensuing Annual General Meeting together with requisite deposit as required by law.

None of the Directors other than Mr. S. P. Vohra may be deemed to be concerned or interested in this resolution.

ITEM NO. 6

The Board of Directors of the Company at its meeting held on August 29, 2001 had appointed Mr. P. S. Sharma as an additional Director of the Company. 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. Mr. P. S. Sharma is a senior Business Executive with varied management experience in various functional areas. The Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. P. S. Sharma as a candidate for the office of Director together with requisite deposit as required by law.

None of the Directors other than Mr. P. S. Sharma is in any way concerned or interested in this resolution.

ITEM NO. 7

Mr. L. K. Guglani was appointed as a Whole Time Director of the Company for a period of three years with effect from October 1, 2000. The appointment was approved by the members in the last Annual General Meeting held on January 30, 2001.

The Board at its meeting held on May 29, 2001 has changed Mr. Guglani's designation and has designated him as the Managing Director of the Company with effect from May 29, 2001 for residual term of his office 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 redesignation as Managing Director contains interalia same terms and conditions as to remuneration and prerequisites from the Company, the payment of sitting fees etc. He will not be drawing any remuneration from the Company.

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
Managing Director

Dated : December 12, 2001

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

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REPORT OF THE DIRECTORS

The Directors present herewith their Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended July 31, 2001.

1. FINANCIAL RESULTS

	(Rs. in lacs)	
	Year ended 31st July, 2001	Year ended 31st July, 2000
Sales	--	31.19
Conversion charges	1017.77	615.93
Other Income	9.13	53.14
	<u>1026.90</u>	<u>700.26</u>
Profit/(Loss) before depreciation	(657.01)	(630.62)
Profit/(Loss) for the year	(810.47)	(728.55)
Profit/ (Loss) carried to the Balance Sheet	(4458.97)	(3647.07)

2. OPERATIONS :

During the year the capacity utilisation was 95.55% which is highest ever in the history of Company's operation. With minor modifications and better operating practices the plant could achieve higher capacity utilization. The income from conversion charges during the year was Rs. 1017.77 lacs against Rs. 615.93 lacs in the previous period.

The Company continues to be under the purview of BIFR. The Company expects better performance in the next year with good capacity utilization and improved specific consumption.

3. ACCOUNTS :

The accounts for the year have been prepared on the basis of a "going concern" as the matter is still under purview of 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 know-how, 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 rest of the notes are self-explanatory.

4. PARTICULARS OF EMPLOYEES

The provision 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 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, 1988.

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 Mr. R.M. Pandia and Mr. G. C. Vasudeo

resigned from the Board of Directors of the company.

Maharashtra Petrochemicals Corporation Ltd., has withdrawn nomination of Mr. K. C. Kothari on his resignation from the Board on December 5, 2001 and has nominated Mr. A. D. Joshi in his place by letter dated December 6, 2001.

The Board places on record its sincere appreciation for the valuable contribution made by Mr. R. M. Pandia, Mr. G.C. Vasudeo and Mr. K. C. Kothari during their respective terms as Director of the Company.

Dr. S. P. Vohra and Mr. P. S. Sharma were appointed as Additional Directors of the Company who 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. L.K. Guglani who had been appointed as Whole Time Director for a term of 3 years w.e.f. October 1, 2000 has been appointed as Managing Director of the Company for residual period on the same terms and conditions effective May 29, 2001, 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. A. D. Joshi and Mr. A. D. Mahajan, 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. THE CORPORATE GOVERNANCE CODE

The Securities & Exchange Board of India has introduced a code of Corporate Governance for implementation by the listed companies by an amendment to the Listing Agreement. As per the amendment, this code is required to be implemented by your Company by March 31, 2002.

9. DEMATERIALISATION OF SHARES

In terms of the notification issued by the Securities and Exchange Board of India (SEBI) trading in equity shares of all companies in "B" group in the dematerialised form is now compulsory. The Company has already applied for registration for dematerialising the shares with both the depositories.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956 the Board of Directors of the Company hereby state and confirm that :

- in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had 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/loss of the Company for that period;
- the Directors had 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.