



**RAMA PETROCHEMICALS LIMITED**

**Twenty-Seventh Annual Report**

**2012 - 2013**

## **BOARD OF DIRECTORS**

### **CHAIRMAN**

H.D. RAMSINGHANI

### **REGISTERED OFFICE**

812, RAHEJA CHAMBERS,  
NARIMAN POINT,  
MUMBAI 400 021

Website : [www.ramapetrochemicals.com](http://www.ramapetrochemicals.com)

### **TECHNICAL DIRECTOR**

D.N. SINGH

### **CORPORATE OFFICE**

51/52, FREE PRESS HOUSE,  
FREE PRESS JOURNAL MARG,  
NARIMAN POINT,  
MUMBAI 400021.

### **DIRECTORS**

MAHENDRA LODHA

C.R. MALAVIYA (upto 28/02/2013)

R.G. KULKARNI (w.e.f. 30/05/2013)

### **PLANT**

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

### **BANKERS**

BANK OF INDIA

ICICI BANK LIMITED

STATE BANK OF INDIA

### **REGISTRARS AND TRANSFER AGENT**

LINK INTIME INDIA PVT LTD

C-13, PANNALAL SILK MILLS COMPOUND,

L. B. S. MARG,

BHANDUP (WEST),

MUMBAI 400 078

TEL: 25963838

FAX : 25946969

EMAIL : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website : [www.linkintime.co.in](http://www.linkintime.co.in)

### **AUDITORS**

DAYAL & LOHIA

CHARTERED ACCOUNTANTS

MUMBAI

## **NOTICE**

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Friday, the 20th day of September, 2013 at 10.00 a.m at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400001 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 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. H D Ramsinghani who retires by rotation and is eligible for reappointment.
3. To consider, and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution :

“RESOLVED THAT the retiring Statutory Auditors M/s Dayal and Lohia (Registration No 102200W) be and they are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass, with or without modification, as an Ordinary Resolution the following :  
“RESOLVED THAT Mr. R G Kulkarni be and he is hereby appointed as a Director of the Company whose office shall be liable to determination by retirement of Directors by rotation.”

5. To consider and if thought fit, to pass, with or without modification, as a Special Resolution the following:  
“RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for the reappointment of Mr. D. N. Singh as Whole Time Director designated as ‘Technical Director’ for a further period of three years from May 01, 2013 on the terms and conditions as set out in the draft agreement between the Company and Mr. D N Singh placed before the meeting and for the purpose of identification initialed by the Chairman hereof.”

“FURTHER RESOLVED THAT the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations as may be agreed between the Directors and Mr. D. N. Singh.”

“FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take such steps as may be necessary to give effect to the above Resolutions.”

### **NOTES**

1. 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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 13 th day of September, 2013 to Friday the 20th day of September, 2013 (both days inclusive).
3. Members desirous of seeking any information concerning the Accounts are requested to address their queries, in writing, to the Company at its Corporate Office 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.
4. 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.

5. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime India Private Limited.

By Order of the Board  
for **RAMA PETROCHEMICALS LTD**  
**H.D. RAMSINGHANI**  
**CHAIRMAN**

Place : Mumbai

Date : August 13, 2013

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

**ITEM NO 4**

Mr. R G Kulkarni was appointed as an Additional Director by the Board of Directors at their Meeting held on May 30, 2013 pursuant to the provisions of Section 260 of the Companies Act, 1956. Mr. R G Kulkarni 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. R G Kulkarni as a Director of the Company. Mr. R G Kulkarni has filed with the Company his consent to act as a Director.

Except Mr. R G Kulkarni none of the Directors are in any way concerned or interested in the Resolution.

**ITEM NO 5**

The Board of Directors of the Company at their meeting held on February 13, 2013, have reappointed Mr. D N Singh as the Whole Time Director designated as 'Technical Director' for a further period of Three Years from May 01, 2013. The material terms and conditions of his reappointment, as set out in the draft Agreement between the Company and Mr. D N Singh, are as follows :

Designation	:	Whole Time Director designated as 'Technical Director'.
Effective Date of Appointment	:	May 01, 2013.
Period	:	Three years

**REMUNERATION:**

- (a) Mr. D N Singh shall not be entitled to any remuneration as the Technical Director of the Company. He shall, however, be entitled to reimbursement of all expenses incurred for the business of the Company.
- (b) He shall not be entitled to sitting fees for attending meetings of the Board of Directors or any committee thereof.

The Draft Agreement between the Company and Mr. D N Singh is open for inspection of the Members on all days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m.

Mr. D N Singh may be deemed to be concerned or interested in this Resolution as it relates to his own reappointment. None of the other Directors of the Company are in any way concerned or interested in the Resolution.

This Explanatory Statement along with the accompanying notice is and shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

By Order of the Board  
for **RAMA PETROCHEMICALS LTD**  
**H.D. RAMSINGHANI**  
**CHAIRMAN**

Place : Mumbai

Date : August 13, 2013

**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 ;

**1. Appointment**

Mr R G Kulkarni is proposed to be appointed as a Director of the Company. Mr R G Kulkarni is B Tech (Food science), DBM and has done a Middle Management Course from IIM (Ahmedabad). He has more than 31 years of rich and varied experience in the oil seeds processing and poultry feed business. He is the Whole Time Director of Rainbow Agri Industries Ltd. and also a Director of Integrated Port Services India Ltd., Rama Capital and Fiscal services Pvt. Ltd. and Replica Investments and Estates Ltd. He does not hold any shares in the Company.

**2. Reappointment**

Mr. H. D. Ramsinghani retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. H D Ramsinghani has done his Post Graduation in Management from U S A and has over 28 years of rich and varied experience in the field of Textiles, Petrochemicals and Fertilizers.

Mr. H D Ramsinghani was a Director of the Company from incorporation till 16/08/1993 and thereafter he was the Managing Director from 11/03/1996 to 19/06/2002 and is a Director since 2005.

He is the Chairman and Managing Director of Rainbow Denim Limited and Rainbow Agri Industries Limited. He is also a Director of Rama Phosphates Ltd, Rama Industries Ltd and Nova Gelicon Pvt. Ltd. He is a Committee Member / Chairman in the following Companies :

Member	Name of the Committee	Designation
Rainbow Denim Ltd	Shareholders Committee	Member
Rama Phosphates Ltd	Shareholders Committee	Member
	Audit Committee	Member
Rama Industries Ltd	Audit Committee	Member
Rainbow Agri Inds. Ltd	Audit committee	Chairman

**DIRECTOR'S REPORT**

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2013.

**FINANCIAL RESULTS**

	(₹ in lacs)	
	YEAR ENDED 31.03.2013	YEAR ENDED 31.03.2012
Profit/(Loss) before Depreciation	(136.21)	2.15
Depreciation	11.92	10.84
Profit/(Loss) before tax and extraordinary items	(148.13)	(8.69)
Extraordinary Items	Nil	420.52
Profit/(Loss) ) for the year after Tax and extraordinary items	(148.13)	411.83

**DIVIDEND**

Your Directors regret their inability to recommend any dividend for the year under review.

**REVIEW OF OPERATIONS**

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 feed stock continues to be economically not viable.

**FUTURE PROSPECTS**

Till date allocation of natural gas by Govt. of India has not been made. It is hoped that availability of natural gas will improve in near future at competitive price and it would be possible to resume the plant operations.

**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 judgments 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, 2013 and the loss of the Company for the year ended March 31, 2013;
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; and
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. Deonath Singh and Mr. R. G. Kulkarni. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

**SUBSIDIARY COMPANY**

In accordance with the General Circular dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept

open for inspection at the Registered Office of the Company and that of the subsidiary company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company. Further, the necessary particulars in respect of the said subsidiary have been disclosed in the Consolidated Financial Statements as required by the said Circular.

### **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 earnings 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 or part thereof.

### **DIRECTORS**

Your Directors wish to inform the Members about the sad and sudden demise of Mr. C.R. Malaviya a Director of the Company who left for his heavenly abode on February 28, 2013. Mr. Malaviya was a Director of the Company since the year 2011. The Board places on record its sincere appreciation of the valuable contribution made by Mr. Malaviya during his long association with the Company.

Mr. R. G. Kulkarni has been appointed as an Additional Director of the company w.e.f. 30th May 2013 and holds office up to the date of the forthcoming Annual General Meeting. The Company has received a Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member of the Company signifying the intention to propose the name of Mr. R G Kulkarni as a Director of the Company.

Mr. H D Ramsinghani retires from the Board of Directors by rotation and is eligible for re-appointment.

### **AUDITORS REPORT**

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

- a) The Company has not provided for the custom duty and value of materials auctioned by the Custom Authority lying in Bonded Warehouse. The Company is in the process of filing Writ Petition with Hon'ble Bombay High Court.
- b) The Company has not provided for interest on unpaid Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.
- c) The Company has not provided for interest on late payment of Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.
- d) The Company has not paid statutory liability on account of Sales Tax dues in view of difficult financial position and closure of the plant during the entire year under review.
- e) The Company has not disclosed information regarding dues to Micro, Small and Medium Enterprises since no information is available regarding their status.
- f) The Company is a Sick Industrial Company as defined in Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Draft Rehabilitation Scheme is under consideration of the Hon'ble BIFR.
- g) The Company does not have a formal Internal Audit system since the manufacturing activities continued to be suspended during the year under review.
- h) The Company has used short term funds for long term investments due to losses incurred during the year under review.

### **AUDITORS**

M/s. Dayal & Lohia, 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.

#### **COST AUDIT**

The Cost Account Records for “Chemicals” are subject to yearly audit by qualified Cost Auditors. However, the Central Government, vide letter bearing Ref No 52/19/CAB/2013 dated June 13,2013, has exempted the Company from maintaining cost records and audit of the same for the year under review in view of the fact that the manufacturing activities of the Company have been closed during the entire financial year.

#### **FIXED DEPOSITS**

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

#### **INDUSTRIAL RELATIONS**

The Industrial Relations remained cordial 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**  
**H. D. RAMSINGHANI**  
**CHAIRMAN**

Place : Mumbai  
Date : August 13, 2013



## **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, 2013**

### **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:

<b>a) POWER AND FUEL CONSUMPTION</b>	<b>2012- 2013 (12 months)</b>	<b>2011-2012 (12 months)</b>
<b>1) ELECTRICITY :</b>		
A) Purchased(MSEB)		
Units (in Thousand)	<b>73.740</b>	264.892
Total cost (₹ in lacs)	<b>5.73</b>	24.27
Rate per Unit (₹)	<b>7.77</b>	9.16
B) Own Generation :		
Through Diesel Generation		
Units (in Thousand)	<b>NIL</b>	NIL
Units/KL of Diesel	<b>NIL</b>	NIL
Cost/Unit (₹)	<b>NIL</b>	NIL
Through Steam Turbine/Generator		
Units (in thousand)	<b>NIL</b>	NIL
Units/Lt Of Fuel Oil, Gas	<b>N.A</b>	N.A
Cost/Unit	<b>N.A</b>	N.A
<b>2) Coal</b>	<b>NIL</b>	NIL
<b>3) Furnace Oil</b>	<b>NIL</b>	NIL
<b>b) CONSUMPTION PER UNIT OF PRODUCTION</b>		
Consumption/ton of Methanol	<b>N.A</b>	N.A
Electricity (KWH)	<b>N.A</b>	N.A
Furnace Oil	<b>N.A</b>	N.A
Coal	<b>N.A</b>	N.A
Other – Diesel Oil (KL)	<b>N.A</b>	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 (₹ 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 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:**

(₹ in lacs)

Foreign Exchange used	NIL
Foreign Exchange earned	NIL

For and on behalf of the Board

Place : Mumbai  
Date : August 13, 2013

**H. D. RAMSINGHANI**  
**CHAIRMAN**