

RAMA NEWSPRINT AND PAPERS LIMITED

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| MD | <input checked="" type="checkbox"/> | | BKC | <input checked="" type="checkbox"/> |
| CS | <input checked="" type="checkbox"/> | | DPY | <input checked="" type="checkbox"/> |
| RO | <input checked="" type="checkbox"/> | | DIV | <input checked="" type="checkbox"/> |
| TRA | <input checked="" type="checkbox"/> | | AC | <input checked="" type="checkbox"/> |
| AGM | <input checked="" type="checkbox"/> | | SHI | <input checked="" type="checkbox"/> |
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6th
Annual Report 1996-97





Rama Newsprint And Papers Limited



Board of Directors

| | |
|----------------------|------------------------------|
| Vashu J. Ramsinghani | Chairman & Managing Director |
| H. K. Khan | |
| N. J. Jhaveri | |
| N. Ganga Ram | |
| T. Panduranga Rao | (UTI Nominee) |
| N. S. Sadawarte | (ICICI Nominee) |
| Parshottam Kukreja | |
| Manohar S. Agicha | |
| Ramesh Narang | |
| Manju V. Ramsinghani | |
| N. P. Dalal | (Wholetime Director) |
| S. P. Dasgupta | (Wholetime Director) |

Vice President - Finance & Company Secretary

Mahesh Makhijani

Senior Management Executives

| | |
|----------------------|--|
| Vashu J. Ramsinghani | Chairman & Managing Director |
| N. P. Dalal | Director – Corporate Development |
| S. P. Dasgupta | Director – Projects |
| G. R. Karmakar | Sr. Vice President – Operations |
| S. S. Mande | Sr. Vice President – Corporate Development |
| Mahesh Makhijani | Vice President – Finance & Company Secretary |
| G. U. Mangtani | Vice President – Co-ordination |

Bankers

Bank of India
Oriental Bank of Commerce
State Bank of India

Registered Office & Factory

Village Barbodhan, Taluka Olpad,
District Surat, Gujarat 395 005.

Corporate Office

181-B, Maker Tower 'E', Cuffe Parade,
Mumbai 400 005.

Auditors

Haribhakti & Co.

Solicitors

Crawford Bayley & Co.

Registrars & Transfer Agents

MCS Ltd.
Sri Venkatesh Bhavan
Plot No. 27, Road No. 11,
MIDC Area, Andheri (E),
Mumbai 400 093.

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Notice

NOTICE is hereby given that the 6TH ANNUAL GENERAL MEETING of the Members of RAMA NEWSPRINT AND PAPERS LIMITED will be held on Monday, the 29th day of September, 1997 at 10:00 a.m. at the Registered Office of the Company situated at Village Barbodhan, Taluka Olpad, District Surat, Gujarat to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the period ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. N. Ganga Ram, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. N. P. Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. V. J. Ramsinghani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors 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. S. P. Dasgupta, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 257 and other applicable provisions, if any, of the said Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT consent of the Members be and is hereby accorded pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the appointment of Mr. Vashu J. Ramsinghani as Managing Director of the Company notwithstanding that he is a relative of Mrs. M.V. Ramsinghani, a Director of the Company,

for a period of 5 (five) years with effect from 18th May, 1997 on the terms and conditions set out in the Draft Agreement between the Company and Mr. Vashu J. Ramsinghani produced at this meeting and, for the purpose of identification, initialled by the Chairman hereof;"

"RESOLVED FURTHER THAT the Directors be and they are hereby authorised to execute the agreement in terms of the said draft with such alterations, changes and variations in the remuneration payable to Mr. Vashu J. Ramsinghani as may be agreed to by the parties provided that the said remuneration as altered, changed or varied shall not, in any event, exceed the limits prescribed under Schedule XIII of the Companies Act, 1956 for the time being and from time to time in force."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT consent of the Members be and is hereby accorded pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any of the Companies Act, 1956 ("the Act") to the appointment of Mr. S.P. Dasgupta as Whole-time Director of the Company for a period of 5 (five) years with effect from 24th May, 1997 on the terms and conditions, including expressly the remuneration payable to him as Whole-time Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft agreement between the Company and Mr. S. P. Dasgupta produced at this meeting and for the purpose of identification initialled by the Chairman hereof ;"

"RESOLVED FURTHER THAT the Directors be and are hereby authorised to execute the agreement in terms of the said draft with such alterations, changes and variations in the remuneration payable to Mr. Dasgupta as may be agreed between the Board of Directors and Mr. Dasgupta provided that the said remuneration as altered, changed or varied shall not in any event, exceed the limits prescribed under Schedule XIII of the Act 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 resolution as an ORDINARY RESOLUTION :

Notice



"RESOLVED THAT in pursuance of Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the resolution passed at the Fourth Annual General Meeting of the Company held on 30th September, 1995, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, from time to time, all such sums of money as it may deem requisite or proper for the purpose of the business of the Company, notwithstanding that the moneys to be borrowed by the Company together with the moneys, if any, already borrowed by the Company (neither of which sums shall include the temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of moneys so borrowed by the Board shall not at any time exceed Rs.450 crores (Rupees four hundred fifty crores)."

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in supersession of the resolution passed at the Fourth Annual General Meeting of the Company held on 30th September, 1995, 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 wheresoever situated, present and future, and the whole undertaking of the Company (subject to prior charges in favour of the Company's bankers for cash credit and other facilities) together with power of the mortgagee/s to take over the Management of the business and concern of the Company in certain events, in order to secure Rupee Term Loans/Foreign Currency Loans and the issue of Partly Convertible Debentures and Non-Convertible Debentures or any other debt taken by the Company for amounts not exceeding in the aggregate Rs.450 crores (Rupees four hundred fifty crores) obtained/to be obtained from the Financial Institutions and/or Banks or issued/to be issued by the Company or to be privately placed with the Financial Institutions and/or Banks and/or Mutual Funds or any other person as the case may be, and interest at the respective agreed rates, compound/additional interest,

commitment charges, premium on prepayment, costs, charges, expenses, remuneration of the Trustees and all other moneys payable in respect of the aforementioned borrowings as may be agreed to by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with the Financial Institutions, Banks, Mutual Funds and Trustees for the Debentureholders, the documents for creating the aforesaid mortgages and/or charges and to do all such acts and things as may be required for giving effect to the Resolution."

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.2,00,00,00,000 to Rs.2,02,00,00,000 (Rupees Two hundred and two crores) divided into :

- (i) 19,00,00,000 (Nineteen crores) Ordinary Shares of Rs.10/- each and
- (ii) 12,00,000 (Twelve lacs) Preference Shares of Rs.100/- each.

RESOLVED FURTHER THAT the existing clause V of the Memorandum of Association of the Company be deleted and the following be substituted therefor :

- 'V. The Authorised Share Capital of the Company is Rs. 2,02,00,00,000 (Two hundred and two crores) divided into:
- (i) 19,00,00,000 (Nineteen crores) Ordinary Shares of Rs.10/- each and
- (ii) 12,00,000 (Twelve lacs) Preference Shares of Rs.100/- each'."

12. 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 31(1) of the Companies Act, 1956, the existing Article 4 of the Articles of Association of the Company be and is hereby substituted by the following Article :

- '4. The Authorised Share Capital of the Company is Rs. 2,02,00,00,000 (Two hundred and two crores) divided into :

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- (i) 19,00,00,000 (Nineteen crores) Ordinary Shares of Rs.10/- each and
- (ii) 12,00,000 (Twelve lacs) Preference Shares of Rs.100/- each'."

13. To consider and, if thought fit, to pass with or without modification the following resolution as a SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 80, 81(1-A) and other applicable provisions if any, of the Companies Act, 1956 and subject to approval of the Securities and Exchange Board of India (SEBI), the Reserve Bank of India, the Financial Institutions/Banks and such other approvals, permissions and consents as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall include any Committee of the Board) to issue upto 12,00,000 Redeemable Preference Shares of Rs.100/- each aggregating upto Rs.12,00,00,000 (Rupees twelve crores only) each for cash at par, whether cumulative or non cumulative as may be agreed to by the Board, and to offer the said shares for subscription for cash at par by way of private placement with Financial/Investment Institutions, Banks, Mutual Fund(s)/other Corporate Body(ies) or other persons as the Board may deem proper in such numbers and at such time or times and on such terms as may be agreed to between the Company and such Financial/Investment Institutions, Banks, Mutual Fund(s)/other Corporate Body(ies) or persons as the Board may deem fit.

RESOLVED FURTHER THAT the said Redeemable Preference Shares be redeemed at par or at a premium at the expiry of such period from the date of allotment as may be agreed to by the subscribing institutions/ persons and by the Board.

RESOLVED FURTHER that the said Redeemable Preference Shares shall carry the right to receive proportionate dividend which may be declared for the financial year in which such shares are allotted;

AND RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion, deem necessary or proper and to settle any or all matters

arising with respect to the issue, allotment and utilisation of the proceeds of the issue of Shares and further to do all such acts, deeds and things and to finalise and execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution."

By Order of the Board
For **RAMA NEWSPRINT AND PAPERS LTD.**

MAHESH MAKHIJANI
Vice President-Finance
& Company Secretary

Mumbai, 27th August, 1997

Registered Office :
Village Barbodhan, Taluka Olpad,
District Surat, Gujarat-395 005

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.
2. The proxy, in order to be effective, must be received by the Company not less than 48 hours before commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 19th day of September, 1997 to Monday, the 29th day of September, 1997 (both days inclusive) for the purpose of Annual General Meeting.
5. Members are requested to notify immediately the change, if any, in their Registered Addresses to the Company's Registrar, MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (E), Mumbai - 400 093.
6. Shareholders intending to require information about the accounts to be explained at the meeting are requested to furnish the queries to the company at least 10 (ten) days in advance of the date of the Annual General Meeting.

Annexure to Notice

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

ITEM NO. 6

Mr. S.P. Dasgupta was appointed by the Board of Directors as an Additional Director with effect from 24th May, 1997. Under Section 260 of the Companies Act, 1956, Mr. Dasgupta holds office only upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a deposit of Rs.500/- from a member signifying his intention to propose the name of Mr. Dasgupta as a candidate for the office of Director. Mr. Dasgupta, aged 63 years, is a B.Sc (Engg) with over 35 years of experience in the paper industry. He joined the services of the Company in July 1995 and is presently designated as President in charge of Project implementation and operations. Your Directors are of the view that his appointment will be in the interest of the Company and its shareholders.

Mr. Dasgupta is interested in the resolution since it concerns his own appointment. None of the other Directors is concerned or interested in passing of this resolution.

ITEM NO. 7

Members will recall that Mr. Vashu J. Ramsinghani was appointed as the Managing Director of the Company for a period of five years from 18th May, 1992 and his term of office expired by efflux of time on 17th May, 1997. Your Directors have, subject to the approval of the members in the Annual General Meeting, re-appointed Mr. Vashu J. Ramsinghani as the Managing Director of the Company for a period of 5 (five) years from 18th May, 1997 on the terms and conditions set out in the draft agreement referred to in the resolution.

The material terms of the said agreement are as follows :

I. Period : 5 years from 18th May, 1997.

II. Remuneration :

(i) Salary : Rs.45,000/- per month.

(ii) Perquisites :

Part A

- a) House Rent Allowance upto 60% of salary.
- b) Reimbursement of medical expenses actually incurred for self and family, the total cost of which to the company shall not exceed one month's salary every year or three months salary in a block of three years.
- c) Fees of clubs subject to a maximum of two clubs.
- d) Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.10,000/-.

- e) Free use of car with driver, the monetary value of which will be evaluated as per the Income Tax Rules, 1962.

However, the aggregate of the salary and the total value of perquisites covered in Part A hereinabove shall be restricted to an amount equal to Rs.10,50,000/- per annum.

Part B

- a) Company's contribution towards Provident Fund, Superannuation Fund, or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity : One-half month's salary for each completed year of service.
- c) Encashment of leave at the end of tenure.

Part C

- a) Children's Education Allowance to the extent of Rs.5,000/- per month per child or actual expenses incurred, whichever is less provided that this allowance shall be admissible only up to a maximum of two children.
- b) Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India provided they are not residing in India with the Managing Director.
- c) Return passage for self and family from India to his home country in accordance with the rules of the Company provided it is proposed to spend the leave in home country instead of anywhere in India.
- d) Free Telephone facility at residence. However, personal long distance calls on telephone shall be billed by the Company to the Managing Director.
- e) Reimbursement of entertainment and all other expenses actually and properly incurred for the purpose of Company's business.

III. Minimum Remuneration :

The above remuneration including the perquisites aforesaid, shall, nevertheless, be paid as minimum remuneration for any financial year in case of absence or in adequacy of profits for such year.

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Annexure to Notice

IV. Other Terms :

- i) The Managing Director shall not be paid any sitting fees for attending any Meeting of the Board or Committee thereof.
- ii) The Managing Director shall not be liable to retire by rotation.
- iii) The Managing Director shall not, without the Board's approval, engage himself in any business, occupation or employment competing with the Company's business.
- iv) The Managing Director shall not divulge or disclose any confidential information or knowledge as to the business and affairs of the Company.
- v) Both parties are entitled to terminate the agreement by giving to the other party ninety days notice in writing without showing any cause.

The progress made in the implementation of the Company's project is due in large measure to the expertise and unstinting efforts expended by Mr. Ramsinghani during his tenure of office as Managing Director. The Company successfully commissioned the newsprint machine and de-inking plant and the entire project, which is the brainchild of Mr. Ramsinghani, is now very nearly complete. The Company also commenced the commercial production of newsprint in August 1996 and achieved a turnover of Rs.1956.98 lacs during the period ended 31 March, 1997 and it is expected that a turnover in excess of Rs.10000 lacs should be achieved in the year ended 31 March, 1998. Your Directors are of the opinion that in view of, *inter alia*, Mr. Ramsinghani's expertise, knowledge, experience and performance his re-appointment will be in the interest of the Company and its shareholders and, accordingly, commend the resolution at item no. 7 for your acceptance.

The Draft agreement between the Company and Mr. Vashu J. Ramsinghani referred to in the Resolution is available for inspection to the Members at the Registered Office of the Company between 10:30 a.m. and 1:00 p.m. on all working days (except Saturdays).

Mr. Vashu J. Ramsinghani is interested in the Resolution at Item No. 7 since it concerns his own appointment. Mrs. M.V. Ramsinghani, wife of Mr. Vashu J. Ramsinghani may also be deemed to be interested in passing of this Resolution.

This Explanation, together with the accompanying Notice, is and shall be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 8

Your Directors have, subject to the approval of the Company's Members in General Meeting appointed Mr. S.P. Dasgupta as a Whole-time Director of the Company for a period of 5 years from 24th May, 1997 on the terms and subject to the conditions set out in the draft agreement referred to in the resolution.

The material terms, including remuneration, of the said agreement are as follows :

- I. Period : 5 years with effect from 24th May, 1997.
- II. Remuneration :
 - (i) Salary : Rs.12,000/- per month in the grade of 12000-1000-19,000 with liberty to the Board to withhold or give more than one increment.
 - (ii) Perquisites:
 - Part A
 1. Use of fully furnished residential accommodation (with furniture, fixtures and fittings) at Surat owned, leased or licensed by the Company.
 2. Location allowance, education allowance and other allowances not exceeding in the aggregate Rs.3000/- per month.
 3. Ex-gratia/bonus as per the Rules of the Company not exceeding 20% of the salary.
 4. Reimbursement of medical expenses actually incurred for self and family the total cost of which shall not exceed one month's salary in a year or three months' salary in a block of three years.
 5. Personal accident insurance of an amount the annual premium of which does not exceed Rs.4000/-.
 6. Free use of car with driver, the monetary value of which will be evaluated as per Income Tax Rules, 1962.
 - Part B
 - a) Company's contribution towards Provident Fund, Superannuation Fund, or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity : One-half month's salary for each completed year of service.
 - c) Encashment of leave at the end of tenure.

Annexure to Notice

Part C

1. Leave travel concession for self and family once in a year in accordance with the Rules of the Company.
2. Leave on full pay and allowances as per the Rules of the Company but not exceeding one month's leave per year of service and leave accumulated but not availed of will be allowed to be encashed as per the Rules of the Company.
3. Reimbursement of entertainment and all other expenses actually and properly incurred for the purpose of the Company's business.
4. Free telephone facility at residence. However, personal long distance calls on the telephone for private purposes shall be billed by the Company to the Whole-time Director.

iii. Minimum Remuneration :

The above remuneration including the perquisites aforesaid, shall, nevertheless, be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year.

IV. Other Terms :

1. The Whole-time Director shall not be paid any sitting fees for attending any meeting of the Board or Committee thereof.
2. The Whole-time Director shall be liable to retire by rotation.
3. The Whole-time Director shall not, without the Board's approval, engage himself in any business, occupation or employment competing with the Company's business.
4. The Whole-time Director shall not divulge or disclose any confidential information or knowledge as to the business and affairs of the Company.
5. Both parties are entitled to terminate the Agreement by giving to the other party ninety days' notice in writing without showing any cause.

The Company has been advised that the appointment of Mr. S.P. Dasgupta as a Whole-time Director will not require approval of the Central Government in terms of the provisions of Section 269 of the Companies Act, 1956 read with Schedule XIII to the said Act.

Mr. Dasgupta, aged 63 years, is a B.Sc (Engg) with over 35 years of experience in the paper industry. He joined the Company's services in July, 1995 and is presently designated

as President in charge of Project implementation and operations. Your Directors are of the view that having regard to, *inter alia*, Mr. Dasgupta's age, educational qualification and experience, he is a fit and proper person to be appointed as a Whole-time Director of the Company and that his appointment will be in the interest of the Company and its shareholders and, accordingly, commend the resolution at item no. 8 for your approval.

The draft agreement between the Company and Mr. S.P. Dasgupta referred to in the Resolution is available for inspection of members at the Registered Office of the Company between 10:30 a.m. and 1:00 p.m. on all working days (except Saturdays).

Mr. S. P. Dasgupta is interested in the Resolution at item No. 8 since it concerns his own remuneration. None of the other Directors is interested in the passing of this resolution.

This Explanation, together with the accompanying Notice, is and shall be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 9

Section 293 (1) (d) of the Companies Act, 1956 provides that the Board of Directors of the Company shall not, except with the consent of such company in General Meeting, borrow monies (apart from temporary loans obtained from the company's bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves (that is to say, reserves not set apart for any specific purpose).

As the members are aware, the consent of the Company was obtained at the Fourth Annual General Meeting held on 30th September, 1995 to empower the Board to borrow upto a limit of Rs.300 crores. However, as there is an increase in the cost of the project and also because a part of the funds which were to be raised through Equity Shares are now being raised through borrowings, it is proposed to enhance the limit to Rs.450 crores.

In the circumstances, sanction of Members under Section 293(1)(d) of the Companies Act, 1956 is being sought to enable the Directors to borrow moneys to the extent of Rs.450 crores.

None of the Directors is concerned or interested in the resolution.

ITEM NO. 10

As the Members are aware, the consent of the Company was accorded at the Fourth Annual General Meeting held on 30th September, 1995 to empower the Board to mortgage the properties of the Company to secure borrowings upto a limit of Rs.300 crores. However, as there is an increase