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RAMA PETROCHEMICALS LIMITED,
19th Annual Report
2004-2005



BOARD OF DIRECTORS

CHAIRMAN
H.D. 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
S S ARORA
MAHENDRA LODHA

FERTILISER PLANT
NEAR PADARIA FATAK,
BILKHA ROAD,
DUNGARPUR,
JUNAGADH 362 001

AUDITORS
HARIBHAKTI & 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 : 55555454. FAX : 5555 5353
EMAIL : isrl@intimespectrum.com

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Friday the 23rd day of September 2005 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, 2005 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 D N Singh 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 an Ordinary Resolution the following :

“RESOLVED THAT Mr H D Ramsinghani be and he is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT Mr S S Arora be and he is hereby appointed as a Director of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges, the consent of the member be and it is hereby accorded for payment of Rs. 2000/- (Rupees Two Thousand Only) or such other amount as may be approved by the Board of Directors subject to the ceiling prescribed under the Companies Act, 1956 or Rules framed thereunder, as amended from time to time, as sitting fees for each meeting of the Board of Directors or Committee(s) thereof attended by the non-executive Directors of the Company.”

7. 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 163 and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Resolution passed at the Thirteenth Annual General Meeting held on the 31st day of July 1998, the Company hereby accords its consent to the keeping of the Register and Index of Members and Debentureholders and copies of all Annual Returns prepared under Section 159 and 160 together with the copies of certificates and documents required to be annexed thereto under Section 160 and 161 of the Companies Act, 1956 at Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, expedient and desirable 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 ON A POLL 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. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 16th day of September, 2005 to Friday the 23rd day of September, 2005 (both days inclusive).
4. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, Unclaimed Dividend upto the year ended January 31, 1997 has been transferred to the Credit of the Investor Education and Protection Fund ("the Fund"). The Unclaimed Dividend for the year ended January 31, 1998 will be transferred to the said Fund after a period of seven years from the date of transfer of such dividend to the respective unclaimed/unpaid Dividend Accounts. No claim shall lie against the Fund or the Company in respect of the unclaimed Dividend after the same is transferred to the Fund.
5. Members desirous of seeking any information concerning the Accounts 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.
6. 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 : July 25, 2005

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 NINETEENTH ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO. 4

Mr H D Ramsinghani was appointed as an Additional Director by the Board of Directors at their Meeting held on March 29, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr. H D Ramsinghani will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr. H D Ramsinghani as a Director of the Company. Mr. H D Ramsinghani has filed with the Company his consent to act as a Director.

Except Mr. H D Ramsinghani none of the Directors are in any way concerned or interested in the Resolution.

ITEM NO. 5

Mr S S Arora was appointed as an Additional Director by the Board of Directors at their Meeting held on March 29, 2005 pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr. S S Arora will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr. S S Arora as a Director of the Company. Mr. S S Arora has filed with the Company his consent to act as a Director.

Except Mr. S S Arora none of the Directors are in any way concerned or interested in the Resolution.

19th ANNUAL REPORT 2004-2005**ITEM NO 6**

The Securities & Exchange Board of India has amended Clause 49 of the Listing Agreement relating to the Corporate Governance requirements which are effective from December 31, 2005. One of the requirements stipulated under the revised Clause 49 is that all the fees / compensation payable to Non Executive Directors including the Independent Directors shall be fixed by the Board of Directors and shall require previous approval of the members.

Accordingly the approval of the members is being sought pursuant to the revised Clause 49 of the Listing Agreement for payment of sitting fees to non executive Directors of the Company.

Except for Mr. D N Singh- Technical Director all the other Directors may be deemed to be concerned or interested in the resolution.

ITEM NO 7

In compliance with the Circular issued by Securities and Exchange Board of India (SEBI) for appointment of common agency for share registry work, the Company has appointed Intime Spectrum Registry Limited as the Registrar and Transfer Agent for the shares held in Electronic Mode as well as Physical Mode.

It is therefore proposed to keep the Register and Index of Members and Debentureholders, Copies of Annual Returns under Section 159 of the Companies Act, 1956 together with all Certificates and Documents required to be annexed thereto at Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078.

The approval of the Members is required to be obtained, pursuant to the provisions of Section 163 of the Companies Act, 1956, for the aforesaid arrangement of keeping the Books and Documents at a place other than the Registered Office of the Company and hence the Resolution as set out at Item No. 7 of the Notice is placed before the members for their approval.

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 : July 25, 2005

By Order of the Board
for **RAMA PETROCHEMICALS LTD,**
D. N SINGH
TECHNICAL DIRECTOR

INFORMATION PURSUANT TO CLAUSE 49 (VI) OF THE LISTING AGREEMENT

As required under the Listing Agreement the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows ;

(A) Appointment

1. Mr. H D Ramsinghani is proposed to be appointed as a Director of the Company.

Mr. H D Ramsinghani has done his Post Graduation in Management from U S A and has over 20 years of rich and varied experience in the fields of Textiles, Petrochemicals and Fertilizer..

Mr H. D. Ramsinghani was a Director of the Company from incorporation till 16/08/1993 and was the Managing Director from 11/03/96 to 19/06/2002.

He is the Chairman and Managing Director of Rainbow Denim Limited and also Chairman & Director of Rainbow Agri Industries Limited. He is a Committee Member / Chairman in the following Companies:

Rainbow Denim Limited
Shareholders Committee – Member
Share Transfer Committee - Chairman

Rama Petrochemicals Limited
Share Transfer Committee - Member



2. Mr. S S Arora is proposed to be appointed as a Director of the Company.

Mr S S Arora is a commerce graduate with over 20 years of rich and varied experience in the fields of textiles, fertilizers and petrochemicals.

He is the Whole Time Director of Rainbow Denim Limited and also a Director of Rainbow Agri Inds. Ltd. and Rama Capital & Fiscal Services Private Limited. He is a Committee Member / Chairman in the following Companies:

Rainbow Denim Limited

Shareholders Committee - Member

Share Transfer Committee – Member

Rama Petrochemicals Limited

Remuneration Committee - Member

Audit Committee – Member

(B) Reappointment

Mr D N Singh has been a Director of the Company since 1997.

Mr D N Singh is a Chemical Engineer from Banaras Hindu University and has over 40 years experience in the field of Chemicals and Petrochemicals. He has held senior positions in several companies viz. Synthetics and Chemicals Ltd., Cyanides and Chemicals Co., Alkyl Amines Chemicals Ltd. etc.

He is a Director of the following companies :

(1) Rainbow Denim Limited

(2) Rama Phosphates Limited

(3) Rama Industries Limited

(4) Rama Capital and Fiscal Services Pvt. Ltd.

He is a Committee Member / Chairman in the following companies :

Rainbow Denim limited

Remuneration Committee - Member

Shareholders Committee – Chairman

Share Transfer Committee – Member

Rama Industries Limited

Share Transfer Committee – Member

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2005.

(Rs. in lacs)

FINANCIAL RESULTS	YEAR ENDED 31.03.2005	YEAR ENDED 31.03.2004
Profit/(Loss) before Depreciation	(189.98)	(125.94)
Less: Depreciation	192.84	198.50
Profit/(Loss) before tax	(382.82)	(324.44)
(Add)/Less : Prior years Income / (Expenditure)	4.38	(1.69)
(Provision) / Release of Deferred Tax Liability	88.09	71.18
Profit/(Loss) after tax	(290.35)	(254.95)

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 year. The Methanol Plant of the Company continued to be closed during the entire year under review since the operations of the Plant by using Naphtha as a feed stock continue to be economically not viable .

FUTURE PROSPECTS

As already informed the operation of the Methanol Plant is not becoming economically viable as the price of the feed stock Naphtha has been remaining high. Since the Methanol Plant is designed for Naphtha or Natural Gas, all out efforts are being made by the Company to get gas supply from the Govt. Agencies and/or the Private Players and is hopeful to get gas supplies in the near future. Operation of the Methanol Plant using gas, as feed stock would be economically viable as it is so for other methanol manufacturing companies.

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 31,2005 and the loss of the Company for the year ended March 31,2005;
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 D N Singh and Mr S S Arora. The Audit Committee acts in accordance with the terms of reference specified 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

During the year under review, Mr R L Ramsinghani and Mr Rohit R Ramsinghani ceased to be Directors of the Company. The Board places on record its appreciation of the valuable contribution made by Mr. R L Ramsinghani and Mr Rohit R Ramsinghani during their long association with the Company.

Mr. H D Ramsinghani and Mr S S Arora were appointed as Additional Directors by the Board of Directors of the Company at their meeting held on March 29, 2005 and hold office upto the date of the forthcoming Annual General Meeting. The Company has received Notices pursuant to the provisions of Section 257 of the Companies Act, 1956 from members of the Company signifying the intention to propose the names of Mr. H D Ramsinghani and Mr S S Arora as Directors of the Company.

Mr. D N Singh 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 that the Auditors observations read with Notes forming part of the Accounts are self explanatory and need no further comments.

AUDITORS

M/s. Harjibhakti & 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.

Place : Mumbai
Date : July 25, 2005

For and on behalf of the Board
H D 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 st March, 2005
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 period	:	(Rs. 1,94,58,172/-)
For the previous financial years since it became a subsidiary	:	(Rs. 17,46,90,219/-)

Place: Mumbai
Date : July 25, 2005

For and on behalf of the Board
H D RAMSINGHANI
CHAIRMAN

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 31ST MARCH, 2005****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 entire year under review.



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

a) POWER AND FUEL CONSUMPTION	2004-2005 (12 months)	2003 - 2004 (12 months)
1) ELECTRICITY :		
A) Purchased (MSEB)		
Units (in Thousand)	77.644	85.378
Total cost (Rs. in lacs)	3.45	3.73
Rate per Unit (Rs.)	4.44	4.37
B) Own Generation :		
Through Diesel Generation	NIL	NIL
Units (in Thousand)	NIL	NIL
Units/KL of Diesel	NIL	NIL
Cost/Unit (Rs.)	NIL	NIL
Through Steam Turbine/Generator	NIL	NIL
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	N.A	N.A
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 entire year under review.
- d) Expenditure on R & D (Rs. in lacs)
- Capital NIL
 - Recurring NIL
 - Total NIL
 - 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 entire 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 :

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