



RISHIROOP

**RISHIROOP RUBBER
(INTERNATIONAL) LIMITED**



10th
ANNUAL REPORT
1999-2000



BOARD OF DIRECTORS

Shri M. K. Kapoor	Chairman
Shri Arvind M. Kapoor	Managing Director
Shri O.P. Gupta	Director
Shri Atul R. Shah	Director
Smt. Sandhya S. Gadkari - Sharma	Nominee Director of IGICI

**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.

10th ANNUAL REPORT 1999-2000**NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the members of Rishiroop Rubber (International) Ltd. will be held on Saturday, the 16th September, 2000 at 10.00 a.m. at Hotel Shalimar, Near GIDC Reservoir, Vatia 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, 2000 and the Reports of Directors' and Auditor's thereon.
2. To appoint a Director in place of Shri M. K. Kapoor who retires by rotation and being eligible offers himself for re-appointment.
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 a special resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended and altered in the manner and to the extent as set out herein below :-

(A) Insert the following Article as Article 16(f) after Article 16(e)

16(f) Dematerialisation of Securities :-

(i) Definitions :

For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a Depository;

'Depositories Act 1996' includes any Statutory modification or re-enactment thereof for the time being in force.

'SEBI' means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

'Depository' means a Company formed and registered under The Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under the Securities and Exchange Board of India Act, 1992.

'Security' means and includes Shares, Debentures and such other Security as may be specified by the SEBI Board from time to time.

'Member' would also mean a Beneficial Owner in the records of the Depository.

(ii) Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and/or rematerialise its Securities held in the Depositories and to offer its securities in a dematerialised form pursuant to the Depositories Act, 1996.

(iii) Options for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository, the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the names of the allottees as the beneficial owners of the security.



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(iv) Securities in Depositories to be in fungible form :

All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(v) Rights of Depositories and Beneficial Owners :

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save and otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

(vi) Service of Documents :

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppy, 5 or discs or any such other means.

(vii) Transfer of Securities :

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. The Company shall not be required to maintain the Register of Transfers for entering particulars of transfer of securities in dematerialised form.

(viii) Allotment of Securities dealt with in a Depository :

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(ix) Distinctive numbers of Securities held in a Depository :

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to Securities held with a depository. No Certificate shall be issued for the Securities held by a Depository.

(x) Register and Index of Beneficial Owners :

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of members and Security holders for the purpose of the Act and these Articles.

(xi) Investment of the Company :

Notwithstanding anything in the Act or these Articles, the Company can hold its investments in the name of a Depository when such investments are in the form of Securities held by the Company as a Beneficial Owner.

(B) Insert the following Article as Article 78(i) after Article 78(h)

78(i) : Mode of payment of Dividend, interest etc.

The Company may pay dividend, interest or other moneys payable to the members/investors by a Cheque or Warrant sent to the Registered address or by electronic transfer of funds to the Bank Account of the members/investors entitled to the dividend, interest or other moneys or according to the order of such member / investor.

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.

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- B.** The instrument appointing Proxy should however 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 5th September, 2000 to 16th September, 2000 (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.** The Equity Shares of the Company are listed on the following stock exchanges :
1. The Stock Exchange, Mumbai,
Piroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
 2. The Stock Exchange, Ahmedabad,
Kamdhenu Complex, Opp. Sahajanand College,
Panjara Pole, Ahmedabad - 380 015.
 3. Vadodara Stock Exchange Ltd.
Fortune Towers, Sayajigunj, Vadodara - 390 005.

The Listing Fees are paid up to date.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**In respect of Item No. 4 of the Notice :**

- A.** With the enactment of the Depositories Act, 1996, and introduction of the Depository System, some of the provisions of the Companies Act, 1956 relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate implementation of the new system. The Depository System of holding Shares and Securities in an electronic form is a faster, safer and more convenient method for holding and trading in the shares and securities of a Company. It is, therefore, proposed that the Company's Articles of Association be suitably altered as set out in Resolution at Item No. 4(A) to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners of the Securities in such a system.
- B.** Article 78(c) of Articles of Association provides that any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directly to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holder who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. It is proposed to inset a new Article set out in the Resolution No. 4(B) to include payment of dividend, interest or other moneys payable in cash, by way of electronic transfer of funds to the Bank Account of the members entitled thereto in view of such facility being provided by banks at certain locations and the safety and convenience offered by such arrangement.

Board recommends the special resolution for your approval.

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

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11 a.m. to 5 p.m. on any working day of the Company.

For and on behalf of the Board of Directors

Place : Mumbai
Date : 27/05/2000

RAMESH M. TAVHARE
Financial Controller
& Company Secretary



RISHIROOP RUBBER (INTERNATIONAL) LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the Tenth Annual Report, alongwith the Audited Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

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

	1999-2000	1998-1999
	Rs. In Lacs	Rs. In Lacs
Sales	700.50	876.36
Other Income	12.02	10.13
Profit/(Loss) before Interest & Depreciation	(67.61)	(4.59)
Interest	155.86	173.62
Profit/(Loss) before Depreciation	(223.47)	(178.21)
Depreciation	99.66	99.26
Net Profit/(Loss) for the year	(323.13)	(277.47)
Prior Period Adjustments	(4.44)	—
Balance B/f from previous year	83.74	361.21
Balance Profit/(Loss) carried to Balance Sheet	(243.83)	83.74

DIVIDEND

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

REVIEW OF OPERATIONS

The Company produced 496 MT of Chlorinated Rubber during the year under review as against 686 MT in the previous year showing a decline of 27.7%. The sales of manufactured items in terms of value has decreased by 25.9% during the year under review.

The decline in production and sales was mainly due to constraints being faced by the Company in marketing its product to developed countries on account of presence of residual Carbon Tetra Chloride (CTC) in the product.

Your Director are pleased to inform that the first phase of modernisation programme for production of CTC free Chlorinated Rubber by converting part of the existing facility has been completed and trial runs have commenced. The commercial production of CTC free product is expected to commence from the second quarter of the current year. Consequently a major marketing constraint for the Company's product is expected to be eliminated.

Barring unforeseen circumstances, your Directors are hopeful that the Company would start showing improved results once the commercial production under the modernisation programme is stabilised.

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FINANCE

The Company's request for rescheduling of earlier term loans and waiver of penal interest, compound interest and liquidated damages is pending with the Financial Institutions.

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 M. K. Kapoor retires from office by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri Ajay K. Munsif has resigned as Director during the year. The Board wishes to record it's appreciation of the services rendered by Shri Ajay K. Munsif during his tenure.

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 271(i) (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 assistance 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

M K KAPOOR
Chairman

Corporate Office :
65, Aijanta, Nariman Point,
Mumbai - 400 021
Dated : 27th May, 2000



RISHIROOP RUBBER (INTERNATIONAL) LIMITED

ANNEXURE 'A' TO THE DIRECTORS' REPORT

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

In accordance with the Companies Disclosure of (Particulars in the Report of the Board of Directors) Rules 198, the details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given below :

A. CONSERVATION OF ENERGY

Optimisation of use of energy is being achieved through improved operational methods.

B. TECHNOLOGY ABSORPTION

a) Research and Development

1. Specific areas in which R & D carried out by the Company:

R & D efforts are concentrated on reduction / elimination of CTC used in production of Chlorinated Rubber Process.

2. Benefits derived as a result of above R & D :

New Products / technology has been developed, on a pilot scale.

3. Future plans of action :

The thrust in future will be developing new products.

4. Expenditure on R & D :

The expenditure on R&D has been showed under separate head in the accounts.

b) Technology absorption, adaptation and innovation

1. The efforts in brief towards technology absorption, adaptation and innovation.

The Company has fully absorbed the technologies for the manufacture of Chlorinated Rubber.

2. Benefits derived as a result of above efforts e.g. output improvement, cost reduction, product development.

There is a steady improvement in quality.

3. Details of imported technology.

Not applicable as the technology has been developed indigenously.

DETAILS OF POWER AND FUEL CONSUMPTION :

	<u>1999-2000</u>	<u>1998-1999</u>
1. Electricity		
a) Purchased		
Unit (KWH)	1,621,150	2,240,948
Total amount (Rs.)	7,970,040	8,770,721
Rate/unit (Rs.)	4.92	3.91
b) Own generation		
Through diesel generator		
Unit (KWH)	23,081	40,903
Unit per-ltr. of diesel oil (KWH)	1.48	1.01
Cost/unit (Rs.)	12.75	11.02