

**18<sup>th</sup>**  
**ANNUAL REPORT**  
**2002-2003**

report  junction.com



**Roopa Industries Limited**

<b>BOARD OF DIRECTORS</b>	:	1. Mr. T.G.RAGHAVENDRA CHAIRMAN & MANAGING DIRECTOR
		2. Mr. V.J.SARMA WHOLETIME DIRECTOR
		3. Mr. M.RAMAPPA FINANCE DIRECTOR
		4. Mr. DEEPAK J BHUTTA
		5. Mr. R.MADAN MOHAN RAO
		6. Mr. N. PHANI RAJ (from 05.06.2003)
		7. Mr. OM AGRAWAL (upto 05.06.2003)
<b>AUDITORS</b>	:	M/S. T.ADINARAYANA & CO. CHARTERED ACCOUNTANTS 806, RAGHAVA RATNA TOWERS CHIRAG ALI LANE, ABIDS HYDERABAD 500 001.
<b>BANKERS</b>	:	DENA BANK
<b>REGISTERED OFFICE</b>	:	17/745, ALUR ROAD, ADONI - 518 301, KURNOOL DISTRICT. ANDHRA PRADESH
<b>FACTORY</b>	:	A3/A4, PHASE-IV IDA, PATANCHERU MEDAK DISTRICT ANDHRA PRADESH
<b>SHARE TRANSFER AGENTS AND DEPOSITORY REGISTRARS</b>	:	VENTURE CAPITAL AND CORPORATE INVESTMENTS LIMITED 6-2-913/914, 3rd FLOOR PROGRESSIVE TOWERS KHAIRATABAD HYDERABAD - 500 004.

## Roopa Industries Limited

### NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of Roopa Industries Limited will be held on Tuesday, 30th September, 2003 at 10.00 A.M., at the Registered Office of the Company, 17/745, Alur Road, Adoni - 518 301, Kurnool Dt., Andhra Pradesh to transact the following business :

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended as on that date and the reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Sri V.J. Sarma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and for the purpose to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution :

"RESOLVED that M/s T.ADINARAYANA & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be determined by the Board of Directors."

#### SPECIAL BUSINESS

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

"RESOLVED that Sri R.Madan Mohan Rao, a Director who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 1st October, 2002 pursuant to Article 36(e) of the Articles of Association of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been secured from some members signifying their intention to propose Sri R.Madan Mohan Rao as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company".

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

"RESOLVED that Sri N. Phani Raj, a Director who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 5th June, 2003 pursuant to Article 36(e) of the Articles of Association of the

Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act, 1956 have been secured from some members signifying their intention to propose Sri N. Phani Raj as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company".

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

"RESOLVED that in partial modification of the resolution passed by the members in the Annual General Meeting held on 30th September, 2002 and pursuant to the provisions of section 310 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII thereof as amended upto date, the consent of the Company be and is hereby accorded to the increase in the remuneration of Sri TG Raghavendra, the Chairman and Managing Director of the Company from Rs.20,000/- per month to Rs.50,000/- per month by way of salary with effect from 6th August, 2003, the other terms and conditions including perquisites remaining unchanged."

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

"RESOLVED that pursuant to the applicable provisions of Securities Contracts (Regulation) Act, 1956 and Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, Listing Agreements and provisions of other applicable Acts, if any, and subject to the approvals, consents, permissions or sanctions as may be required from any authority, the consent of the members of the Company be and is hereby accorded to delist the equity shares of the Company from the Stock Exchanges at Ahmedabad and Hyderabad."

"RESOLVED further that the Board of Directors of the Company be and are hereby authorised to complete all formalities with respect to the above delisting of equity shares of the Company."

BY ORDER OF THE BOARD OF DIRECTORS  
ROOPA INDUSTRIES LIMITED

(TG RAGHAVENDRA)  
CHAIRMAN & MANAGING DIRECTOR

PLACE : PATANCHERU  
DATE : 06.08.2003

## Roopa Industries Limited

### NOTES :

- a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the company.
- b) Proxies in order to be effective must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- c) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto in respect of Special Business.
- d) The member/proxies are requested to produce the attendance slip at the entrance of the Registered Office duly completed and signed for admission to the meeting hall.
- e) All correspondence must be addressed to the Registered Office of the Company.
- f) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 29th September, 2003 to Tuesday, the 30th September, 2003 (both days inclusive).
- g) Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 7 days in advance, so as to enable the Company to keep the information ready.
- h) Shareholders are requested to bring their copy of Annual Report to the meeting.
- i) Any change of address of the Members may please be notified to the Company or Share Transfer Agents M/s Venture Capital & Corporate Investments Ltd, 6-2-913/914, 3rd Floor, Progressive Towers, Khairatabad, Hyderabad - 500 004 quoting their Registered Folio Number.
- j) All documents referred to in the above notice are open for inspection at the Registered Office of the Company during office hours.

### ANNEXURE TO NOTICE

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

##### ITEM NO.4

Sri R.Madan Mohan Rao was appointed as an Additional Director at the meeting of its Board of Directors held on 01.10.2002. According to the Provisions of Section 260 of the Companies Act, 1956 and Article 36 (e) of the Articles of Association of the Company, he holds the office as such upto the date of the ensuing Annual General Meeting. The Company has received notices under section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/- proposing him for the office of the Director.

No Director other than Sri R.Madan Mohan Rao is concerned or interested in the Resolution.

Your Directors commend the Resolution for your approval.

##### ITEM NO.5

Sri N.Phani Raj was appointed as an Additional Director at the meeting of its Board of Directors held on 05.06.2003. According to the Provisions of Section 260 of the Companies Act, 1956 and Article 36 (e) of the Articles of Association of the Company, he holds the office as such upto the date of the ensuing Annual General Meeting. The Company has received notices under section 257 of the Companies Act, 1956 together with a deposit of Rs. 500/- proposing him for the office of the Director.

No Director other than Sri N.Phani Raj is concerned or interested in the Resolution.

Your Directors commend the Resolution for your approval.

##### ITEM NO.6

Sri TG Raghavendra was reappointed as Chairman and Managing Director of the Company for a further period of 5 years in the meeting of the Board held on 31.1.2002 on a remuneration of Rs.20,000/- per month by way of salary plus other perquisites and benefits. The reappointment was approved by the members in the Annual General Meeting held on 30.09.2002.

The operations of the Company and the responsibilities of the Chairman and Managing Director have grown multi-fold and the performance of the unit has also tremendously improved over the last two years with his concentration and dedication. In view of the sharp improvement in the performance of the Company due to his unrelenting efforts and to reward him on par with his peers in the industry, the Board in their meeting held on 06.08.2003 approved the increase in the remuneration of Sri TG Raghavendra from Rs.20,000/- per month to 50,000/- per month by way of salary with effect from 06.08.2003, other terms and conditions including perquisites remaining unchanged, on the recommendation of the Remuneration Committee.

None of the Directors of the Company except Sri TG Raghavendra is interested in the said resolution.

The Board commends the resolution for approval of the members.

##### ITEM NO.7

At present, the Company's Equity shares are listed on the Stock Exchange, Mumbai, The Hyderabad Stock Exchange and The Stock Exchange, Ahmedabad.

With the extensive networking of Bombay Stock Exchange (BSE), as also the extension of BSE terminals to other cities as well, the investors have access to online dealings in the equity shares of

## Roopa Industries Limited

the company across the country. The bulk of the trading of the company's equity shares in any case takes place only on the BSE and the trading in the equity shares on all other Stock Exchanges is negligible.

It is also observed that the listing fees paid to other stock Exchanges are disproportionately high compared to extremely low/nil trading volumes of the company's equity shares on these stock exchanges. The Company has proposed this resolution to enable it to delist the equity shares from all or any of the following stock exchanges, The Hyderabad Stock exchange Ltd and The Stock Exchange, Ahmedabad.

The proposed delisting of company's equity shares from the said stock exchanges as and when it takes place will not affect and be prejudicial to the interests

of the investors adversely. The Company's equity shares will continue to be listed on BSE.

None of the Directors of the Company is in any way interested in the resolution.

Your Directors commend the resolution for approval of the members.

BY ORDER OF THE BOARD OF DIRECTORS  
ROOPA INDUSTRIES LIMITED

(TG RAGHAVENDRA)  
CHAIRMAN & MANAGING DIRECTOR

PLACE : PATANCHERU

DATE : 06.08.2003

### Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Sri VJ Sarma	Sri N Phani Raj	Sri R Madan Mohan Rao
Date of Birth	10-08-1957	31-08-1970	12.06.1951
Date of Appointment	17-03-1997	05-06-2003	01-10-2002
Expertise in specific functional areas	20 years experience in Commercial & in Industrial fields	10 Years experience in Business & Administration	25 years experience in Project Finance & Administration
Qualifications	Commerce Graduate	MBA	M.Tech (Chemical Engineering)
Directorship in other Public Limited Companies	1. Zen Corp Limited	1. e Yantra Industries Ltd., 2. e Yantra apparels (pvt) Ltd.	1. Sree Rayalaseema Galaxy Projects Ltd 2. Sree Rayalaseema Hi-Strength Hypo Ltd
Membership of Committees in other Public Limited Companies	NIL	NIL	On two Committees of Sree Rayalaseema Hi-Strength Hypo Ltd

**DIRECTORS' REPORT**

To

The Members of the Company,

Your Directors have pleasure in presenting the Eighteenth Annual Report of the Company with Audited Accounts of the Company for the year ended 31st March, 2003.

**FINANCIAL RESULTS :**

The financial results for the year ended 31st March, 2003 are summarised as under.

(Rupees in lakhs)

	2002-2003	2001-2002
Net Sales/Income	813.65	541.03
Profit before Depreciation and Tax	37.20	27.48
Depreciation	25.35	18.30
Profit before Tax	11.85	9.18
<b>Provision for Taxation</b>		
Taxation	1.12	0.70
Deferred Tax	7.66	5.70
Profit after Tax	3.07	2.78
Add : Balance brought forward from the last year	2.78	—
Balance carried forward to Balance Sheet	5.85	2.78

Your Company has achieved a turn-over of Rs.813.65 lacs as against the turn-over of Rs. 541.03 lacs during 2001-02 registering about a growth of 40%.

However, during the years to come the company is looking for new opportunities for accelerated growth.

**DIRECTORS:**

Sri V.J.Sarma, Director of the Company retire by rotation at this Annual General Meeting and being eligible offers himself for reappointment.

Sri R.Madan Mohan Rao and Sri N.Phani Raj who were appointed as Additional Directors and will hold the office upto the date of the ensuing annual General Meeting and being liable offer themselves for reappointment.

Sri OM Agrawal, Director of the Company has resigned with effect from 05.06.2003. The Board of Directors place on the record their deep appreciation of the valuable services rendered by him during his tenure as Director of the Company.

**FIXED DEPOSITS:**

During the year under review the Company has neither invited nor accepted any fixed deposits from

the Public within the meaning of section 58A of the Companies Act, 1956.

**AUDITORS AND THEIR OBSERVATIONS :**

M/s. T.Adinarayana & Co, Chartered Accountants, Hyderabad the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offers themselves for reappointment. Your Directors recommend for their reappointment.

Regarding the observation of Auditors at Item No.17 of Annexure to their report in respect of non-payment of P.F. and E.S.I. dues, we would like to inform that your Company could not pay the said dues on due dates but have paid subsequently. Regarding Item No.9 of Schedule 'P', in respect of non-provision of interest on the loan due by Sri Lakshmi Engineering Industries Limited, it is to state that no provision of interest has been made since a case was filed against the party. And Item No.10 of Schedule 'P' in respect of acquisition of land, a suit has been filed claiming compensation @ 475000/- per acre as decided by Price Negotiation Committee under the Chairmanship of Joint Collector, Anantapur and the suit is pending disposal. The Company is confident of getting increased compensation. Hence the loss on acquisition of land has not been considered.

With regard to the auditors observation in respect of lack of information with the Company about the SSI status of the creditors, the same was mentioned at point No. 8 of notes to accounts which is self explanatory.

**DE-LISTING :**

With extensive connectivity of the Bombay Stock Exchange, (BSE) investors have access to dealing in the equity shares of the company all over the country. The bulk of the trading in the equity shares of the company takes place on the BSE. Trading, if any, on the other stock exchanges is negligible. As part of the cost reduction measures and to protect the investors' funds, it is proposed to voluntarily to delist the equity shares of the company from the stock exchanges at Ahmedabad and Hyderabad. The proposed delisting of equity shares will not adversely affect the investors as the company's equity shares will continue to be listed on the BSE.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed :

- (i) That in the preparation of the Accounts for the financial year ended 31st March, 2003, the

## Roopa Industries Limited

applicable accounting standards have been followed along with proper explanation relating to material departures ;

- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2003 on a 'going concern' basis.

### AUDIT COMMITTEE :

The Board has constituted an Audit Committee with Sri Deepak J Bhutta, Director as Chairman, and Sri OM Agrawal, Director (upto 05.06.2003), Sri V.J.Sarma (upto 30.09.2002), Sri R Madan Mohan Rao (from 01.10.2002) and Sri N.Phani Raj (from 05.06.2003) as members.

### DISCLOSURES :

#### PARTICULARS UNDER 217 (1) (e) OF THE COMPANIES ACT, 1956:

Additional information on conservation of Energy, Technology, Absorption, Foreign Exchange earnings and outgo as required to be disclosed in terms of 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,

is annexed hereto (Annexure I) and forms part of this report.

#### PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956:

The Company do not have any employees coming under the purview of Section 217(2A) of the Companies Act, 1956.

#### LISTING FEE :

The Company's shares have been listed at Hyderabad, Mumbai and Ahmedabad Stock Exchanges and the listing fee has been paid for the financial year 2003-2004.

#### CORPORATE GOVERNANCE:

A report on the corporate Governance along with a certificate from the Auditors' of the company regarding the compliance of the conditions of the corporate governance as stipulated under clause 49 of the listing agreement and also the Management Discussion and Analysis Report are annexed to this report.

#### ACKNOWLEDGEMENTS:

Your Directors thank the various departments of the Central and State Governments and Bankers of the Company for their co-operation and assistance. Your Directors also thank the share holders of the Company for their continued interest and support and finally all the employees for their services during the year.

BY ORDER OF THE BOARD OF DIRECTORS  
ROOPA INDUSTRIES LIMITED

(TG RAGHAVENDRA)  
CHAIRMAN & MANAGING DIRECTOR

PLACE : PATANCHERU  
DATE : 06.08.2003

### ANNEXURE TO DIRECTORS' REPORT

#### ANNEXURE - I :

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of Particulars in the Board of Directors' Report) Rules, 1988.

#### Form - A

Form for disclosure of particulars with respect to Conservation of Energy.

#### A) POWER AND FUEL CONSUMPTION :

##### a) Electricity :

	Current Year 2002-2003	Previous Year 2001-2002
Purchased Units	8,61,296	5,71,546
Total Amount (Rs.)	33,90,242	22,65,886
Rate per Unit	3.94	3.96

## Roopa Industries Limited

## b) Own Generation :

Through Diesel Generator	35707 KW Hr	17243 KW Hr
Units per Ltr of Diesel Oil	3.11	3.11
Cost per Unit (Rs.)	6.61	5.97

**B) CONSUMPTION PER UNIT OF PRODUCTION :**

	Current Year 2002-2003	Previous Year 2001-2002
Production ( Kgs.)	150823	97156
Power Consumption per Kg. (Rs.)	22.48	23.32

**Form - B****A) TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :**

The Company has adopted indigenous technology for manufacture of Bulk Drugs and Drug Intermediates and Fine Chemicals and no imported technology is involved.

**B) RESEARCH AND DEVELOPMENT (R & D) :**

The Company has an inhouse R & D division for improving the quality, productivity and for developing the new viable products.

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

## a) Total foreign exchange used and earned.

	(Rupees in lacs)	
	Current Year 2002-2003 Rs.	Previous Year 2001-2002 Rs.
Used	Nil	Nil
Earned	Nil	26.47

BY ORDER OF THE BOARD OF DIRECTORS  
ROOPA INDUSTRIES LIMITED

(TG RAGHAVENDRA)  
CHAIRMAN & MANAGING DIRECTOR

PLACE : PATANCHERU  
DATE : 06.08.2003



## Roopa Industries Limited

### REPORT ON CORPORATE GOVERNANCE

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

#### 1. Company's philosophy on code of Governance :

Roopa Industries Limited (RIL)'s philosophy on Corporate Governance is to enhance the long term value of the Company for its shareholders and other stakeholders. RIL recognizes and acts on the conviction that the expectations of all the stakeholders are best met through a combination of efficient and productive operations and a track record of fairness, integrity, transparency, accountability and responsibility. Accordingly, RIL believes in creating an economic, legal and institutional environment that allows the company to grow and prosper and do everything necessary to maximize long term shareholder value.

#### 2. Board of Directors :

##### i) Pecuniary Relationship :

Non Executive Directors do not have any pecuniary relationship with the company except as stated of this report.

##### ii) Composition :

The present strength of the Board of Directors is six of which three are non-executive independent Directors, one Chairman and Managing Director (CMD) and two whole-time Directors. The details of the composition of the existing Board of Directors are given below :

Sl. No.	Name of Director	Category	No. of Board Meetings attended during 2002-03	NO. of Directorship in other companies	No. of membership, Chairmanship in other board committees	Whether attended previous AGM held on 30.9.02
1.	Sri T.G Raghavendra	Executive, CMD	5	1	NIL	YES
2.	Sri VJ Sarma	Executive, WTD	5	1	NIL	YES
3.	Sri M.Ramappa	Executive, WTD (F)	4	—	NIL	YES
4.	Sri OM Agrawal (Upto 05.06.2003)	Non Executive, IND	4	—	NIL	NO
5.	Sri Deepak J Bhutta	Non Executive, IND	4	2	NIL	YES
6.	Sri R Madan Mohan Rao (From 01.10.2002)	Non Executive, IND	3	2	2	NO
7.	Sri N Phani Raj (From 05.06.2003)	Non Executive, IND	—	2	NIL	NO

CMD = Chairman and Managing Director, WTD = Whole-time Director, IND = Independent Director.

##### iii) No. of Meetings held :

During the period under review five meetings of the Board of Directors of the Company were held on 29<sup>th</sup> April, 2002, 31<sup>st</sup> July, 2002, 1<sup>st</sup> October, 2002, 31<sup>st</sup> October, 2002 and 30<sup>th</sup> January, 2003.

## iv) Appointment and re-appointment of Directors :

Sri R.Madan Mohan Rao has been appointed as Additional Director of the Company in the meeting of the Board held on 1<sup>st</sup> October 2002. A notice U/s 257 of the Companies Act, 1956 was received from a member signifying his consent for purpose Sri R.Madan Mohan Rao as a candidate for the office of Director in the ensuing Annual General Meeting.

Sri N. Phani Raj has been appointed as Additional Director of the Company in the meeting of the Board held on 5th June, 2003. A notice U/s 257 of the Companies Act, 1956 was received from a member signifying his consent for purpose Sri N.Phani Raj as a candidate for the office of Director in the ensuing Annual General Meeting.

Sri VJ Sarma, Director of the Company retire by rotation and being eligible offer himself for reappointment at the ensuring Annual General Meeting.

A brief resume of Directors seeking appointment/re-appointment are furnished here below.

Name of the Director	Sri VJ Sarma	Sri N Phani Raj	Sri R Madan Mohan Rao
Date of Birth	10-08-1957	31-08-1970	12.06.1951
Date of Appointment	17-03-1997	05-06-2003	01-10-2002
Expertise in specific functional areas	20 years experience in Commercial & in Industrial fields	10 Years experience in Business & Administration	25 years experience in Project Finance & Administration
Qualifications	Commerce Graduate	MBA	M.Tech (Chemical Engineering)
Directorship in other Public Limited Companies	1. Zen Corp Limited	1. e Yantra Industries Ltd., 2. e Yantra apparels (pvt) Ltd.	1. Sree Rayalaseema Galaxy Projects Ltd 2. Sree Rayalaseema Hi-Strength Hypo Ltd
Membership of Committees in other Public Limited Companies	NIL	NIL	On two Committees of Sree Rayalaseema Hi-Strength Hypo Ltd

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a Director.

## 3. Committees of the Board :

The Board of Directors have constituted the following committees with adequate delegation of powers as required. The committees constituted by the Board as on date are.

## i) Audit Committee :

## a) Terms of Reference :

The terms of reference to Audit Committee covers all the matters specified for Audit Committee under clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956.