

*RISHIROOP*

*RISHIROOP RUBBER*

*(INTERNATIONAL) LIMITED.*



*9TH  
ANNUAL REPORT  
1998-1999*



**BOARD OF DIRECTORS**

<b>Shri M. K. Kapoor</b>	Chairman
<b>Shri Arvind M. Kapoor</b>	Managing Director
<b>Shri Ajay. K. Munsif</b>	Director
<b>Shri O.P. Gupta</b>	Director
<b>Shri Atul R. Shah</b>	Director
<b>Kum Sandhya S. Gadkari</b>	Nominee Director of ICICI

**FINANCIAL CONTROLLER  
& COMPANY SECRETARY**

Shri Ramesh M. Tavhare

**AUDITORS**

M/s. J. K. Khanna & Co.

Chartered Accountants

Arun Chambers, Tardeo, Mumbai - 400 034.

**BANKERS**

Bank of Baroda

**REGD. OFFICE & WORKS**

Plot No. 5807/5808, GIDC Industrial Area,  
Ankleshwar, Gujarat - 393 002.

**CORPORATE OFFICE**

65, Atlanta, Nariman Point, Mumbai - 400 021

**REGISTRAR & SHARE TRANSFER AGENT  
INTIME SPECTRUM REGISTRY PVT. LTD.**

260, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (West),  
Mumbai - 400 080.

## 9th ANNUAL REPORT 1998-99

---

### **NOTICE**

NOTICE is hereby given that the Ninth Annual General Meeting of the members of **RISHIROOP RUBBER (INTERNATIONAL) LTD.** will be held on Saturday, the 28th August, 1999 at 10.00 a.m. at Hotel Shalimar, Near GIDC Reservoir, Valia Road, Ankleshwar, Gujarat - 393 002 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1999 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ajay K. Munsif who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

#### **SPECIAL BUSINESS**

To Consider and, if thought fit to pass with or without modification the following resolutions :

4. As an Ordinary Resolution :

"RESOLVED THAT Shri Atul R. Shah who was appointed by the Board as an additional Director of the Company and in respect of whom the Company has received a notice from a member proposing his candidature for Directorship, be and is hereby appointed as a Director of the Company."

5. As a Special Resolution :

"RESOLVED THAT subject to the permission of Stock Exchanges, and subject to such other consent, permission and approval as may be required of any authorities and pursuant to norms for delisting of securities formulated by the Securities and Exchange Board of India, the consent of the Company be and is hereby granted to the Board of Directors of the Company to delist equity shares of the Company from Ahmedabad Stock Exchange.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to make necessary application to Stock Exchanges and other requisite authorities as may be required for getting the shares of the company delisted from Ahmedabad Stock Exchange and Further they be authorised to do all such acts, deeds, matters and things, including the appointment of various agencies, as may be required from time to time, on behalf of the company to give effect to the above resolution,"

By Order of the Board of Directors

Place : Mumbai

Date : 27th May, 1999

**RAMESH M TAVHARE**  
**FINANCIAL CONTROLLER**  
**& COMPANY SECRETARY**



## RISHIROOP RUBBER (INTERNATIONAL) LIMITED

### NOTES

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- B. The instrument appointing Proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.
- C. The Register of Members and the Transfer Books of the Company will remain closed from 17th August, 1999 to 28th August, 1999 (both days inclusive).
- D. Members desiring any information as regards to the accounts are requested to write to the Company at least seven days in advance of Annual General Meeting so as to enable the Management to keep the information ready.
- E. The members are requested to bring their copies of Annual Report to the Meeting.
- F. Members are requested to notify immediately any change in their address either to the Company or Registrar & Share Transfer Agent of the Company.
- G. Members are informed that the Company has appointed INTIME SPECTRUM REGISTRY PVT. LTD., 260-A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (west), Mumbai - 400 080" as Registrar and Share Transfer Agent.

All the shareholders and concerned are requested to communicate with the new Registrar, Intime Spectrum Registry Pvt. Ltd. or with the Company.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### **In respect of Item No. 4 of the Notice :**

Shri Atul R. Shah was appointed by the Board as an Additional Director of the Company and his appointment is valid upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from the member proposing candidature of Shri Atul R. Shah. Members' approval is required for the said appointment under Section 257 of the Companies Act, 1956.

Shri Atul R. Shah is a Chartered Accountant with 25 years experience in industry and profession. He has been advising company on issues relating to finances and general management. In view of his vast experience the Board is of the opinion that his appointment as a Director will be beneficial to the Company.

The Board recommends the resolution for your approval.

None of the Director shall be deemed to be interested in the proposed resolution.

#### **In respect of Item No. 5 of the Notice :**

The shares of the company are presently listed at Vadodara, Mumbai & Ahmedabad Stock Exchanges. The shares are not being actively traded at the exchanges other than Mumbai Stock Exchange. The Vadodara Stock Exchange is the regional stock exchange for the Company.

In view of the above and to reduce the administrative and financial burden on the company, the Board has considered it advisable to delist the shares of the company from Ahmedabad Stock Exchange subject to necessary permissions of the appropriate authorities. Further in the opinion of the Board of Directors the share holders, who are stationed in the regions of the Ahmedabad

## 9th ANNUAL REPORT 1998-99

---

Stock Exchange will not face any problem in dealing in the shares of the company as the Mumbai Stock Exchange, after introduction of on-line system of trading, has expanded its on-line trading in other parts of the country.

It may further be noted that since the company proposes to voluntarily delist its equity shares from the above mentioned stock exchange, the following basic norms formulated by the SEBI will be adhered to by the company :

1. Necessary special resolution is being moved in this Annual General Meeting seeking prior approval of the equity shareholders for voluntary delisting of equity shares from Ahmedabad Stock Exchange.
2. Special Notice in newspapers with detailed explanation and justification for the proposed delisting would be published.
3. To provide an exit opportunity for the equity shareholders in the region of Ahmedabad Stock Exchange, the promoters of the company who are in control of the management of the company have agreed to buy the equity shares of such holders at such price not less than the weighted average of the traded price of the equity shares in the preceeding six months at the Stock Exchange Mumbai where highest volume is recorded.
4. To provide an exit opportunity to the shareholders the Record date will be fixed at the appropriate time and for that necessary prior intimation will be given to the members and the stock exchanges.

The Board recommends the resolution for your approval.

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

By Order of the Board of Directors

Place : Mumbai  
Dated : 27th May, 1999

**RAMESH M TAVHARE**  
**FINANCIAL CONTROLLER**  
**& COMPANY SECRETARY**



## RISHIROOP RUBBER (INTERNATIONAL) LIMITED

### DIRECTORS' REPORT

To,  
The Members,

You Directors have pleasure in presenting their Ninth Annual Report, alongwith the Audited Accounts for the year ended 31st March, 1999.

#### FINANCIAL RESULTS.

The Financial Results for the year under review together with corresponding figures for the previous year are summarised below :

	1998-99	1997-98
	Rs. In Lacs	
Sales	876.36	1,074.07
Other Income	10.13	89.48
Profit /(Loss) before Interest & Depreciation	(4.59)	217.85
Interest	173.62	178.86
Profit / (Loss) before Depreciation	(178.21)	38.99
Depreciation	99.26	110.33
Net Loss for the year	(277.47)	(71.34)
Prior Period Adjustments	—	(26.48)
Balance B/f from previous year	361.21	459.04
Balance profit carried to Balance Sheet	83.74	361.21

#### DIVIDEND

In view of losses for the year the Directors do not recommend the payment of any dividend.

#### REVIEW OF PERFORMANCE

The Company produced 686 MT of Chlorinated Rubber and 20 MT of Chlorinated Polyethylene during the year under review as against 796 MT in the previous year showing the decline of 11.3%. The sales of manufactured items during the year under review in terms of value decreased by 16.25%. The decline in sales of the Company was mainly on account of slow down of economies of South East Asian Countries.

The Company Continues to face constraints in marketing its products to developed countries on account of presence of residual Carbon Tetra Chloride (CTC) in the product.

Under the Montreal Protocol Treaty developed countries have put restrictions on the manufacture or use of products having Ozone Depleting substance such as CTC. This has been affecting company's sales for last few years.

The Company has been making efforts to overcome this problem through in house R&D for quite sometime. The Directors have pleasure to inform the members that our extensive in house efforts have yielded positive results for reducing CTC content in the final product. For this purpose, your Company has undertaken a first phase of modernisation programme for modification of one line of production at the estimated cost of Rs. 231 Lacs. In this regard ICICI has actively supported the company by sanctioning a soft Rupee Term Loan of Rs. 185 Lacs.

The Directors are optimistic that on completion of this modernisation programme barring unforeseen circumstances the final product is expected to meet the highest international quality standards and a major marketing constraint will be removed. This would result in improved performance of the Company in the long run.

## **9th ANNUAL REPORT 1998-99**

---

The Company expects to complete the first phase of modernisation programme during the second half of the current year.

### **FINANCE**

The Company's request for reschedulement of earlier term loans and waiver of penal interest, compound interest and liquidated damages is pending with the financial institutions.

### **Y2K COMPLIANCE**

The Company has got its hardware and software appraised for Compliance. While most of the software and hardware systems are Y2K Compliant, it would be necessary to modify part of hardware system to make it Y2K compliant which would be completed by June, 1999. The Company does not envisage major expenditure for the same.

### **DEPOSITS**

The Company has not taken any fixed deposit from the public by invitation during the year under review.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and clause 49 of the Articles of Association of the Company Shri Ajay K. Munsif retires from office by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Pursuant to the Provision of clause 36(e) of the Articles of Association of the Company the Board has appointed Shri Atul R. Shah as an additional Director of the Company. The Company has received a Notice from a member proposing his candidature for the office of Director.

### **AUDITORS**

Members are requested to appoint Auditors for the current year and to fix their remuneration. M/s J.K. Khanna & Co., Chartered Accountants, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for reappointment.

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

Details of energy conservation and research and development activities undertaken by the Company alongwith the information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure 'A' to this Report.

### **PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 'B' to this Report.

### **ACKNOWLEDGMENTS**

Your Directors wish to place on record their appreciation and thankful acknowledgement for the continued assistane and co-operation received from various Government Authorities, Financial Institutions and Banks. The Board also wish to thank the employees for their contribution and the shareholders for their continued support.

**On Behalf of the Board of Directors**

Place : Mumbai  
Date : 27th May, 1999

**M K KAPOOR  
CHAIRMAN**