



PARAS PETROFILS LTD.

Report  Junction.com

Annual Report

1998-99

PARAS PETROFILS LTD.

**8th
Annual
Report
1998-99**

BOARD OF DIRECTORS

SHRI DEVRAJ JAIN (Managing Director)
 SHRI SIDDHARTH C. PATEL
 SHRI JIVABHAI A. PATEL
 SHRI JASKARAN CHOPRA
 SHRI KAILASHCHAND JAIN
 SHRI ANANDKUMAR JAIN
 SHRI HARSHAD J. PATEL

COMPANY SECRETARY

SHRI RAJENDRA PARAKH

AUDITORS

M/s. GOYAL RAMESH & CO.
 Chartered Accountants, Surat.

BANKER

DENA BANK
 Saharagate Branch,
 Surat-395 002.

GUJARAT INDUSTRIAL INVESTMENT
 CORPORATION LIMITED
 Ahmedabad.

REGISTERED OFFICE

PARAS PETROFILS LTD.
 4/2327, Ganesh Chambers,
 Nr. Hira Panna Market, Post Box No. 426,
 Begumpura, Ring Road,
 Surat-395 003

FACTORY

Block No. 529, N.H. No. 8,
 Village Palsana, Dist. Surat-394315.

CONTENTS	PAGE
Notice	1
Directors' Report	2
Annexure to Directors' Report	3
Auditors Report	4-5
Balance Sheet	6
Profit and Loss Accounts	7
Schedules to Accounts	8-11
Notes on Accounts	11-13
Cash Flow Statement	14

PARAS PETROFILS LTD.

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of Paras Petrofils Ltd. will be held at the Registered Office of the Company on 30th September, 1999 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt Accounts for the year ended 31st March 1999 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Jivabhai A. Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Shri Jaskaran Chopra who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors till next Annual general meeting and fix their remuneration.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend (and on a poll, vote) instead of him/her. A proxy need not be a member. Proxies in order to be effective must be received by the Company not later than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23-09-99 to 30-09-99 (both days inclusive).
3. Members are requested to hand over the enclosed Attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the meeting hall.
4. Members are requested to bring their copy of the Annual Report to the meeting.

**BY ORDER OF THE BOARD
FOR PARAS PETROFILS LIMITED**

Place : Surat
Date : 22-07-99

COMPANY SECRETARY



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighth Annual Report of the Company along with the audited statement of Accounts for the year ended on 31st March, 1999.

FINANCIAL RESULTS

The total sales and other income during the year was Rs. 4133.57 Lacs and operating profit (Profit before Depreciation and Interest) was Rs. 432.45 Lacs. After provision of interest and depreciation, Company incurred net loss of Rs. 115.24 Lacs.

DIVIDEND

In view of the net loss during the year, Directors are unable to recommend any dividend.

OPERATIONS

The optimum capacity utilisation was achieved by the Company during the financial year, but the profit margin remained squeezed due to overall market conditions, not favourable to textile industry in general and the polyester filament industry in particular.

Main constraints were high tariff rates of power and being capital intensive industry, the interest cost applicable on term loans from the financial institutions was high and in effect, further reduced the margin significantly.

Attempts have been at all fronts for cost-reduction and the administrative and overhead expenses during the year were less than those in the previous financial year. We are still in the process of further cost reduction through emphasis on optimum utilisation of fuel and the other qualitative measures to lower the cumulative cost with integrated approach in the processes.

Polyester consumption in India is still among the lowest in the world, in per capita terms. This clearly indicates of the strong potential for continued demand growth in India in future years. Although the demand outlook for the Indian polyester industry is strong but the Company will face challenge in terms of the pricing which is still under pressure.

YEAR 2000 COMPLIANCE

The computer systems of the Company are verified to be capable of correctly recognising and processing date related information beyond December 31, 1999.

INVESTORS CARE

The equity shares of the Company are listed with The National Stock Exchange of India Ltd. apart from the Mumbai, Calcutta, Delhi, Jaipur and Vadodara Stock Exchanges. The Company has continued M/S Bigshare Services Pvt. Ltd.; J/12, Ansa Ind. Estate; Saki Vihar Road; Saki Naka; Andheri (E); Mumbai 400 072, for

handling its Registrar and Transfer work. The meeting of the Share Transfer Committee is being held every week to approve the share transfer and other investors' services. No investors' complain are pending as on date.

DIRECTORS

Shri Jivabhai A. Patel and Shri Jaskaran Chopra retire by rotation and being eligible offer themselves for reappointment.

FIXED DEPOSIT

As on 31st March, 1999 no deposits remained unclaimed after maturity.

PROJECTED PROFITABILITY STATEMENT V/S ACTUAL PROFITABILITY STATEMENT

Particulars	Projected	Achieved
Sales & other income	5269.32	4133.57
Gross profit before		
Interest and Depreciation	1802.11	432.45
Profit after Tax	707.48	(115.24)

Reasons for Variance : Though the optimum capacity utilisation was maintained, the margin remained squeezed due to overall market conditions of the Polyester filament yarn industry.

PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956.

AUDITORS

The Company's auditors M/s. Goyal Ramesh & Co., Chartered Accountants retires but being eligible offer themselves for re-appointment from the conclusion of this AGM upto the conclusion of next AGM.

ENERGY CONSERVATION

Particulars required under Form A & B of Section 217 (1)(e) of the Company Act 1956 is annexed and forms part of the Directors report.

ACKNOWLEDGMENT

Your Directors place on record their gratitude to the Company's Bankers viz Dena Bank, GILC Ltd., and all other who have contributed for the successful operation and the Company's growth. Your Directors also wish to record their appreciation of the dedicated services of the employees of the Company.

For and on behalf of the Board

Place : Surat
Date : 22-07-99

MANAGING DIRECTOR