

**MAHARASHTRA  
POLYBUTENES  
LIMITED**

**21<sup>st</sup>**

**ANNUAL REPORT  
2009 - 2010**

**BOARD OF DIRECTORS**

BRIJMOHAN RATHI

P. S. SHARMA

V. B. DALAL

I. C. SRIVASTAVA

CHAIRMAN AND MANAGING DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

RAKESH GUPTA

SHIVNARAYAN GARG

CHIEF OPERATING OFFICER

CHIEF FINANCIAL OFFICER

**AUDITORS**

M/S Indani &amp; Associates

Chartered Accountants, Mumbai

**BANKERS**

Central Bank of India

**REGISTERED OFFICE & WORKS**

R-802, TTC Industrial Area,  
Thane Belapur Road, Mahape,  
Navi Mumbai - 400701

**REGISTRAR & TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd  
Unit 1, Luthra Industrial Premises  
Andheri Kurla Road,  
Safed Pool, Andheri (E),  
Mumbai-400072.

Tel. No.: 022 - 28515606, 28515644

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## **NOTICE**

NOTICE is hereby given that the Twenty First Annual General Meeting of the Share Holders of **MAHARASHTRA POLYBUTENES LIMITED** will be held on Wednesday, 22nd September, 2010 at 11.30 a.m. at Navi Mumbai Sports Association, Sector 1A, Vashi, Navi Mumbai to transact the following business:

### **A. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in the place of Mr. V. B. Dalal who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to section 224 of the Companies Act, 1956, M/s Indani & Associates, Chartered Accountants, the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the company at a remuneration to be determined by the Board in addition to out of pocket expenses as may be incurred by them during the course of the Audit."

### **B. SPECIAL BUSINESS:**

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

**"RESOLVED THAT** Mr. Pyarelal Rathi, who was appointed as an Additional Director by the Board under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company."

### **NOTES :**

1. Explanatory Statement as required under section 173(2) of the Companies Act, 1956 is annexed hereto.
2. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
3. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.

4. The Company's Registrar and Share Transfer Agent is M/s. Sharex Dynamic (India) Private Limited, Unit 1, Luthra Industrial Premises, Andheri - Kurla Road, Safed Pool, Andheri (East) Mumbai- 400 072.
5. All documents referred to in the accompanied Notice are open for inspection at the Registered Office of the Company between 10.30 a.m to 12.30 p.m on all working days upto the date of Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 15th September, 2010 to 22nd September, 2010 (both days inclusive).
7. Members/Proxies who attend the meeting are requested to bring the enclosed attendance slip - proxy form duly filled and deliver the same at the entrance of the meeting hall. Members who are holding Company's shares in Dematerialized form are requested to bring details of their DP and Client ID Number for identification.

**By Order of the Board  
For Maharashtra Polybutenes Limited**

**Date : 17th May, 2010**

**Place: Navi Mumbai**

**Moksha Kotian  
Company Secretary**

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

The Board of Directors of the Company appointed Mr. Pyarelal Rathi as an Additional Director of the Company with effect from 6th August 2010. Pursuant to the provision of section 260 of the Companies Act, 1956, Mr. Pyarelal Rathi will hold office of Director upto the date of the forthcoming Annual General Meeting. The company has received the notice in writing from a member proposing the candidature of Mr. Pyarelal Rathi for the office of Director under the provision of section 257 of the Companies Act, 1956. Your Director recommend the resolution for your approval.

None other Directors of the Company are concerned or interested in the above said resolution, except Brijmohan Rathi and Pyarelal Rathi.

**By Order of the Board  
For Maharashtra Polybutenes Limited**

**Date : 17th May, 2010**

**Place: Navi Mumbai**

**Moksha Kotian  
Company Secretary**

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2010.

### 1. FINANCIAL HIGHLIGHTS

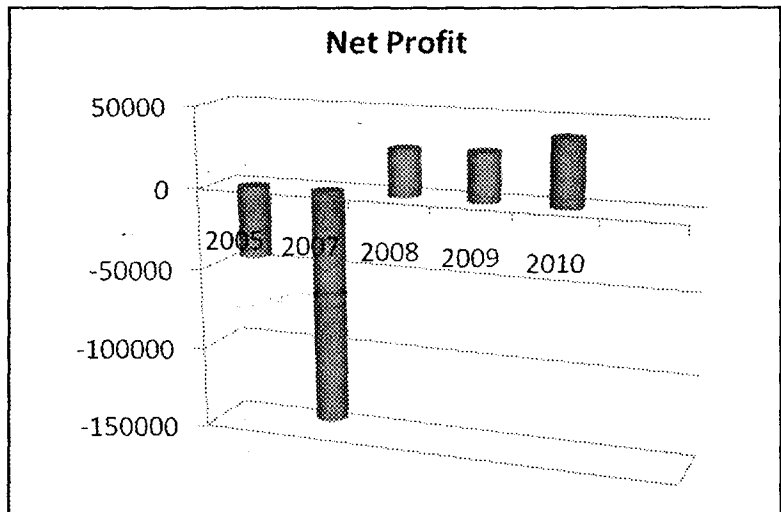
(₹ in Lacs)

PARTICULAR	Year ended 31.03.2010	Year ended 31.03.2009
Sales	8758.30	4774.30
Other Income	1.60	5.29
Profit Before Depreciation and Tax	559.88	417.99
Less: Depreciation	151.77	149.35
Profit Before Tax	408.11	268.64
Sundry credit balance written off/(back)	1.14	(31.29)
Provision for MAT	69.18	8.98
Profit after Tax	337.79	290.95
Proposed Dividend	77.95	56.41
Dividend Distribution Tax	13.25	9.59
Balance	246.59	224.95

The Balance of Profit for the year is ₹ 24,658,574/- (Previous Year ₹ 22,494,795/-), after adjusting of ₹ 4,340,318/- (Previous Year ₹ 155,887,001/-). Balance of ₹ 29,127,955/- (Previous Year ₹. 129,063/-) is carried to Balance Sheet.

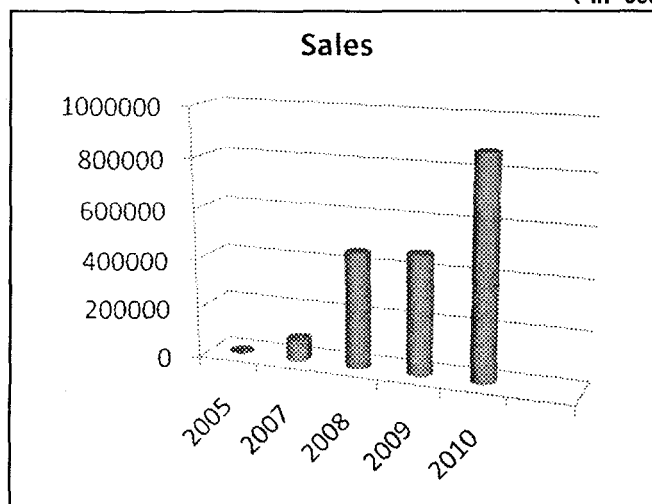
₹ in '000

Year 2007 represents  
15 months figures.



₹ in '000

Year 2007 represents  
15 months figures.



## 2. OPERATIONS AND PRODUCTION

During the year under review, the operation and production of the plant was regular and consistent. Total production was 7192 MT which is 90 % of the installed capacity. The Company produces various grades of PIB viz: HV 10, HV 10 for export, HV 30, HV 100 & HV 200 of polybutenes. The Major achievements during the year were consistency of product quality and increase in sales. Though there were variations in the feedstock prices during the year under review, company was able to manage with limited resources and consistently cater to its customers demand in time.

## 3. DIVIDEND

For the year under review, your Directors are pleased to recommend a dividend of ₹ 0.50 per share on the equity shares of the company for the year ended 31st March 2010. The dividend outgo including dividend distribution tax will amount to ₹ 91.20 Lac.

## 4. FIXED DEPOSIT

The Company has not accepted nor renewed any Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year.

## 5. FUTURE BUSINESS PLANS OF THE COMPANY

Since Company has achieved operations for manufacturing of Polyisobutenes, Company is looking forward for integration of its products.

Company is now in process of developing various automotive lubricants, consumables like break oil, coolant etc.

Also the company is looking forward to expand its business to auto LPG sector by use of the residual LPG stream.

The Company is also looking forward for further integration of its product / by products to enhance & convert them into value addition products.

## 6. DIRECTORS

Mr. V. B. Dalal, a Director, retires by rotation and being eligible offers himself for re-appointment at the forthcoming Annual General Meeting.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217 (2AA) of the Companies Act, 1956, your Directors' state:

- a. That in the preparation of the annual accounts for the year ended 31st March 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

- b. That they have selected such accounting policies and applied them consistently and made judgments 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 as at 31st March 2010 and of the profit of the Company for the year ended on that date.
- c. That proper and sufficient care has been taken 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.
- d. That the annual accounts have been prepared on a going concern basis.

**8. AUDITORS**

M/s Indani & Associates, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and they are eligible for the re-appointment.

**9. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of Listing Agreement with Stock Exchange, Management Discussion and Analysis, Corporate Governance and Certificate from the Auditors of the Company regarding compliance of the condition of corporate governance by the Company is attached to this report.

Further, a declaration signed by the member of the Board affirming compliance with the Code of Conduct by all Board members and Senior Management Personnel is attached to this report.

**10. LISTING WITH STOCK EXCHANGE**

The Company is listed with Bombay Stock Exchange and annual listing fee for the same has been paid. The Company has made an application with National Stock Exchange of India for listing thereon.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is attached as Annexure A

**12. DEMATERIALISATION OF SHARES**

Company has dematerialized its shares with both depositories viz. CDSL and NSDL.

**13. PARTICULARS OF EMPLOYEES**

During the year under review there were no employees receiving remuneration of or in excess of limits prescribed as per the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**14. AUDITORS' REPORT**

The observation made by the Statutory Auditors in their report are self explanatory and do not require any further clarification.

**15. ACKNOWLEDGEMENTS**

Your Directors express their thanks and appreciation for the Co-operation they received from various Government authorities, Bank, Customers and Employees of the Company.

**For and on behalf of the Board**

**Dated: 17th May, 2010**  
**Place: Navi Mumbai**

**Brijmohan Rathi**  
**Chairman & Managing Director**

**ANNEXURE 'A'****ANNEXURE TO THE DIRECTORS' REPORT**

**INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010.**

**A. CONSERVATION OF ENERGY**

(a) Energy Conservation Measures taken :

- i) Waste streams were incinerated and the heat was recovered as fuel equivalent.
- ii) Electricity consumption was brought down through planned production and judicious usage of equipments.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Not Envisaged.

(c) Impact of energy conservation measures :

Specific energy consumption of fuel oil per ton of steam generated and electricity consumption had come down due to measures adopted in A(a)(i) and (ii) above.

(d) Total energy consumption per unit of production: As per Form A.



**FORM A**
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Power and Fuel Consumption		Current Year	Previous Year
1.	<b>Electricity</b>		
	a. Purchased Unit (KWH)	2943120	1438600
	Total amount (₹)	16193054	74,28,364
	Rate Per Unit (₹/KWH)	5.50	5.16
	b. Own generation :		
	i) Through diesel		
	Generator Unit (KWH)	17558	21040
	Unit per liter of diesel oil, fuel oil & gas	6.02	3.76
	Cost per unit (₹/KWH)	6.64	10.28
	ii) Through Steam turbine /		
	Generator Unit (KWH)	N.A.	N.A.
	Unit per liter of diesel oil	N.A.	N.A.
	Cost per unit (₹/KWH)	N.A.	N.A.
2.	<b>Coal (specify quality and where used)</b>		
	Quantity	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Average rate	N.A.	N.A.
3.	<b>Furnace Oil / LSHS</b>		
	Quantity (MT)	1292.43	539.717
	Total Amount (₹)	29419831	1,4079821
	Average rate (₹ / MT)	22763.19	22854.02
4.	<b>Others/ Internal Generation</b>		
	Quantity	N.A.	N.A.
	Total Cost	N.A.	N.A.
	Rate/Unit	N.A.	N.A.
	<b>Consumption</b>		
	Electricity (Unit)	409	412
	Fuel oil (MT)	0.179	0.154

**B. TECHNOLOGY ABSORPTION**

Research and Development (R&amp;D)

- |   |      |
|---|------|
| 1. Specific areas in which R&D carried out by the Company | N.A. |
| 2. Benefit derived as a result of the above R & D         | N.A. |
| 3. Future plan of action                                  | N.A. |
| 4. Expenditure on R & D                                   | Nil  |

**C. FOREIGN EXCHANGE**

- a. Activities relating to export, initiative to increase export, Development of New export markets for Products and Services and Export Plan.

The company has continued to maintain focus and avail of export opportunities based on economic consideration.

- b. Total Foreign exchange earned and used

Earnings through Exports	₹ 34690884	₹ 26129635
Outgo	Nil	Nil

## **MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

### **INDUSTRIAL STRUCTURE AND DEVELOPMENT:**

The main product of the company is Polyisobutene (PIB), an industrial chemical used in the manufacture of lubricant oil, jelly filled cables, imulsions as well as in formulation of engine oil for two strokes engines. Other application of PIB are in the manufacturing of adhesives, caulking and sealing compounds, leather finishing, engineering, plastics, insecticide etc.

There are four indigenous manufacturing units for this product in India. Overall company's product demand has good potential worldwide. Due to cost structure there are no possibilities of coming up with new capacity in companies product (PIB). However, the demand of our product is increasing due to newer application in chemical industry and speciality chemicals are being found like replacing some of the additives in lubricant industry with PIB. Sales have improved considerably during the current fiscal year. There has been consistent demand worldwide due to which the exports have grown.

### **OPPORTUNITIES AND THREAT:**

The company enjoys good reputation with the institutions and industries. The alternative financial arrangement is planned and implemented.

The company expects better performance in the current year 2010-11 with higher capacity utilization. The Company has been successful in winning orders from Lubrizol India Pvt. Ltd. Bharat Petroleum Corporation Ltd, Indian Oil Corporation Ltd, Hindustan Petroleum Corporation Ltd. and other big players in the Industry. Further, the company is exploring opportunities to increase the quantum of exports of its products in various countries to increase its capacity utilization.

Liquidity position remained critical during the year due to low market offtakes due to general slowdown in demand and hence plant operation were affected during the period.

### **SEGMENTATION OR PRODUCT WISE PERFORMANCE:**

The company manufactures and sells single product Polyisobutene (PIB).

### **OUTLOOK, RISK AND CONCERNS:**

The international market and realization for PIB has been buoyant during the year. The demand in the country has been steady, the outlook for the realization and demand in the coming years is bright and your company is planning to take advantage of the opportunities in domestic as well as in international market.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The internal control system is well structured and ensures optimum use of resources and safeguards the assets. The company follows pre-defined rules and procedure and the same commensurate with the size and the nature of the company. The company has an efficient system of internal audit, accounting and administrative controls to ensure safety of company's assets and interests.

The company has well structured organization hierarchy with clear authority and responsibility. The information flow system is efficient and the reporting system is strong.

### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year the company has carried its operation to the best of the available resources and manpower so the financial performance with respect to operational has increased considerably.

### **DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATION FRONT:**

The industrial relations with the worker during the year were satisfactorily. The Directors place on record their appreciation for the sincere and efficient services rendered by the executive, staff and workmen of the company and are confident that they will contribute to the company's prosperity and growth.