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# **RAMA PETROCHEMICALS LIMITED**

**Seventeenth Annual Report  
2002 - 2003**

## **BOARD OF DIRECTORS**

### **CHAIRMAN**

**R.L. RAMSINGHANI**

### **REGISTERED OFFICE**

**812, RAHEJA CHAMBERS,  
NARIMAN POINT,  
MUMBAI 400 021**

### **TECHNICAL DIRECTOR**

**D.N. SINGH**

### **METHANOL PLANT**

**VILLAGE VASHIVALLI  
SAVROLI KHARPADA ROAD  
PATALGANGA,  
DIST. RAIGAD,  
MAHARASHTRA**

### **DIRECTORS**

**M.P. TEJWANI,  
MAHENDRA LODHA**

### **FERTILISER PLANT**

**NEAR PADARIA FATAK,  
BILKHA ROAD,  
DUNGARPUR,  
JUNAGADH 362 001**

### **AUDITORS**

**HARIBHAKTI & CO.  
MUMBAI**

### **SOLICITORS**

**CRAWFORD BAYLEY & CO.  
MUMBAI**

### **BANKERS**

**BANK OF INDIA  
BANK OF BARODA  
DENA BANK**

### **REGISTRARS AND TRANSFER AGENTS**

**INTIME SPECTRUM REGISTRY LTD  
C-13, PANNALAL SILK MILLS COMPOUND  
L B S MARG,  
BHANDUP (WEST),  
MUMBAI 400 078  
TEL : 25923837. FAX : 25672693  
EMAIL : [isrl@intimespectrum.com](mailto:isrl@intimespectrum.com)**

**NOTICE**

NOTICE is hereby given that the Seventeenth Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Friday the 26<sup>th</sup> day of September 2003 at 10.00 a.m at Ashoka Hall, Arcadia, Nariman Point, Mumbai 400021 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account for the year ended March 31, 2003 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M P Tejwani who retires by rotation and is eligible for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification, as a Special Resolution the following :  

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any of the Companies Act, 1956, the Guidelines issued by the Securities and Exchange Board of India (SEBI) under the Securities and Exchange Board of India (Delisting of Securities) Guidelines – 2003 and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Members be and it is hereby accorded for voluntary delisting of the Equity Shares of the Company from The Stock Exchange, Ahmedabad and the Delhi Stock Exchange Association Ltd."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts as may be necessary to give effect to the above Resolution."

**NOTES**

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Information of Director proposed to be reappointed at the forthcoming Annual General Meeting is as follows :

Mr. M P Tejwani retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. Tejwani has been Director of the Company since June 1993 .

Mr. Tejwani is M.A, B.Sc and a Certified Associate of Indian Institute of Bankers and has over 50 years experience in the field of Banking and Finance. He has held senior positions in several companies/institutions out of which for eleven years he was with EXIM Bank from where he retired as the Executive Director.

He is a Director of the following companies :

Goodearth Credit and Investment Ltd.

Rama Capital and Fiscal Services Pvt. Ltd.

Premium Financial Services Ltd.

Rainbow Agri Inds Ltd.

Jyoti Structures Ltd.

Rainbow Denim Ltd.



4. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 19<sup>th</sup> day of September, 2003 to Friday the 26<sup>th</sup> day of September, 2003 (both days inclusive).
5. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1995 has been transferred to the credit of the General Revenue Account of the Central Government. The Members who have not received the Dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, Mumbai.
6. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries, in writing, to the Company at least seven days before the date of the Meeting so that the requested information can be made available at the time of the meeting.
7. Members/Proxies should bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.

Regd. Office  
812, Raheja Chambers,  
Nariman Point,  
Mumbai - 400 021.  
Date : August 11, 2003.

By Order of the Board  
for RAMA PETROCHEMICALS LTD

**D. N SINGH**  
Technical Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE COMPANY**

**ITEM NO. 4**

The Equity Shares of the Company are at present listed on the Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited.

There has been negligible trading in the Equity Shares of the Company on The Stock Exchange, Ahmedabad and The Delhi Stock Exchange Association Limited. It is therefore proposed to voluntarily delist the Equity shares of the Company from these Stock Exchanges pursuant to the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 ('the Guidelines') so as to save the Listing fees and other administrative costs.

The Equity Shares shall continue to be listed on the The Stock Exchange, Mumbai which has nation wide trading terminals.

The approval of the Members is therefore being sought pursuant to provisions of the said Guidelines. In terms of Clause 5.2 of the said Guidelines, the Company is not required to offer exit opportunity to the Shareholders situated in the region of the Stock Exchanges from where the Equity Shares of the Company are proposed to be delisted.

None of the Directors of the Company are in any way concerned or interested in the Resolution.

Regd. Office  
812, Raheja Chambers,  
Nariman Point,  
Mumbai - 400 021.  
Date : August 11, 2003.

By Order of the Board  
for RAMA PETROCHEMICALS LTD

**D. N SINGH**  
Technical Director

## 17th ANNUAL REPORT 2002-2003

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the Seventeenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2003.

(Rs. in lacs)

<b>FINANCIAL RESULTS</b>	<b>YEAR ENDED 31.03.2003 12 MONTHS</b>	<b>PERIOD ENDED 31.03.2002 14 MONTHS</b>
Profit/(Loss) before Depreciation	(143.93)	(474.52)
Less: Depreciation	199.69	242.80
Profit/(Loss) before tax	(343.62)	(717.32)
(Add)/Less: Provision for Depreciation for earlier year	—	69.03
(Add)/Less : Prior years adjustment	—	18.61
(Provision)/Release of Deferred Tax Liability	174.48	(447.10)
Profit/(Loss) after tax	(169.14)	(1076.78)

**DIVIDEND**

In view of loss for the year under review, your Directors regret their inability to recommend any dividend.

**REVIEW OF OPERATIONS**

There was no Sales Turnover of the Methanol Division during the year under review as also in the previous period. The Methanol Plant of the Company continued to be closed during the entire year under review since the operation of the Plant by using Naphtha as a feed stock continues to be economically not viable.

**FUTURE PROSPECTS**

As already informed the operation of the Methanol Plant by using Naphtha as feedstock is economically not viable. However, the Methanol Plant is so designed that it can use Naphtha as well as Natural Gas as feedstock. The Company is therefore making efforts to obtain allotment of gas from the Government / Private Suppliers and if the gas is allotted, the operations of the Company will become viable as the price of gas is less than the price of Naphtha. As a result of recent discoveries of Natural Gas by Government Agencies and private players, the Company is hopeful of obtaining Gas supply in the near future and has already begun the process of negotiating long term supply arrangements for Gas from the various suppliers.

**CORPORATE GOVERNANCE**

A Report on Corporate Governance along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance as also a Management Discussion and Analysis Report pursuant to clause 49 of the Listing Agreement are annexed hereto.

**DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate policies have been selected and applied consistently and have 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 as at March 31, 2003 and the loss of the Company for the year ended March 31, 2003;
3. 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;
4. The annual accounts have been prepared on a going concern basis.



### AUDIT COMMITTEE

In accordance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee comprising of the following Directors viz. Mr. Mahendra Lodha (Chairman), Mr. R L Ramsinghani and Mr. M P Tejwani. The Audit Committee acts in accordance with the terms of reference specified in writing from time to time by the Board.

### SUBSIDIARY COMPANY

The Statement required under Section 212 of the Companies Act, 1956 in respect of the Subsidiary Company viz. Rama Capital and Fiscal Services Pvt. Ltd. is annexed hereto and forms a part of the Report.

### SAFETY, ENVIRONMENTAL CONTROL & PROTECTION

The Company has taken all the necessary steps for safety and environmental control and protection.

### DISCLOSURE OF PARTICULARS

Information as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 relating to the conservation of energy, technology absorption, foreign exchange earning and outgo to the extent applicable, is annexed hereto and forms a part of this Report.

### PERSONNEL

There were no employees drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year under review.

### DIRECTORS

Mr. M P Tejwani retires from the Board of Directors by rotation and is eligible for reappointment.

### AUDITORS REPORT

Your Directors refer to the observations made by the Auditors in their Report and wish to state as under :

1. Write back of statutory liabilities is in the previous year.
2. As the Company's plant is closed, the stock of inventory has not moved. In the opinion of the Directors there is no deterioration in the value of such inventory.
3. As per the practice followed by the Company all the transactions of the Construction Division are recorded on the technical estimates of the Company.
4. The Methanol Division of the Company is viable irrespective of complete erosion of net worth and therefore the Company has prepared accounts under the 'Going Concern Concept'.
5. As regards erosion in the net worth of the Company's subsidiary, the Auditor's observations are self explanatory.

### AUDITORS

M/s. Haribhakti & Company, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for reappointment. The Company has received a certificate from them certifying that their appointment, if made, would be within the limits specified under Section 224(1-B) of the Companies Act, 1956.

### INDUSTRIAL RELATIONS

The Industrial Relations remained cordial at all the units of the company during the year under review.

### ACKNOWLEDGEMENT

Your Directors sincerely record their appreciation with gratitude for the continued support and assistance extended to the Company by the Banks and various government Departments and Agencies.

For and on behalf of the Board

Place : Mumbai  
Date : August 11, 2003

**R.L. RAMSINGHANI**  
Chairman

**ANNEXURE TO DIRECTORS' REPORT****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY**

Name of the Subsidiary Company	:	Rama Capital & Fiscal Services Pvt. Ltd.
Holding Company's Interest	:	5,00,300 Equity Shares of Rs. 10/- each fully paid and 25,00,000, 9% Cumulative Convertible Preference Shares of Rs.10/- each fully paid.
Extent of Holding	:	100%
Twelve months period of the Subsidiary company ended on	:	31 <sup>st</sup> March, 2003
Net aggregate amount of the Subsidiary Company's profits/ (losses) dealt with in the holding company's accounts For the subsidiary's aforesaid period	:	NIL
For the previous financial years since it became a subsidiary	:	NIL
Net aggregate amount of the subsidiary Company's profits/ (losses) not dealt with in the holding company's accounts For the subsidiary's aforesaid year	:	( Rs. 95,34,651.00 )
For the previous financial years since it became a subsidiary	:	( Rs. 15,05,53,097.00 )

For and on behalf of the Board

**R.L. RAMSINGHANI**  
ChairmanPlace : Mumbai  
Date : August 11, 2003



## ANNEXURE TO DIRECTORS' REPORT

**PARTICULARS PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING A PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2003.**

### I. CONSERVATION OF ENERGY :

- A. Energy conservation measures taken :
- B. Additional investment proposals, if any, being implemented for reduction of consumption of energy :
- C. Impact of measures at (A) and (B) above for reduction of Energy Consumption and consequent impact on the cost of production of goods :

Not Applicable as the Plant was closed during the year under review.

- D. Particulars with respect to energy consumption per unit of production:

a) POWER AND FUEL CONSUMPTION	2002 - 2003 (12 months)	2001 - 2002 (14 months)
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#### 1) ELECTRICITY :

##### A) Purchased (MSEB)

Units (in Thousand)	87.027	100.680
Total cost (Rs. in lacs)	3.32	5.36
Rate per Unit (Rs.)	3.81	5.32

##### B) Own Generation :

##### Through Diesel Generation

Units (in Thousand)	NIL	NIL
Units/KL of Diesel	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL

##### Through Steam Turbine/Generator

Units (in thousand)	NIL	NIL
Units/Lt Of Fuel Oil, Gas	NIL	NIL
Cost/Unit	NIL	NIL

2) Coal	NIL	NIL
3) Furnace Oil	NIL	NIL



**b) CONSUMPTION PER UNIT OF PRODUCTION**

Consumption/ton of Methanol

Electricity (KWH)	N.A	N.A
Furnace Oil	N.A	N.A
Coal	N.A	N.A
Other – Diesel Oil (KL)	N.A	N.A

**II. TECHNOLOGY ABSORPTION :****A. RESEARCH AND DEVELOPMENT (R & D)**

- a) Specific areas in which R & D is carried out by the Company :
- b) Benefits derived as a result of R & D :
- c) Future-Plan of Action :
- Not Applicable as the Plant was closed during the year under review.

d) Expenditure on R & D	(Rs. in lacs)
i) Capital	NIL
ii) Recurring	NIL
iii) Total	NIL
iv) Total R & D expenditure as a percentage of total turnover	N.A.

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- a) Efforts in brief made towards technology absorption and innovation :
- b) Benefits derived as a result of above efforts :
- Not Applicable as the Plant was closed during the year under review.
- c) Information of Imported Technology :
- Technology Imported : Low pressure technology for manufacture of Methanol from M/s. Lurgi GmbH, Germany.
- Year of Import : 1987 – 88
- Whether the technology has been fully absorbed.
- In terms of the scope of agreement with the technical collaborator, the technology has been fully absorbed.

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	(Rs. in lacs)
Foreign Exchange used	NIL
Foreign Exchange earned	NIL



## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

As required by the Listing Agreement with various Stock Exchanges, the Company has fully implemented the Code of Corporate Governance and it is committed to the philosophy of good Corporate Governance in letter and in spirit.

### 2. Board of Directors

- As on the date of this Report, the Board consisted of four Directors (one Executive and three Non Executive Directors of which Three Directors are independent.)
- The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year was as under :

Name of Director	Category Executive Non-Executive/ Independent	Attendance at Board meetings	Last Annual General Meeting	Membership of other Board (including alternate Directorship and Private Companies)	Membership/ Chairmanship of other Board Committees.	
					Chairman	Member
Mr. R.L. Ramsinghani Chairman	Non-Executive	Two	Yes	Five	Nil	Two
Mr. M.P. Tejwani Director	Non Executive Independent	Four	Yes	Six	Three	One
Mr. Deonath Singh Technical Director	Executive Independent	Four	Yes	Three	One	Two
Mr. Mahendra Lodha Director	Non Executive Independent	Three	Yes	Thirteen	Two	Five

- During the year Four Board Meetings were held on the following dates :  
June 11, 2002, August 17, 2002, October 31, 2002 and January 28, 2003.

### 3. Audit Committee

Role of the Audit Committee and its terms of reference include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with internal and external auditors.

The Committee presently comprises of Mr. Mahendra Lodha – Chairman, Mr. R. L. Ramsinghani and Mr. M. P. Tejwani.

### 4. Share Transfer Committee

The Board has delegated the power of share transfers to a Committee of Directors comprising of Mr. D.N. Singh (Chairman) and Mr. R.L. Ramsinghani as also to the Registrars and Transfer Agents of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates and issue of certificates on split/ consolidation/renewal etc. at least once in a fortnight. The transfers etc. approved by the Registrars and Transfer Agents and the Share Transfer Committee are also noted at every meeting of the Board of Directors.