



Ruchi Infrastructure Limited
Annual Report 2000-2001

Ruchi Infrastructure Limited

ANNUAL REPORT 2000-2001

Board of Directors

Shri Dinesh Shahra
Shri P. S. Santhanakrishnan
Shri Darshan S. Desai
Shri Naveen Gupta

Company Secretary

Shri Ashok Khandelwal

Auditors

M/s. M. M. Singla & Company
Mumbai

Bankers

State Bank of Indore
HDFC Bank Limited
Development Credit Bank Limited

Registered Office

706, Tulsiani Chambers, Nariman Point,
Mumbai 400 021

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Notice

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RUCHI INFRASTRUCTURE LIMITED WILL BE HELD AT SUNVILLE DELUXE PAVILION, SUNVILLE BUILDING, 9, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 018 ON SATURDAY, THE 29TH SEPTEMBER, 2001 AT 12.00 NOON TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended 31st March, 2001 together with the Report of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri Darshan S Desai, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors 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(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company situated at Kakinada, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of the Industrial Investment Bank of India (IIBI) to secure Rupee Term Loan not exceeding Rs.16 crores (Rupees Sixteen Crores only) lent and advanced/agreed to be lent and advanced by IIBI to the Company for setting up of plant for edible oil refinery/manufacture of vanaspati at Kakinada together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies payable by the Company to IIBI under the Loan Agreement/ Letters of Sanction/Memorandum of terms and conditions entered into/to be entered into by the Company in respect of said term loan.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IIBI the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things to the above resolution”.

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

“RESOLVED THAT the preferential allotment of 274570 equity shares of Rs.10/- (Rupees ten only) each of the Company made by the Board of Directors at their meeting held on 29th December, 2000, in pursuance to the Special resolution passed under Section 81(1A) of the Companies Act, 1956, at the Sixteenth Annual General Meeting of the Company held on 30th September, 2000, at a price of Rs.170/- (Rupees One Hundred Seventy only) per share to Overseas Corporate Bodies be and is hereby approved and ratified.

RESOLVED FURTHER THAT all acts done by the Board of Directors, officials or authorised representatives of the Company in regard to the aforesaid preferential allotment of 274570 equity shares of the Company be and are hereby ratified and that the approval of members of the Company be and is hereby granted to the Board of Directors to do such acts and things as may be necessary in this regard for and on behalf of the Company. “

Registered Office :
706, Tulsiani Chambers,
Nariman Point,
Mumbai- 400021

By order of the Board of Directors
For Ruchi Infrastructure Ltd.

Mumbai,
Dated August 18, 2001

Dinesh Shahra
Director

NOTES :

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- 2) Explanatory statements pursuant to provisions to Section 173(2) of the Companies Act, 1956, setting out the material facts in respect of the business under item Nos.5 and 6 are annexed hereto.
- 3) The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2001 to 29th September, 2001 (both days inclusive).
- 4) Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
- 5) Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- 6) All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturdays upto the date of the Annual General Meeting.
- 7) Members seeking any further information about the accounts are requested to write to the Company at least ten days before the date of the Annual General Meeting so as to enable the management to keep the information ready at the meeting.
- 8) Dividend as recommended by the Directors, if declared at the ensuing Annual General Meeting will be paid on or after, 29th September, 2001, to those members whose names appear in the Register of Members of the Company on 29th September, 2001.
- 9) SEBI has notified for compulsory settlement of shares of the Company in demat form with effect from 24th July, 2000. Members, who have not dematerialised their shares are advised to contact Depository Participants in this regard.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

The Company has been sanctioned a Rupee Term Loan of Rs.16 crores by IIBI for setting up of plant for edible oil refinery/ manufacture of vanaspati at Kakinada. The loan, all interest and other monies in respect of the loan assistance shall be secured by an exclusive first mortgage on all immovable and movable properties, both present and future, of Kakinada Refinery and Vanaspati plant, in such form and manner as may be required by IIBI subject to the charges created/to be created in favour of the Company's bankers on current assets for securing borrowing for working capital requirement. Section 293(1)(a) of the Companies Act, 1956 provides inter-alia that the Board of Directors of public Company shall not, without the consent of such Public Company in general meeting, sell, lease, or otherwise dispose off the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertakings whole or substantially the whole, of any such undertakings whole or substantially the whole, of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Financial Institution may be regarded as disposal of the Company's properties/undertakings, the directors commend this resolution for your approval under Section 293(1)(a) of the Companies Act, 1956.

Copy of the Letter of Intent No.IIBI:HBO:RIL:LI:17:1183:2001 dated March 15, 2001 received from IIBI and copies of the relevant documents/correspondence between the said institution and the Company are open for inspection.

None of the directors of the Company is concerned or interested in the resolution.

ITEM NO. 6

In terms of provisions of Section 81(1A) of the Companies Act, 1956 and subject to the guidelines rules/regulations made by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and other concerned authorities, the members of the Company accorded their approval to the Board of Directors to offer/issue/allot not exceeding 274570 equity shares of

the Company, at their 16th Annual General Meeting held on 30th September, 2000. The approval was accorded to offer/issue/ allot equity shares through public issue, private placement or preferential allotment.

In pursuance of this approval, the Board of Directors of the Company issued and allotted on preferential basis, 274570 equity shares of Rs.10/- (Rupees ten only) each at a price, arrived at in accordance with the relevant provisions of SEBI guidelines, being Rs.170/- (Rupees One hundred Seventy only) per share at their meeting held on 29th December, 2000.

On Submission of application for listing of above shares, The Stock Exchange, Mumbai advised the Company to get NOC from SEBI due to non-disclosure of certain information in the explanatory statement of the Notice calling the 16th Annual General Meeting held on 30th September, 2000, as required under Clause 13.1A of the then recently amended SEBI DIP guidelines, 2000. On application by the Company, SEBI has directed that the issue of 274570 equity shares be ratified by the shareholders in the next General Meeting and the details prescribed by Clause 13.1A of the SEBI DIP guidelines, 2000 be sent to the shareholders and that there should be no price advantage to the allottees assuming this is a fresh issue approved in the General Meeting. The information to be included in the explanatory statement as prescribed by Clause 13.1A of SEBI DIP guidelines is as under:

- i. The preferential issue was to part finance the proposed composite units comprising of Refinery and Vanaspati plant at Kakinada.
- ii. At the 16th Annual General Meeting of the Company, approval was sought for allotment in favour of public, members, promoters, Non-Resident Indians, Overseas Corporate Bodies, Domestic Companies, Group Companies and/or to such other persons as the Board may at its absolute discretion think fit and decide. However, neither any of the promoters/directors/key management persons had intention to subscribe nor any of them has subscribed to the issue.
- iii. The shareholding pattern before and after the date of allotment of said 274570 equity shares of the Company is as under:

Category	Pre-issue		Post-issue	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Indian Promoters	3324000	69.25	3324000	65.50
Private Corporate Bodies	1428200	29.75	1428200	28.15
Indian public	47800	1.00	47800	0.94
NRIs/OCBs	-	-	274570	5.41
TOTAL	4800000	100.00	5074570	100.00

- iv. In accordance with the relevant provisions of SEBI DIP Guidelines, 2000, the resolution passed at the 16th Annual General Meeting for the proposed issue of equity shares was valid for a period of three months. The allotment pursuant to the resolution was completed within the validity period.
- v. The names, addresses and percentage of post preferential issue capital held by the allottee are as under:

Name and Address of Allottee	% of post-issue shareholding
Antarika Resources Ltd. 3 rd Floor, Les Cascades Edith Cavell Street, Port Louis, Mauritius.	5.41

The Board of Directors of the Company recommend the members to approve and ratify the allotment of 274570 equity shares of the Company as aforesaid. It is further clarified that the preferential allotment of equity shares was made at a price of Rs.170/- per share.

The resolution is proposed to comply with the directions of SEBI vide their letter bearing no.PMIMD/SRP//33100/2001 dated July 24, 2001 for listing of the said shares. The Board of Directors of the Company recommend the members to pass the resolution as a special resolution. None of the Directors is interested in the resolution.

By order of the Board of Directors
Ruchi Infrastructure Ltd.

Registered Office :
706, Tulsiani Chambers, Nariman Point,
Bombay- 400021
Mumbai,
Dated August 18, 2001

DINESH SHAHRA
DIRECTOR



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2001.

	(Rs.in Crores)	
FINANCIAL RESULTS	2000 - 2001	1999-2000
Sales & Services	261.07	256.10
Profit before Depreciation & Taxation	13.36	9.91
Less: Depreciation	8.07	5.02
Profit before Taxation	5.29	4.89
Less: Provision for Taxation	0.54	0.56
Profit after Taxation	4.75	4.33
Add: Balance brought forward from previous year	0.40	0.72
Amount available for appropriation	5.15	5.05
APPROPRIATIONS:		
General Reserves	4.00	4.00
Interim Dividend	0.58	0.58
Tax on Dividend	0.06	0.07
Surplus Carried to Balance Sheet	0.51	0.40
	5.15	5.05

OPERATION:

During the year under review, the Company's total income has increased to Rs.261.07 Crores reflecting a growth of 1.94% over the previous years figure of Rs.256.10 Crores. The Company's gross profit has increased to Rs.13.36 Crores from Rs.9.91 Crores. The Company has posted a net profit of Rs.4.75 Crores during the current financial year as against Rs.4.33 Crores during the previous financial year.

DIVIDEND:

Your directors are pleased to recommend dividend @ 12% (Rs.1.20 per equity share) on equity share capital of Rs.5.07 crores on pro-rata basis.

PREFERENTIAL ALLOTMENT OF EQUITY SHARES:

During the year under review, your Company has allotted 274570 equity shares of Rs.10/- each at a premium of 160/- per share in favour of Overseas Corporate Bodies on preferential basis in accordance with SEBI guidelines prevailing at that time.

FUTURE OUTLOOK:

The full benefit from the storage tank projects completed from 1999-2000 onwards shall be available from current year. The Company is in the process of setting up storage tanks at inland sites. The edible oil/vanaspati plant at Kakinada is being expanded which will further boost the bottom line of the Company.