



Rama Phosphates Ltd.

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15TH
ANNUAL REPORT

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Rama Phosphates Ltd.

CHAIRMAN

R. L. Ramsinghani

MANAGING DIRECTOR

D. J. Ramsinghani (Additional Director)

TECHNICAL DIRECTOR

D. N. Singh (Additional Director)

DIRECTORS

H. D. Ramsinghani

S. S. Bhandari

M. P. Tejwani

BANKERS

Bank of India

State Bank of Indore

Central Bank of India

Syndicate Bank

State Bank of Hyderabad

AUDITORS

M/s. Dayal & Lohia

Chartered Accountants

Udaipur Branch Auditors

M/s. Kanji R. Agarwal & Company

Chartered Accountants

REGISTERED OFFICE

812, Raheja Chambers, Nariman Point, Mumbai - 400 021.

Tel. No. 2834123/82 Fax : 2049946

e-mail : ramabombay@vsnl.com / ramap@bol.net.in

SHARE DEPT.

812, Raheja Chambers, Nariman Point, Mumbai - 400 021.

ADMINISTRATIVE OFFICES**Indore**

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Tel. No. : (0731) 560951. Telex : 735-414 RAMA IN

Fax : (0731) 560197.

e-mail : ramaind@bom4.vsnl.net.in

Pune

P.O. Loni Kalbhor, Tal. Haveli, Dist. Pune-412 221

Tel. No. : (020) 813479/813426/813209 Fax : (020) 813479

e-mail : ramapune@vsnl.com

Udaipur

198, Sector 4, Hiran Magri, Udaipur - 313 001 (Raj)

Tel. No. : (0294) 487801/484576 Fax : (0294) 483855

e-mail : ramaudr@bom7.vsnl.net.in

WORKS**Indore**

2014 KM Stone, Indore - Ujjain Road

Indore, Madhya Pradesh - 452 001.

Pune

P. O. Loni, Kalbhor, Tal. Haveli, Dist. Pune - 412 221

Udaipur

4807/8, Umra, Village, Kanpur

Umra-Jamarkotra Road, Udaipur (Rajasthan)

Website : www.ramaphosphates.com

CONTENTS ----- Pg. No.

Directors' Report -----	8
Auditors' Report -----	13
Balance Sheet -----	16
Profit & Loss Account -----	17
Schedules -----	18
Notes on the Accounts -----	24
Cash Flow Statement -----	31

15TH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday the 29th day of September, 2000 at 10.00 A.M. at Ashoka Hall, Arcadia, behind N.C.P.A., Nariman Point, Mumbai 400 021 to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st December, 1999 and the Balance Sheet as on that date and 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 being eligible, offers himself for re-appointment.
3. To appoint M/s. Dayal & Lohia - Chartered Accountants as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To appoint M/s. Kanji R. Agarwal & Company - Chartered Accountants, as Auditors of the Udaipur Branch of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. D. J. Ramsinghani be and is hereby appointed as a Director of the Company whose office shall not be liable to determination by retirement of Directors by rotation."
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Deonath Singh be and is hereby appointed as a Director of the Company whose office shall not be liable to determination by retirement of Directors by rotation."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT the consent of the members be and 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 to the appointment of Mr. D. J. Ramsinghani as Managing Director for a period of Five Years w.e.f. April 1, 2000 on the terms and conditions including the remuneration payable to him as the Managing Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year, as set out in the draft agreement between the Company

and Mr. D. J. Ramsinghani placed before the meeting and for the purpose of identification initialled by the Chairman hereof."

"FURTHER RESOLVED THAT the Board of Directors be and are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations in the remuneration as may be agreed between the Directors and Mr. D. J. Ramsinghani provided that the remuneration as altered changed or varied shall not exceed, without the prior approval of the Central Government, the limits prescribed under Schedule XIII of the Companies Act, 1956 for the time being and from time to time in force."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to the above resolutions."

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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and it is hereby accorded to the appointment of Mr. Deonath Singh as a Whole-time Director designated as Technical Director of the Company for a period of 5(Five) Years w.e.f. September 01, 2000 on the terms and conditions including the remuneration payable to him as the Technical Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year as set out in the draft agreement proposed to be entered into between the Company and Mr. Deonath Singh placed before the meeting and for the purpose of identification initialled by the Chairman hereof."

"FURTHER RESOLVED THAT the Board of Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations in the remuneration as may be agreed between the Directors and Mr. Deonath Singh provided that the remuneration as altered, changed or varied shall not exceed, without the prior approval of the Central Government the limits prescribed under Schedule XIII of the Companies Act, 1956 for the time being and from time to time in force."

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

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions if any of the Companies Act, 1956 and subject to such consents, approvals and sanctions as may be necessary, clause III of the Memorandum of Association of the Company be

Rama Phosphates Ltd.

and is hereby altered by the insertion of the following new sub-clause no. 81.

81. "To carry on in India or elsewhere the business of forward trading, including futures and options, in commodities, securities and any derivatives and also to act as Brokers, Commission Agents, Service Agents and Consultants in the above said field."

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

"RESOLVED THAT approval pursuant to Section 149 (2A) of the Companies Act, 1956 be and is hereby accorded to the Company for the commencement of business as set out in sub-clause 81 of clause III of the Memorandum of Association of the Company as and when the Directors deem fit."

"FURTHER RESOLVED THAT the Board of Directors of the Company, (which term shall include a committee thereof) be and it is hereby authorised to take such steps as may be necessary to give effect to the above Resolutions."

11. 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 31 and all other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be altered in the following manner :

- I) The following proviso shall be added to the existing Article 5.

Provided that no share certificate(s) shall be issued for shares held in a Depository.

- II) Insert the following Article as Article 20A after existing Article 20.

20A Notwithstanding anything contained in these Articles, in the case of transfer or transmission of shares or other marketable securities where the Company has not issued certificate(s) in respect thereof and where such shares or securities are held in any electronic and fungible form or medium in a depository, the provisions of the Depositories Act, 1996 shall apply in respect of the transfer or transmission of such shares or securities.

- III) Insert the following Heading and Article as Heading XA and Article 32A after existing Article 32 :

A. DEMATERIALISATION OF SHARES

- 32A a) Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise the securities held in Depositories and to offer its fresh shares and other permitted securities in a

dematerialised form pursuant to the provisions of the Depositories Act, 1996 and the rules framed thereunder from time to time.

- b) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of a 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 his securities which are held by a Depository.
- c) 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 purposes of the Companies Act, 1956.
- d) A Depository as a registered owner shall not be entitled to exercise any voting rights or any other rights in respect of shares held by it and the Beneficial Owner shall be solely entitled to exercise all the rights and benefits in respect of such shares and be subject to all the duties, obligations and liabilities in respect of any shares held by a Depository.
- e) Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of a Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion entitled to register any share in the joint names of any two or more persons or the survivor or survivors of them.
- f) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depositories so far as they apply to shares held in physical form subject to the provisions of the Depositories Act, 1996.
- g) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

15TH ANNUAL REPORT

IV) Insert the following Heading and Article as Heading XB and Article 32B after new Article 32A :

B. SHARES WITHOUT VOTING RIGHTS

32B Notwithstanding anything to the contrary contained in these Articles, in the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges attached thereto as thought fit and as permitted by law.

V) Substitute the existing Article 42 with the following new Article numbered as 42.

42 Each Director shall be paid out of the funds of the Company, a fee of such amount as may be determined by the Board from time to time, not exceeding such sum as may be prescribed in this behalf by the Act or the Central Government from time to time, for each meeting of the Board of Directors or any Committee thereof attended by him.

"FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be deemed necessary to give effect to the above Resolution."

NOTES

1. The Explanatory Statement pursuant to the provisions of section 173 of the Companies Act, 1956 in respect of Item No. 5 to 11 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 SUCH 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 NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday the 20th day of September, 2000 to Friday the 29th day of September, 2000 (both days inclusive).
4. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended 30th June, 1994 has been transferred to the credit of the General Revenue Account of the Central Government. Members who have not received the Dividend for the said years may claim the amount from the Registrar of Companies, Maharashtra.
5. Members desirous of seeking any information concerning the Accounts are requested to address their queries in writing to the Managing Director 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 are requested to bring their copies of the Annual Report to the Meeting since copies of the Annual Report will not be distributed at the Meeting.

By Order of the Board
FOR RAMA PHOSPHATES LIMITED

D. J. RAMSINGHANI
MANAGING DIRECTOR

Registered Office

812, Raheja Chambers
Nariman Point
Mumbai 400 021

Place : Mumbai

Date : July 31, 2000

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO ITEM NOS. 5 TO 10 SPECIFIED IN THE NOTICE CONVENING THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO. 5

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. D. J. Ramsinghani was appointed as an Additional Director by the Board of Directors with effect from April 1, 2000. Mr. Ramsinghani will hold the office of Additional Director upto the date of forthcoming Annual General Meeting. The Company has received notice in writing from a member, together with a Deposit of Rs. 500/-, as required under Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr. D. J. Ramsinghani as a Director. Mr. D.J. Ramsinghani has filed with the Company his consent to act as a Director pursuant to Section 264(1) of the Companies Act, 1956. Mr. D. J. Ramsinghani has a rich and varied experience of over 35 years in Trade and Industry and it is considered that it will be in the best interests of the Company to appoint him as a Director.

ITEM NO. 6

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Deonath Singh was appointed as an Additional Director by the Board of Directors with effect from May 16, 2000. Mr. Deonath Singh will hold the office of Additional Director upto the date of forthcoming Annual General Meeting. The Company has received notice in writing from a member, together with a Deposit of Rs. 500/-, as required under Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr. Deonath Singh as a Director. Mr. Deonath Singh has filed with the Company his consent to act as a Director pursuant to Section 264(1) of the Companies Act, 1956. Mr. Deonath

Rama Phosphates Ltd.

Singh has a rich and varied experience of over 30 years in various Industries and it is considered that it will be in the best interests of the Company to appoint him as a Director.

ITEM NO. 7

It is proposed to appoint Mr. D.J. Ramsinghani as the Managing Director of the Company for a period of Five Years from 01/04/2000.

The terms and conditions relating to the remuneration payable to Mr. D.J. Ramsinghani as a Managing Director as set out in the draft Agreement between the Company and Mr. D. J. Ramsinghani are as follows :

1. REMUNERATION

- A) Salary : Rs. 45,000/- per month in the grade of 45000 - 1750 - 52000.
- B) Commission : 1% of the Net Profit subject to maximum of one Annual Salary.
- C) Perquisites :
 - (a) Unfurnished residential accommodation; the Company paying all rents, taxes and other expenses for the upkeep and maintenance of such accommodation or House Rent Allowance in lieu thereof, subject to the condition that the expenditure by the Company on hiring, upkeep and maintenance or rent allowance in lieu thereof shall not exceed 60% of the salary.
 - (b) Expenditure on gas, electricity, water charges and servants as also furnishings at the residence to be borne by the Company.
 - (c) Use of two cars with drivers with all running and maintenance expenses to be paid for by the Company.
 - (d) Benefit of the Provident Fund Scheme, Superannuation and Annuity Fund Scheme as per Company's Rules together with the benefit of any retirement fund or Scheme which the Company may introduce in the future.
 - (e) Gratuity in accordance with the rules of the Company.
 - (f) Reimbursement of actual medical expenses incurred for self and family as per Company's Rules.
 - (g) Benefit of sick leave in accordance with the Rules of the Company.
 - (h) Thirty days privilege leave with full pay and allowance for each completed year of service; the said leave being accumulatable and encashable at the end of his tenure.
 - (i) Benefit of 1st Class air/air conditioned train and or such other mode of conveyance as the appointee may opt for, for self and family, while on privilege leave together with hotel, board and lodging

expenses as per Company's Rules.

- (j) Personal accident cover at the cost of the Company provided that the actual premium thereof does not exceed Rs.4,000/- p.a. or such other amount as the Directors may deem fit.
- (k) Use of two Telephones for the Company's business at the residence provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company.
- (l) Fees (including entrance and subscription) of maximum of two clubs together with the benefit of all expenses incurred thereat towards the business of the Company.

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial personnel for all of them put together.

2. MINIMUM REMUNERATION

The remuneration as in (1) above including perquisites but save and except commission shall, nevertheless, be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed Rs.18,00,000/- per annum or Rs. 1,50,000/- per month computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in the future.

PROVIDED THAT the under mentioned perquisites viz., a) contribution to Provident Fund, Super Annuity Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. b) Gratuity Payment at the rate not exceeding half a month's Salary for each completed year of service and c) Encashment of Leave at the end of his tenure in office shall not be included in the computation of the above mentioned ceiling on remuneration viz., Rs. 18,00,000/- p.a. or Rs.1,50,000/- p.m. and the remuneration shall stand reduced accordingly.

OTHER TERMS

The appointee shall be entitled to sitting fees for attending the meetings of the Board of Directors or Committee(s) thereof.

The Draft Agreement between the Company and Mr. D. J. Ramsinghani is open for inspection of the members at the Registered Office of the Company on all days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m.

15TH ANNUAL REPORT

Mr. D. J. Ramsinghani may be deemed to be concerned or interested in this Resolution as it relates to his own appointment. Mr. H. D. Ramsinghani and Mr. R. L. Ramsinghani may also be deemed to be concerned or interested in this Resolution being related to Mr. D. J. Ramsinghani.

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.

ITEM NO. 8

It is proposed to appoint Mr. Deonath Singh as Technical Director of the Company for a period of Five Years w.e.f. September 01, 2000.

The terms and conditions relating to the remuneration payable to Mr. Deonath Singh as a Technical Director as set out in the draft Agreement between the Company and Mr. D. N. Singh are as follows :

1. REMUNERATION

- A) Salary : Rs. 34,000/- per month in the grade of 34000-2500-44000
- B) Commission : 1% of the Net Profit subject to maximum of one Annual Salary.
- C) Perquisites :
 - (a) Unfurnished residential accommodation; the Company paying all rents, taxes and other expenses for the upkeep and maintenance of such accommodation or House Rent Allowance in lieu thereof, subject to the condition that the expenditure by the Company on hiring, upkeep and maintenance or rent allowance in lieu thereof shall not exceed 60% of the salary.
 - (b) Expenditure on gas, electricity and water charges as also furnishings at the residence to be borne by the Company.
 - (c) Use of one motor car with Driver with all running and maintenance expenses to be paid for by the Company.
 - (d) Benefit of the Provident Fund Scheme, Superannuation and Annuity Fund Scheme as per Company's Rules together with the benefit of any retirement fund or Scheme which the Company may introduce in the future.
 - (e) Gratuity in accordance with the rules of the Company.
 - (f) Reimbursement of medical expenses incurred for self and family as per Company's Rules.

- (g) Benefit of sick leave in accordance with the Rules of the Company.
- (f) Thirty days privilege leave with full pay and allowance for each completed year of service; the said leave being accumulatable and encashable at the end of his tenure.
- (h) Benefit of 1st Class air/air conditioned train and or such other mode of conveyance as the appointee may opt for, for self and family, while on privilege leave together with hotel, board and lodging expenses as per the rules of the Company.
- (i) Personal accident cover at the cost of the Company provided that the actual premium thereof does not exceed Rs. 4,000/- p.a. or such other amount as the Directors may deem fit.
- (j) Use of Telephone for the Company's business at the residence provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company.
- (k) Fees (including entrance and subscription) of maximum of two clubs together with the benefit of all expenses incurred thereat towards the business of the Company.

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial person for all of them put together.

1. Minimum Remuneration

The remuneration as in (1) above including perquisites but save and except commission shall, nevertheless, be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the Central Government, if required, exceed the specified limits computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in the future.

PROVIDED THAT the undermentioned perquisites viz., a) contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. b) Gratuity Payment at the rate not exceeding half a month's Salary for each completed year of service and c) Encashment of Leave at the end of his tenure in office shall not be included in the computation of the ceiling on remuneration and the remuneration shall stand reduced accordingly.

Rama Phosphates Ltd.

OTHER TERMS

The appointee shall be entitled to sitting fees for attending the meetings of the Board of Directors and/or Committee(s) thereof.

The Draft Agreement between the Company and Mr. Deonath Singh is open for inspection of the members at the Registered Office of the Company on all days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m.

Mr. Deonath Singh may be deemed to be concerned or interested in this Resolution as it relates to his own appointment.

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.

ITEM NOS. 9 & 10

The Company proposes to undertake the business of forward trading including future and options in various kinds of commodities, securities and other permitted derivatives. The Company also proposes to carry on business of Brokers, Commission Agents, Service Agents and Consultants in the above fields. Your Directors are of the view that the above business can be conveniently or advantageously combined with the Company's present business and that it would enable the Company to carry on its business more economically and more efficiently. The Directors consider that the existing infrastructure including the managerial and technical capabilities would be useful for carrying on the proposed business.

As the proposed business is a new business, the approval of the members is being sought pursuant to the provisions of Section 17 of the Companies Act, 1956 for the amendment of the objects clause as also u/s 149(2A) of the said act for commencement of the new business.

Copy of the Memorandum of Association together with the proposed changes is open for inspection of the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m.

None of the Directors may be deemed to be concerned or interested in any way in the said Resolution.

ITEM NO. 11

With the introduction of the Depositories Act, 1996, some provisions of the Companies Act, 1956 relating to issue, holding, transfer and transmission of shares and other securities have been amended to facilitate the implementation of dematerialisation. The Articles of Association of the Company are proposed to be suitably amended to reflect the provisions of the Depositories Act, 1996. (S. No. I to III of the Resolution).

The issue of Shares without voting rights is not presently permitted under the Companies Act, 1956. It is expected that in the course of time the Act will be amended to permit issue of shares without voting rights by companies. Hence, it is proposed to amend the Articles of Association to permit the Company to issue shares without voting rights as may be permitted by law. (S. No. IV of the Resolution).

The amendment to Article 32 is proposed so as to incorporate the amended provisions of the Companies Act, 1956 relating to payment of sitting fees to Directors. (S. No. V of the Resolution).

A copy of the Articles of Association, together with the proposed changes, is open for inspection of the Members at the Registered Office of the Company on all days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. and 1.00 p.m.

Except for amendment to Article 32, in which all the Directors may be deemed to be concerned or interested, none of the Directors are in any way concerned or interested in this Resolution.

By Order of the Board
FOR RAMA PHOSPHATES LIMITED

D. J. RAMSINGHANI
MANAGING DIRECTOR

Registered Office
812, Raheja Chambers
Nariman Point
Mumbai 400 021

Place : Mumbai
Date : July 31, 2000

15TH ANNUAL REPORT

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Fifteenth Annual Report together with Audited Accounts for the year ended December 12, 1999.

	Rs. in Lacs	
	1999	1998
FINANCIAL RESULTS		
Sales & Other Income	24782.95	23627.32
Profit before financial charges & Depreciation	2417.65	2361.51
Less: Financial Charges	1195.23	958.85
Cash Profit for the year	1222.42	1402.66
Less: Preliminary Expenses/ Deb. Issue Exps. W/Off.	707.01	578.59
Profit for the year	515.41	824.07
Prior year Adj. (Net)	(48.28)	274.73
Provision for liability pursuant to modified BIFR Order	(47.03)	207.89
Depreciation of earlier years pursuant to change in method	(512.34)	—
Profit & Loss balance brought forward from the previous year	1566.34	1301.30
Interim Dividend	69.46	—
Proposed Final Dividend	—	69.46
Dividend Tax	7.64	6.95
General Reserve	12.50	—
Balance Carried to the Balance Sheet	1384.50	1566.34

DIVIDEND

An Interim Dividend of Rs. 0.50 per share for the year 1999 was declared by the Board and paid on May 31, 2000. In view of the payment of the said Interim Dividend, your directors do not recommend a Final Dividend for the year ended December 31, 1999.

REVIEW OF PERFORMANCE**a) Operations**

During the period, the performance of the company was satisfactory. In spite of poor off take of fertilisers owing to the poor monsoons in Madhya Pradesh, one of the major markets for the company, the company was able to maintain its performance. This was possible due to the efforts of the marketing department and the excellent reputation and brand image enjoyed by the products of the company.

The Oil division of the company processed 67,271 Mts. of seeds during the period. Further, the company was able to increase capacity utilisation of the refinery to 83% as compared to 58% in the previous year. The company hopes to increase the capacity utilisation further in the current year.

b) Exports

The company achieved an export turnover of Rs. 2505.00 lacs during the period. There was a lot of buoyancy in the local market for de-Oiled cakes and hence the company felt it appropriate to cater to the local market first.

MERGER OF THE ERSTWHILE RAMA KRISHI RASAYAN LTD., PUNE, WITH THE COMPANY

The company has successfully completed all the measures envisaged under the rehabilitation scheme for the erstwhile Rama Krishi Rasayan Ltd., now the Pune unit of the company. All the term loans have been fully repaid. BIFR has formally deemed the rehabilitation scheme to be successful and deregistered the case.

FUTURE PROSPECTS

The future prospects of the company continue to remain good. The recent reduction in the subsidies by the government is expected to improve the prospects of the company further, since the subsidies in case of other fertilisers have been reduced proportionately higher as compared to the subsidy on SSP giving a boost to the sales. The expectation of a good to normal rainfall in the current year also portends well for the company.

DIRECTORS

Mr. R. L. Ramsinghani resigned as a Managing Director of the Company w.e.f. March 31, 2000. He was appointed as Chairman of the Board of Directors w.e.f. April 1, 2000.

Mr. L. J. Ramsinghani and Mr. S. V. Balkundi resigned from the Board of Directors during the year and The Rajasthan State Industrial and Investment Corporation (RIICO) withdrew its Nominee Director Mrs. Shashi Madhok. The Board places on record its sincere appreciation of the valuable contribution made by Mr. L J Ramsinghani, Mr. S V Balkundi and Mrs. Shashi Madhok during their association with the Company.

Mr. D J Ramsinghani and Mr D N Singh have been appointed as Additional Directors during the year under review. Mr. D J Ramsinghani and Mr D N Singh will hold the office of Additional Directors upto the date of the forthcoming Annual General Meeting. The Company has received Notices in writing from members, as required under the provisions of section 257 of the Companies Act, 1956, signifying their intention to propose the names of

DIRECTORS' REPORT (Contd.)

Mr. D J Ramsinghani and Mr D. N. Singh as Directors.

Mr. D J Ramsinghani was appointed as the Managing Director of the Company for a period of five years w.e.f. April 1, 2000.

Mr. D. N. Singh was appointed as a Whole-time Director designated as Technical Director with effect from 1st September, 2000.

DISCLOSURE OF PARTICULARS

In accordance with the provisions of the section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars required to be furnished with respect to the conservation of energy, technology absorption and foreign exchange earnings and outgo have been given in Annexure 'A' forming part of this report.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, is as per Annexure 'B' hereto and forms a part of this Report.

AUDITORS

M/s. Dayal & Lohia, Chartered Accountants, the auditors of the company, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

It M/s. Kanji R. Agarwal & Company, Chartered Accountants, the Branch Auditors retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

Your Directors refer to the observations made by the Auditors in their Report and wish to state that the notes forming part of the Accounts are self explanatory and hence do not require any further comments.

REGISTERED OFFICE

812, Raheja Chambers,
Nairman Point,
Mumbai - 400 021.

Place : Mumbai
Dated : 31st July, 2000

EMPLOYEE RELATIONS

The Company continued to maintain good industrial relations. The Directors would like to record their appreciation of the sense of commitment displayed by the working staff, officers and executives and acknowledge their contribution to the growth of the Company.

FIXED DEPOSITS

The Company had a aggregate amount of Rs. 63.35 lacs as Fixed Deposits as on December 31, 1999. As at the end of the year there were no Fixed Deposits which were overdue.

DEPOSITORY SYSTEM

Your Company has entered into a agreement with the Central Depository Services Limited for dematerialisation of your Company's Equity Shares in accordance with the Provisions of the Depository Regulations. With this, members have the option to hold their demat shares in the Company either through the National Securities Depository Limited or the Central Depository Services Limited.

SAFETY, ENVIRONMENT CONTROL AND PROTECTION

The Company has complied with the requirements for safety, environment control and protection at its plants at Indore, Pune & Udaipur.

INFORMATION TECHNOLOGY

The Company had fully completed all required modifications and up gradations to the computer systems and therefore did not face any problem due to the year 2000 date change.

ACKNOWLEDGEMENT

Your Directors would like to place on record their gratitude to the Central Government, the State Governments of Madhya Pradesh, Maharashtra and Rajasthan and the local authorities for their continued support and co-operation. Your Directors would also like to express their gratitude to the Financial Institutions and Banks and to all the investors for the confidence reposed in the Company.

For and on behalf of the Board

RAJESH L. RAMSINGHANI
Chairman