



RAMA PETROCHEMICALS LIMITED

Twenty-Sixth Annual Report

2011 - 2012

BOARD OF DIRECTORS

CHAIRMAN

H.D. RAMSINGHANI

REGISTERED OFFICE

812, RAHEJA CHAMBERS,
NARIMAN POINT,
MUMBAI 400 021

Website : 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

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: 25946969 / 25946970

FAX : 25946969

EMAIL : rnt.helpdesk@linktime.co.in

Website : www.linktime.com

AUDITORS

DAYAL & LOHIA
CHARTERED ACCOUNTANTS
MUMBAI

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Thursday, the 27th day of September, 2012 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, 2012 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. Mahendra Lodha 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.”

NOTES

1. 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 Thursday the 20th day of September, 2012 to Thursday the 27th day of September, 2012 (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

Place : Mumbai

Date : August 10, 2012

H.D. RAMSINGHANI
CHAIRMAN

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

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

Mr Mahendra Lodha who has been a Director of the Company since 1998, is an eminent Chartered Accountant and has over 30 years of rich and varied experience in the field of Finance and Corporate Advisory services.

Mr Mahendra Lodha does not hold any Shares of the Company.

He is a Director of the following Public Limited Companies :

Rainbow Denim Ltd.

Arvind Products Ltd.

Nitrex Chemicals India Ltd.

Amul Exim Ltd.

Kalyanpur Cements Ltd.

Steelco Gujarat Ltd.

Tulip Star Hotels Ltd.

Metrochem Industries Ltd.

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

Rainbow Denim Limited

Audit Committee - Chairman

Steelco Gujarat Ltd

Audit Committee - Member

Shareholders Committee - Member

Tulip Star Hotels Ltd

Audit Committee - Chairman

Arvind Products Ltd.

Audit Committee - Chairman

Kalyanpur Cements Ltd.

Audit Committee - Member

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2012.

FINANCIAL RESULTS

	YEAR ENDED 31.03.2012	(₹ in lacs) YEAR ENDED 31.03.2011
Profit/(Loss) before Depreciation	2.15	(258.53)
Depreciation	10.84	11.47
Profit/(Loss) before tax and extraordinary items	(8.69)	(270.00)
Extraordinary Items	420.52	87.99
Release of Deferred Tax Liability	-	27.28
Profit/(Loss)) for the year after Tax and extraordinary items	411.83	(154.73)

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 our view that availability of natural gas from domestic producers will improve in near future at competitive price and would be possible to resume the plant operations. Short fall in the availability of methanol continues and is being met by imports.

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, 2012 and the profit of the Company for the year ended March 31, 2012;
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 C. R. Malaviya. 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 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 or part thereof.

DIRECTORS

Mr. Mahendra Lodha 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 interest on unpaid Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.
- b) 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.
- c) 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.
- d) The Company has not disclosed information regarding dues to Micro, Small and Medium Enterprises since no information is available regarding their status.
- e) 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.
- f) The Company does not have formal Internal Audit system since the manufacturing activities continued to be suspended 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 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

Place : Mumbai
Date : August 10, 2012

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, 2012

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	2011 - 2012 (12 months)	2010-2011 (12 months)
1) ELECTRICITY :		
A) Purchased(MSEB)		
Units (in Thousand)	264.892	312.654
Total cost (₹ in lacs)	24.27	27.22
Rate per Unit (₹)	9.16	8.71
B) Own Generation :		
Through Diesel Generation		
Units (in Thousand)	NIL	0.170
Units/KL of Diesel	NIL	3.20
Cost/Unit (₹)	NIL	12.73
Through Steam Turbine/Generator		
Units (in thousand)	NIL	NIL
Units/Lt Of Fuel Oil, Gas	N.A	NIL
Cost/Unit	N.A	N.A
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 (₹ 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	0.11
Foreign Exchange earned	NIL

For and on behalf of the Board

Place : Mumbai
Date : August 10, 2012

H. D. RAMSINGHANI
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

As required by the Listing Agreement with Bombay Stock Exchange Limited, the Company has 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 consists of four Directors (One Executive and three Non-Executive Directors of which two Directors are independent. The Company does not have a Managing Director.)
- 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		Membership of other Board (including alternate Director-ships and Private Companies)	Membership/ Chairmanship of other Board Committees		Share- holding (No. of Shares)
		Board Meetings	Last Annual General Meeting		Chairman	Member	
Mr. H.D. Ramsinghani (Chairman)	Non Executive	Four	Yes	Five	One	Three	1110
Mr. Deonath Singh (Whole Time Director)	Executive	Three	Yes	Three	Two	Two	10898
Mr. Mahendra Lodha	Non Executive Independent	Four	Yes	Eighteen	Two	Four	Nil
Mr. S. S. Arora (upto 27.05.2011)	Non Executive Independent	One	N.A.	One	Nil	One	Nil
Mr. C.R. Malaviya (w e f 27.05.2011)	Non Executive Independent	Three	Yes	Four	Two	One	Nil

- During the year four Board Meetings were held on the following dates :
May 27, 2011, July 30, 2011, November 04, 2011, February 10, 2012.

3. Code of Conduct

The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the company. The declaration by the Chairman regarding compliance by the members of the Board and the Senior Management personnel with the said code of conduct is annexed hereto.

4. 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 Auditors.

The Committee presently comprises of Mr Mahendra Lodha – Chairman, Mr Deonath Singh and Mr C. R. Malaviya.

Four meetings of the Audit Committee were held during the year on May 27 2011, July 30, 2011, November 04, 2011 and February 10, 2012. The attendance at the Audit Committee meetings of each of the Directors is as under:

Name of the Director	Attendance at Audit Committee meetings
Mr. Mahendra Lodha	Four
Mr. Deonath Singh	Three
Mr. S. S. Arora(upto 27.05.2011)	One
Mr. C. R. Malaviya (w e f 27.05.2011)	Three

In the absence of the Company Secretary, Mr R. D. Jog acts as the Secretary of the Audit Committee.

5. Share Transfer Committee

The Board has delegated the power of share transfers to a Committee of Directors comprising of Mr. Deonath Singh (Chairman) and Mr. H. D. Ramsinghani as also to the Registrars and Transfer Agent of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates, issue of certificates on split/ consolidation/renewal and demat/remat of Share certificates etc.

Barring certain cases pending in Courts relating to disputes over the title of shares in which the Company has been made a party no investor complaint is pending for a period exceeding one month.

6. Remuneration Committee

The Remuneration Committee determines the managerial remuneration including perquisites payable to Directors and makes recommendations to the Board of Directors.

The Committee presently comprises of Mr Mahendra Lodha – Chairman, Mr H. D. Ramsinghani and Mr C.R. Malaviya. No Remuneration Committee Meeting was held during the year.

7. Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee specifically looks into the redressing of Shareholder's and Investor's complaints relating to Share transfers, Non receipt of Balance Sheet, Dividend and demat/remat of Share Certificates etc. In terms of Clause 47 of the Listing Agreement, the Company has appointed Mr. R. D. Jog as the Compliance Officer and the investors are requested to register their complaints, if any, on the exclusive email ID : rdjog@ramagroup.co.in

The committee presently comprises of Mr. Mahendra Lodha (Chairman) and Mr. Deonath Singh.

A summary of complaints received and resolved by the Company during the year under review is given below :

	Received	Resolved
Non-Receipt of Share Certificates duly transferred	20	20
Non-Receipt of Dividend Warrants.	3	3
Non-Receipt of Annual Report	1	1
Non-Receipt of Demat Credit / Remat Certificates	2	2
Non-Receipt of REP/SPL/CON/DUP CR	1	1
Letters from Stock Exchanges, SEBI and Ministry of Corporate Affairs	NIL	NIL

8. Remuneration of Directors

(a) Executive Director

No remuneration was paid to the Whole time Director (Technical Director) during the year under review.

(b) Non-Executive Directors:

The Non-Executive Directors are not paid any remuneration except sitting fees for attending meetings of the Board or committees thereof. Details of Sitting Fees paid to the Non-Executive Directors are as follows :

Name of the Director	Sitting Fees (₹)
Mr. H. D. Ramsinghani	8,000/-
Mr. Mahendra Lodha	16,000/-
Mr. S. S. Arora (up to 27.05.2011)	4,000/-
Mr. C.R. Malaviya (from 27.05.2011)	12,000/-
TOTAL	40,000/-

9. General Body Meetings

Financial Year	Date	Time	Location
2008-2009	23/09/2009	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001
2009-2010	17/09/2010	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001
2010-2011	16/09/2011	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001