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Rama Phosphates Limited

Rama Phosphates Ltd.

BOARD OF DIRECTORS

CHAIRMAN

R. L. Ramsinghani

MANAGING DIRECTOR

D.J. Ramsinghani

TECHNICAL DIRECTOR

D.N. Singh

DIRECTORS

H.D. Ramsinghani

M.P. Tejwani

M.K. Jain – Nominee Director of IDBI

C.R. Malaviya – Additional Director

COMPANY SECRETARY

R. D. Jog

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

Rama House, 4 Saket Nagar, Indore 452001

Madhya Pradesh

Tel.No. (0731) 560951, 563352

Fax : (0731) 560639.

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

Pune

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

Tel.No. (020) 6913426, 6914642 Fax (020) 6913479

e-mail : ramapune@vsnl.com

Udaipur

198, Sector 4, Hiran Magri, Udaipur – 313 002 (Raj)

Tel.No. : (0294) 462301, 462303 Fax : (0294) 462302

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

WORKS

Indore

20/4 KM Stone, Indore – Ujjain Road

Indore, Madhya Pradesh – 453 557.

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

Rama Phosphates Ltd.

NOTICE

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Wednesday the 26th day of December 2001 at 10.00 A.M. at M C Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubhash Marg, Mumbai 400001 to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the eighteen months period ended 30th June 2001 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. R L Ramsinghani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. H. D. Ramsinghani who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. To appoint M/s. Kanji R. Agarwal & Company - Chartered Accountants, as Auditors of the Udaipur Branch of the Company, to audit the accounts of the Udaipur Branch for the financial year 2001-2002, and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr C R Malaviya 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."

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

"RESOLVED THAT in supersession of the Resolution(s) passed earlier in this regard and pursuant to the provisions of Section 293 (1)(d) and

other applicable provisions, if any, of the Companies Act, 1956 the consent of the members be and it is hereby accorded to the Board of Directors to borrow from time to time such sums of monies as may be deemed requisite or proper for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (neither of which sums shall include the temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the Paid up capital and Free Reserves of the company, provided that the maximum amount of monies borrowed by the Board of Directors shall not at any time exceed Rupees Three Hundred Crores."

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and it is hereby accorded to the Board of Directors of the Company (which term shall include a committee thereof) for creating such mortgage of and/or charging on such terms and conditions and in such form or manner as it may deem fit the whole or substantially the whole of the Company's undertaking(s) including the present and future properties, whether movable or immovable, as the case may be together with the power to take over the management of the business or concern of such undertakings in certain events to and in favour of any one or more of The Industrial Development Bank of India, Industrial Investment Bank of India, Unit Trust of India, Bank of India, Central Bank of India, Syndicate Bank, State Bank of Indore, State Bank of Hyderabad and/or any other Financial/Investment Institution(s)/Bank(s) (hereinafter referred to as "the lenders") to secure the Term Loans, Working Capital limits, Debentures or any other financial assistance of an amount upto Rs Three Hundred Crore lent, subscribed or advanced or agreed to be lent, subscribed or advanced jointly/severally by the lenders to the Company together with interest, compound interest, additional interest, commitment charges, liquidated damages, premia on prepayment, costs, charges, expenses and other

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monies payable by the Company in terms of the respective Loan Agreement(s)/Letter(s) of Sanction/Memorandum of Terms and Conditions entered into/ to be entered into by the company."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and it is hereby authorised to finalise and execute all such deeds, documents, agreements and writings as may be necessary for creating the aforesaid mortgage(s)/charge(s) and to agree to such modifications or variations thereto on such terms and conditions as they may deem fit, proper or appropriate in their absolute discretion and to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and it is hereby accorded for the commencement of business as set out in sub clause 10 and 79 of the objects clause 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 be and it is hereby authorised to do all such acts, deeds and things as may be necessary, expedient or desirable 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 Special Business specified in the Notice 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 ONLY 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 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 19th day of December 2001 to Wednesday the 26th day of December, 2001 (both days inclusive).
4. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended June 30, 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.

Registered Office:
812, Raheja Chambers,
Nariman Point,
Mumbai 400 021
Place : Mumbai

By Order of the Board
For Rama Phosphates Limited

R D Jog
Company Secretary

Date : November 22, 2001

Rama Phosphates Ltd.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY.

Item No. 6

In accordance with the provisions of Section 26Q of the Companies Act, 1956 and the relevant provisions of the Articles of Association of the Company, Mr. Chandrakant R Malaviya was appointed as an Additional Director by the Board of Directors at their meeting held on November 22, 2001. Mr. Malaviya will hold office of the Additional Director upto the date of the forthcoming Annual General Meeting. The company has received a 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. Malaviya as a Director. Mr. Malaviya has filed with the company his consent to act as a Director.

Mr. Malaviya is an eminent technologist and has a rich and varied experience in the field of Chemicals and Fertilizers spanning over 35 years. He was associated with a leading Chemical Company for over 26 years at various levels. He has designed and commissioned several Sulphuric Acid/SSP/Chlorosulphonic Acid and other Projects for various Companies. He is also a Design and Process Consultant for various companies.

It is therefore considered that it will be in the best interest of the company to appoint him as a Director.

Mr Malaviya may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

Item No. 7

The present borrowing powers of the Board as authorised by the members is Rs Two hundred crores. Keeping in view the Company's size and scale of operations and the fund requirements from time to time, it is considered desirable to increase the borrowing powers from the present limit of Rs Two hundred crore to Rs. Three hundred crore.

The consent of the members is therefore being sought pursuant to the provisions of Section 293 (1)(d) of the companies Act, 1956 for the increase in the borrowing powers of the Board as aforesaid.

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

Item No. 8

To part finance its expansion schemes and the normal working capital requirements, the Company has availed/ will be availing additional working capital limits, Term Loans etc. which will be required to be secured, inter alia, by way of mortgage and/or charge on the movable and immovable properties of the company with a power to take over the management of the business and concern of the company in certain events to and in favour of the various lenders.

Since the mortgaging by the Company of its immovable properties as aforesaid in favour of the lenders may be regarded as disposal of the Company's undertaking, the consent of the members is being sought pursuant to the provisions of Section 293 (1)(a) of the Companies Act, 1956.

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

Item No. 9

In order to utilize the available resources of the Company in the best possible manner and to also generate additional revenue, your Directors are considering various measures and one of which is to hire out its properties viz. Trucks, tankers etc for transportation of goods.

The proposed business is authorised by the Objects Clause of the Memorandum of Association of the company. However, the consent of the members is required pursuant to the provisions of Section 149(2A) of the companies Act, 1956 for commencement of the business.

A copy of the Memorandum of Association is open for inspection of the Members at the Registered office of the company on all working days between 11.00 a.m. and 1.00 p.m.

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

Registered Office:
812, Raheja Chambers,
Nariman Point,
Mumbai 400 021
Place : Mumbai

By Order of the Board
For Rama Phosphates Limited

R D Jog
Company Secretary

Date : November 22, 2001

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the Sixteenth Annual Report together with Audited Accounts for the eighteen months period ended June 30, 2001.

FINANCIAL RESULTS

	2000 - 01 (18 months)	(Rs. in lacs) 1999 (12 months)
Sales & Other Income	37281.07	24782.95
Profit before financial charges & Depreciation	1531.67	2417.65
Less: Financial Charges	2311.73	1195.23
Profit / (Loss) before Depreciation and amortisation	(780.06)	1222.42
Less/Add : Preliminary Exps./ Debenture Issue Exps. Written off.	(659.74)	707.01
Net Profit/(Loss) for the year	(1439.80)	515.41
Prior year Adj. (Net)	(165.18)	(48.28)
Provision for liability pursuant to modified BIFR Order	—	(47.03)
Depreciation of earlier years pursuant to change in method	—	(512.34)
Amortisation of Goodwill relating to prior period	(143.43)	—
Profit/(Loss) after adjustments	(1748.41)	(92.24)
Profit & Loss balance brought forward from the previous year	1384.50	1566.34
Amount available for appropriation	(363.91)	1474.10
The proposed appropriations are :		
Interim Dividend	—	69.46
Proposed Final Dividend	—	—
Dividend Tax	—	7.64
General Reserve	—	12.50
Balance carried to the Balance Sheet	(363.91)	1384.50
	(363.91)	1474.10

1. EXTENSION OF ACCOUNTING YEAR

The Board of Directors of the company have extended the financial year of the company which was to end on December 31, 2000 upto June 30, 2001 and accordingly the accounting period under review is of eighteen months as against the period of twelve months in the previous year.

2. DIVIDEND

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

3. REVIEW OF OPERATIONS

a) Performance :-

During the period of operations, the performance of the

company was affected due to severe draught conditions prevailing in Maharashtra, Gujarat, Rajasthan and other adjoining areas. Due to draught conditions the off-take of Fertilizers particularly in Rabi season of 2000 was affected severely. Whilst beginning of monsoon for the current year was fairly good the prices were under pressure due to huge stock which had piled up with majority of SSP manufacturers resulting into cut-throat competition. The profitability of the company was further affected due to reduction in subsidy by Rs.200/- per ton in two stages in the year 2000.

During the period under review, the company has processed 148460 MTs of seeds which is the highest crushing achieved so far by the company. Further the company was able to increase capacity utilization of refinery of 143.26% as compared to 83.47 % in the previous year. However, the margins were under pressure due to severe competition from imported edible oils.

Seed crop for the current year is fairly good and the company hopes to improve its capacity utilization for the current year.

b) Exports :

During the period under review the company achieved an export performance of Rs.2446 Lacs which is the highest exports made by the company in spite of severe competition and depressed market conditions for de-oiled cakes.

4. CORPORATE GOVERNANCE

The Securities and Exchange Board of India has introduced a Code of Corporate Governance for implementation by companies listed on the Stock Exchanges. As per the Listing Agreement the Code is to be implemented by the Company within the Financial Year 2001- 2002 but not later than March 31, 2002. Accordingly the Company has initiated the process of implementation of the said Code and all systems and procedures are expected to be in place before March 31, 2002.

5. 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 June 30, 2001 and of the loss of the Company for the eighteen months period ended June 30, 2001.
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

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and for preventing and detecting fraud and other irregularities;

4. The annual accounts have been prepared on a going concern basis.

6. AUDIT COMMITTEE

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

7. Y2K COMPLIANCE

The roll over to the year 2000 was smooth and the various operations of the Company were not affected at all by the transition into the new millennium.

8. DEPOSITORY SERVICES

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also of the Central Depository Services Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialised form in either of the two Depositories.

9. SAFETY, ENVIRONMENTAL CONTROL & PROTECTION

The Company has taken all the necessary steps for safety and environmental control & protection at its plants at Indore, Udaipur and Pune.

10. 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 is annexed hereto and forms a part of this Report.

11. PERSONNEL

There were no employees who were employed during the period under review or part thereof and who were in receipt of remuneration in excess of the limits specified under Section 217 (2A) of the companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

12. DIRECTORS

The Industrial Development Bank of India (IDBI) has nominated Mr. M.K. Jain as its Nominee Director on the Board of Directors of the Company.

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr C R Malaviya was appointed as an Additional Director by the Board of Directors at their meeting held on November 22, 2001. Mr Malaviya holds

the office of Additional Director upto the date of the forthcoming Annual General Meeting. The Company has received a Notice together with the Deposit as prescribed under Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr Malaviya as a Director of the Company.

During the period under review, Mr S.S. Bhandari ceased to be Director of the Company and the Board of Directors places on record its appreciation of the contribution made by Mr S.S. Bhandari during his association with the Company.

Mr. R.L. Ramsinghani and Mr H D Ramsinghani retire from the Board of Directors by rotation and are eligible for reappointment.

13. 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.

14. 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.

M/s Kanji R Agarwal & Co. are proposed to be appointed as the Branch Auditors for carrying out the Audit of the Udaipur Branch of the Company.

15. ACKNOWLEDGEMENT

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

Registered Office :

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

For and on behalf of the Board

D J Ramsinghani
Managing Director

Place : Mumbai

Dated : November 22, 2001

D N Singh
Technical Director

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ANNEXURE TO DIRECTORS' REPORT

PARTICULARS PURSUANT TO 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 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE EIGHTEEN MONTHS PERIOD ENDED JUNE 30, 2001.

1. CONSERVATION OF ENERGY :

A. Energy conservation measures taken :

1. A fully condensing Steam Turbine has been installed at Indore and a new Coal Fired Boiler has been installed at the Oil Plant at Indore.
2. The Company carries out regular monitoring of Consumption of Power through Power Managers.
3. The Cooling Tower for the Turbine Generator Sets have been fitted with energy saving FRP Fans.
4. Capacitor has been installed leading to improvement in power factors.
5. Leaking Steam Traps were changed to more efficient bucket type traps thereby reducing steam losses.
6. The Thermic Fuel Heater which was a Diesel Fired Heater has been converted into Coal Fired Heater and this has given substantial saving in terms of cost.

B. Additional investment proposals, if any, being implemented for reduction of consumption of energy :

- i) The Company has already invested substantial amount in the Steam Turbine and Coal Fired Boiler, which have become fully operational.
- ii) The Company is considering additional investment to further reduce consumption of energy at its various units.

C. Impact of measures at (A) and (B) above for reduction of Energy Consumption and consequent impact on the cost of production of goods :

Measures at (A) and (B) above proved useful in reducing energy consumption and consequently cost of production.

a) POWER AND FUEL CONSUMPTION :

	18 months period ended 30.06.2001	Previous Year Ended 31.12.1999
i) Electricity		
a) Purchased :		
Units (in thousands)	12286	12741
Total amount (Rs. in lacs)	579	535
Rate / Unit (Rs.)	4.71	4.19
b) Own Generation :		
i) Through diesel generator :		
Units (in thousand)	433	725
Units per litre of diesel oil	2.44	2.61
Cost / Unit (Rs.)	7.64	5.02
ii) Through steam turbine/generator :		
Units (in thousand)	16525	5949
Units per M.T of Steam	80.78	Nil
Cost / Unit (Rs.)	0.69	Nil
ii) Coal	178.10	Nil
iii) Furnace Oil (Rs. in lacs)	139	155
iv) Others / Internal generation	Nil	Nil

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b) CONSUMPTION PER UNIT OF PRODUCTION :

SSP : Single Super Phosphate

GSSP : Granulated SSP

SA : Sulphuric Acid

	30.06.2001					31.12.1999 *				
	Refinery	Seeds	SSP	GSSP	SA	Refinery	Seeds	SSP	GSSP	SA
Electricity (Units)	37	32	25	12	64	45	35	24	16	62
Furnace Oil	—	—	1.36	11	—	—	9.86	1.35	21	—
Coal	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

* After taking into consideration the power generated by steam turbine.

II. TECHNOLOGY ABSORPTION :

A) RESEARCH & DEVELOPMENT (R & D)

a) Specific areas in which R & D is carried out by the Company :

- i) The Company has continuously developed & implemented procedures to minimize its effluents and the results achieved have been very satisfactory.
- ii) Adoption of methods for improvements in specific consumption of raw materials and improved methods for sampling and optimizing production in various units.

b) Benefits derived as a result of R & D :

The R & D activities have helped in reducing energy consumption and optimizing production at various units.

c) Future Plan of Action :

The Company lays a great emphasis on R & D which is a continuous process at various units of the Company.

d) Expenditure on R & D :

Expenditure incurred on Research & Development are charged under primary accounts heads and not allocated separately.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

NOT APPLICABLE

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

I. Activities relating to exports, initiatives taken to increase exports, development of new export plans

The Company has already established an export market for its products and is continuously developing and upgrading its products to meet the stringent quality requirements of International Markets. With the various measures being taken, the Company is hopeful of increasing its exports during the Current year.

II. Total foreign exchange used & earned :

Used :

Earned :

(Rs. in lacs)

1430.89

2445.93