

Rama

Rama Petrochemicals Limited

CORPORATE OFFICE
51-52, FREE PRESS HOUSE,
215, NARIMAN POINT,
MUMBAI 400 021.

TEL : (91-22) 2283 3355 / 2283 4182
FAX : (91-22) 2204 9946
E-MAIL : rama@ramagroup.co.in

CIN NUMBER : L23200MH1985PLC035187

WEB ADDRESS : www.ramapetrochemicals.com

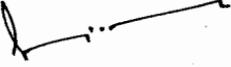
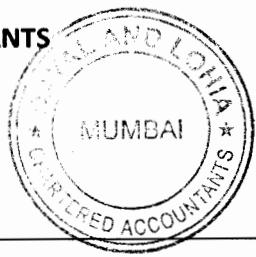
FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Rama Petrochemicals Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit qualification	<p>(A) Subject to :</p> <p>1) Non provision of :</p> <p>(a) Value of material lying in the Bonded warehouse, auctioned by the Customs being shown as claims receivable amounting to Rs 1,87,71,179/- under Note 16 which is doubtful of recovery (Refer Note 16.1) and liabilities towards interest on unpaid custom duty up to March 31, 2014 aggregating to Rs. 1,81,51,909/- and unpaid custom duty of Rs. 4,32,740/- (Refer Note – 25(a))</p> <p>(b) Demand of interest on late payment of customs duty up to March 31, 2014 Rs. 19,62,185/- (Refer Note – 25(b)).</p> <p>The above has resulted in understatement of loss for the year by Rs. 11,86,548/-, accumulated losses by Rs. 3,93,18,013/-, outstanding liability by Rs. 2,05,46,834/- and overstatement of other current assets by Rs. 1,87,71,179/-</p> <p>2) Non payment of statutory liability on account of sales tax aggregating Rs. 30,99,30,262/- up to March 31, 2014 as explained in Note – 24 (c).</p>
		<p>(B) Annexure to Audit Report :</p> <p>1. Para 7 of Annexure pursuant to CARO, 2003 - The Company does not have a formal internal audit system during the year.</p>

	<p>2. Para 17 of Annexure pursuant to CARO, 2003 – According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that as on the date of balance sheet, short term funds to the extent of Rs. 12,14,93,297/- have gone in to funding accumulated losses of the Company.</p> <p>(C) Emphasis of the matter : Without qualifying the report we like to draw your attention to that the company's net worth has been completely eroded and has been declared as sick industrial company by BIFR vide order dated 01.07.2002. As explained in Note No 26, the management considers that the methanol division can be made viable and accordingly the company's accounts have been prepared on going concern assumption. The revival of the company's operations depends on the company being able to obtain the alternative feed stock. In absence of any other information indicating to the contrary, we have accepted this assumption.</p>
4. Frequency of qualification	<p>(A)(1)(a) – Non provision of :</p> <ul style="list-style-type: none"> i. Claims Receivable - since March 31, 2013. ii. Unpaid Custom Duty – Repetitive since March 31, 2011 iii. Interest on Unpaid Custom Duty – Repetitive since March 31, 2007. <p>(A)(1)(b) - Repetitive since March 31, 2011.</p> <p>(A)(2) - Repetitive since January 31, 2001.</p> <p>(B)(1) - Repetitive since January 31, 2001.</p> <p>(B)(2) - Repetitive since March 31, 2004 except for the years ended March 31, 2011 and March 31, 2012.</p> <p>(C) - Repetitive since March 31, 2002.</p>

5.	<p>Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:</p>	<p>Relevant Notes in the annual financial statements –</p> <p>(A)(1)(a) - Note No 16.1 and Note No 25(a).</p> <p>(A)(1)(b) - Note No 25(b).</p> <p>(A)(2) - Note No 24 (c).</p> <p>(B)(1) - No specific note.</p> <p>(B)(2) - No specific note.</p> <p>(C) - Note 26.</p> <p>Management Response in the Directors Report -</p> <p>(A)(1)(a) - The Company has filed a Writ Petition in the Hon'ble Bombay High Court and is hopeful of receiving the value of materials auctioned by the Custom Authority which was lying in Bonded Warehouse. The Company has not provided for interest on unpaid Custom Duty and for unpaid Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.</p> <p>(A)(1)(b) - The Company has not provided for interest on late payment of Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.</p> <p>(A)(2) - The Company has not paid statutory liability on account of Sales Tax dues in view of difficult financial position and closure of the plant during the entire year under review.</p> <p>(B)(1) - The Company does not have a formal Internal Audit system since the manufacturing activities continued to be suspended during the year under review.</p> <p>(B)(2) - The Company has used short term funds for funding the accumulated losses .</p> <p>(C) - The Company is a Sick Industrial Company as defined in Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Draft Rehabilitation Scheme is under consideration of the Hon'ble BIFR.</p>
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6.	Additional comments from the board/audit committee chair :	The above qualifications have arisen due to the fact that the entire net worth of the Company has been eroded and the Company is a sick Company registered with BIFR. Further the manufacturing operations have been suspended since September 1999.
7.	<p>To be signed by –</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	<p>For RAMA PETROCHEMICALS LIMITED</p> <p> D. N. SINGH Whole Time Director</p> <p>For RAMA PETROCHEMICALS LIMITED</p> <p> Mahendra Lodha Chairman of the Audit Committee</p> <p>For DAYAL & LOHIA CHARTERED ACCOUNTANTS</p> <p> S. L. KHANDELWAL Partner</p> 



RAMA PETROCHEMICALS LIMITED
Twenty-Eighth Annual Report
2013 - 2014

BOARD OF DIRECTORS

CHAIRMAN
H.D. RAMSINGHANI

REGISTERED OFFICE
812, RAHEJA CHAMBERS,
NARIMAN POINT,
MUMBAI 400 021
CIN: L23200MH1985PLC035187
Email : rama@ramagroup.co.in
Website:www.ramapetrochemicals.com
Tel.No. 022-2283 3355 / 2283 4182
Fax : 022-2204 9946

TECHNICAL DIRECTOR
D.N. SINGH

CORPORATE OFFICE
51/52, FREE PRESS HOUSE,
FREE PRESS JOURNAL MARG,
NARIMAN POINT,
MUMBAI 400021.
Email : rama@ramagroup.co.in
Website:www.ramapetrochemicals.com
Tel.No. 022-2283 3355 / 2283 4182
Fax : 022-2204 9946

DIRECTORS
MAHENDRA LODHA
R.G. KULKARNI

PLANT
VILLAGE VASHIVALLI,
SAVROLI KHARPADA ROAD,
PATALGANGA,
DIST RAIGAD
MAHARASHTRA

BANKERS
BANK OF INDIA
ICICI BANK LIMITED
STATE BANK OF INDIA

REGISTRARS AND TRANSFER AGENT
LINK INTIME INDIA PVT LTD
C-13, PANNALAL SILK MILLS COMPOUND,
L. B. S. MARG,
BHANDUP (WEST),
MUMBAI 400 078
TEL: 25963838
FAX : 25946969
EMAIL : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

AUDITORS
DAYAL & LOHIA
CHARTERED ACCOUNTANTS
MUMBAI

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Tuesday, the 23rd day of September, 2014 at 10.00 a.m at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 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. H D Ramsinghani (DIN 00035416) who retires by rotation and is eligible for reappointment.
3. To consider, and if thought fit, to pass with or without modification, the following Resolution, as an Ordinary Resolution :

“RESOLVED THAT the retiring Statutory Auditors M/s Dayal and Lohia (Registration No 102200W), Chartered Accountants be and they are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification, as an Ordinary Resolution the following :
“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions of the Companies Act,2013, if any, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re enactments thereof for the time being in force) Mr R Srinivasaraghavan (Registration No. 100098) appointed as Cost Auditor of the Company for audit of cost accounting records for the financial year 2014-15 be paid a remuneration of ₹ 5,000/- plus applicable taxes and reimbursement of out of pocket expenses.”

‘FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, Mr. R G Kulkarni (DIN 03028670) a Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company who shall not be liable to retire by rotation and shall hold office for five consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions of the Companies Act, 2013, if any, and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing

Agreement, Mr. Mahendra Lodha (holding DIN 00012920) a Director of the Company in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company who shall not be liable to retire by rotation and shall hold office for five consecutive years for a term up to the conclusion of the 33rd Annual General Meeting of the Company in the calendar year 2019.”

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

“RESOLVED THAT in supersession of the Resolution passed at the 11th Annual General Meeting of the members held on September 25,1996 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re enactments thereof for the time being in force and circulars, notifications, clarifications, rules made/passed there under from time to time) and in accordance with the provisions of the Articles of Association of the Company, the consent of the Company be and it is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum or sums of money as it may deem fit for the purpose of the business of the Company notwithstanding that the moneys already borrowed by the Company (apart from the temporary loans obtained/to be obtained from the Company bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and its free reserves provided that the total amount up to which money may be borrowed by the Board of Directors shall not exceed the sum of₹ 300 crores at any one time.”

‘FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereof and circulars, notifications, clarifications, rules made/passed there under from time to time), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company or Committee thereof to mortgage and/or create, modify charge in addition to the existing charges and/or mortgages created by the Company, on all or anyone or more of the movable / immovable properties or such other assets of the Company, where so ever situated, both present and future, together with power to take over the management in certain events of default on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the Financial Institutions / Banks/ or such persons / institutions / Companies, etc. hereinafter referred as “the Lenders” to secure any Term Loans / Cash Credit Facilities / Debentures / Bonds or the like, obtained / to be obtained from any of the aforesaid Lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such Lenders under the respective loan / other agreement(s) entered / to be entered into between the Company and the Lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned Lenders / parties and as may be considered expedient by the Board of Directors or Committee thereof.

“FURTHER RESOLVED THAT the Board of Directors or Committee thereof be and is hereby authorised and it shall always be deemed to have been so authorized to finalize and execute with the Lenders / Trustees the requisite agreements, documents, deeds and writings for creating the aforesaid mortgage(s) and/or charge(s) on such terms and conditions as may be necessary to give effect to the above resolution.”

“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary or expedient to give effect to the above resolution.”

NOTES

1. A member entitled to attend and vote at the Annual General meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 9th day of September, 2014 to Tuesday the 23rd day of September, 2014 (both days inclusive).
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Corporate Office of the Company on all working days, except Saturdays, Sundays and Public Holidays from 11.00 am to 1.00 pm up to the date of the meeting.
4. Members desirous of seeking any information concerning the Accounts are requested to address their queries, in writing, to the Company at its Corporate Office 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.
5. Members/Proxies should bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
6. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Link Intime India Private Limited.
7. The Company is pleased to provide e-voting facility through Central Depository Services (India) Limited (CDSL) to enable all the Members to cast their votes electronically on the resolutions mentioned in the Notice dated July 31,2014 for the 28th Annual General Meeting of the Company. The instructions for members voting electronically are given below :

e-Voting instructions

- (I) In case of members receiving Notice of AGM by e-mail or physical copy (for members whose E-mail IDs are not registered with the Company / Depository Participants or have requested for a physical copy) :
 - 1) Log on to the e-voting website www.evotingindia.com
 - 2) Click on ‘Shareholders’ tab to cast your votes.
 - 3) Now. Select the Electronic Voting Sequence Number – “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT” If you are holding shares in Demat form and had logged on to www.evotingindia.com and have cast your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

In case you do not have an existing login id and password as referred to above, the following procedure is to be followed :

4) Fill up the following details in the appropriate boxes :

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL : 8 Character DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

5) After entering these details appropriately, click on “SUBMIT” tab.

6) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of the company or any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.

7) Click on the relevant EVSN along with the Company name on which you choose to vote.

8) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or No as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

9) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.

10) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

11) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.

12) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

13) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, click on Forgot Password and enter the details as prompted by the system.

Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to <http://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

(II) The voting period begins on 15.09.2014 at 9.00 am and ends on 17.09.2014 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date (record date) of September 9,2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (III) The Company has appointed Mr Sanajy R Dholakia, Practicing Company Secretary (Membership Number FCS 2655) as the Scrutinizer to scrutinize the e voting process in a fair and transparent manner.
- (IV) The results shall be declared on or after the date of the Annual General Meeting. The results along with the Scrutinizer's report shall be placed on the website of the Company and on the website of CDSL within two working days and also communicated to the stock Exchange.
- (V) In case you have any queries or issues regarding e-voting, you may refer the "Frequently Asked Questions" (FAQs) and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.

By Order of the Board
for RAMA PETROCHEMICALS LTD

Place : Mumbai
Date : July 31, 2014

H.D. RAMSINGHANI
CHAIRMAN
(DIN 00035416)

Registered Office ;
812, Raheja Chambers,
Nariman Point, Mumbai 400021
Tel : 912222834123
Fax : 912222049946
CIN No. L23200MH1985PLC035187
e-mail : rama@ramagroup.co.in
Website:www.ramapetrochemicals.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE TWENTY EIGHTH ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO 4

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr R Srinivasaraghavan (Registration No. 100098) as the Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

ITEM NO. 5

Mr. R. G. Kulkarni is a Non Executive Director of the Company. He joined the Board of Directors on May 30,2013
Mr. R. G. Kulkarni is B Tech. with Diploma in Business Management. It is proposed to appoint Mr R G Kulkarni as an Independent Director not liable to retire by rotation for a term of five years. The Company has received a notice in writing from a member along with deposit of the requisite amount under the provisions of Section 160 of the Act, proposing the candidature of Mr. R. G. Kulkarni for the office of Director.

Mr. R. G. Kulkarni is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. R. G. Kulkarni fulfils the conditions specified in Section 152 of the Act and rules made there under for his appointment as Independent Director of the Company.

The Company has also received declaration from Mr. R. G. Kulkarni that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act,2013 and Clause 49 of the Listing Agreement.

The draft letter of appointment of Mr. R. G. Kulkarni as an Independent Director setting out terms and conditions is open for inspection at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General meeting or any adjournment thereof

Mr. R. G. Kulkarni does not hold by himself or for any other person on a beneficial basis, any shares in the Company. Except Mr. R. G. Kulkarni being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

ITEM NO. 6

Mr Mahendra Lodha is a Non Executive Director of the Company. Mr Mahendra Lodha is an eminent Chartered Accountant and has over 32 years of rich and varied experience in the field of Finance and Corporate Advisory services.

It is proposed to appoint Mr Mahendra Lodha as an Independent Director not liable to retire by rotation for a term of five years. The Company has received a notice in writing from a member along with deposit of the requisite amount under the provisions of Section 160 of the Act, proposing the candidature of Mr Mahendra Lodha for the office of Director.

Mr. Mahendra Lodha is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Mahendra Lodha fulfils the conditions specified in Section 152 of the Act and rules made there under for his appointment as Independent Director of the Company.

The Company has also received declaration from Mr Mahendra Lodha that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The draft letter of appointment of Mr. Mahendra Lodha as an Independent Director setting out terms and conditions is open for inspection at the Corporate Office of the Company between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and holidays, until the date of the Annual General meeting or any adjournment thereof

Mr Mahendra Lodha does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Except Mr. Mahendra Lodha being the appointee, none of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

ITEM NO. 7

The Members of the Company, at the Annual General Meeting held on September 25, 1996 had authorised the Board of Directors to borrow up to a limit of Rs. 300 crores under the provisions of the Companies Act, 1956. In view of the notification of the Companies act, 2013, fresh approval of the members is proposed to be obtained pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made there under to borrow moneys up to the limit of Rs 300 crore.

None of the Directors / Key managerial Personnel of the Company / their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

ITEM NO. 8

The members of the Company have, from time to time, approved the creation of security by way of mortgage and/or charge on movable / immovable properties of the Company under the provisions of the Companies Act, 1956. In view of the notification of the Companies Act, 2013, fresh approval of the members is proposed to be obtained pursuant to the various provisions of the Companies Act, 2013 and the rules made there under to create security by way of mortgage and/or charge on movable / immovable properties of the Company against the borrowings, under Section 180(1)(a) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, either financially or otherwise, in the resolutions.

By Order of the Board
for RAMA PETROCHEMICALS LTD

H.D. RAMSINGHANI
CHAIRMAN
(DIN 00035416)

Place : Mumbai
Date : July 31, 2014

Registered Office ;
812, Raheja Chambers,
Nariman Point, Mumbai 400021
Tel : 912222834123
Fax : 912222049946
CIN No. L23200MH1985PLC035187
e-mail : rama@ramagroup.co.in
Website: www.ramapetrochemicals.com

INFORMATION PURSUANT TO CLAUSE 49 (VI) OF THE LISTING AGREEMENT

As required under the Listing Agreement the particulars of Directors who are proposed to be appointed/reappointed at the forthcoming Annual General Meeting are as follows ;

Reappointment

1. Mr. H. D. Ramsinghani retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. H. D. Ramsinghani has done his Post Graduation in Management from U S A and has over 30 years of rich and varied experience in the field of Textiles, Petrochemicals and Fertilizers.

Mr. H. D. Ramsinghani was a Director of the Company from incorporation till 16/08/1993 and thereafter he was the Managing Director from 11/03/1996 to 19/06/2002 and is a Director since 2005.

He is the Chairman and Managing Director of Rainbow Denim Limited and Rainbow Agri Industries Limited. He is also a Director of Rama Phosphates Ltd, Rama Industries Ltd and Nova Gelicon Pvt. Ltd. He is a Committee Member / Chairman in the following Companies :

Name of the Company	Name of the Committee	Designation
Rainbow Denim Ltd	Stakeholders Committee	Member
Rama Phosphates Ltd	Stakeholders Committee Audit Committee	Member Member
Rama Industries Ltd	Audit Committee	Member
Rainbow Agri Inds. Ltd	Audit committee	Chairman

Appointment

1. Mr Mahendra Lodha is an eminent Chartered Accountant and has over 32 years of rich and varied experience in the field of Finance and Corporate Advisory services. Mr Mahendra Lodha does not hold any Shares of the Company.

He is a Director of the following Public Limited Companies :

Rainbow Denim Ltd. Parixit Industries Ltd

Nitrex Chemicals India Ltd. Amul Exim Ltd.

Kalyanpur Cements Ltd. Steelco Gujarat Ltd.

Tulip Star Hotels Ltd.

He is a Committee Member / Chairman in the following Companies:

Rainbow Denim Ltd	Steelco Gujarat Ltd	Tulip Star Hotels Ltd
Audit Committee – Chairman	Audit Committee –Chairman Stakeholders Relationship Committee – Chairman	Audit Committee - Chairman

Kalyanpur Cements Ltd.

Audit Committee – Member

2. Mr. R G Kulkarni is proposed to be appointed as an Independent Director of the Company. Mr. R G Kulkarni is B Tech, DBM and has done a Middle Management Course from IIM (Ahmedabad). He has more than 31 years of rich and varied experience in the oil seeds processing and poultry feed business. He is a Whole Time Director of Rainbow Agri Industries Ltd. and also a Director of Integrated Port Services India Ltd., Rama Capital and Fiscal services Pvt. Ltd. and Replica Investments and Estates Ltd. He does not hold any shares in the Company.

DIRECTOR'S REPORT

Your Directors have pleasure in presenting the Twenty Eighth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS

FINANCIAL RESULTS		₹ in lacs)
	YEAR ENDED	YEAR ENDED
	31.03.2014	31.03.2013
Profit/(Loss) before Depreciation	(21.18)	(136.21)
Depreciation	10.35	11.92
Profit/(Loss) before tax and extraordinary items	(31.53)	(148.13)
Extraordinary Items	Nil	Nil
Profit/(Loss)) for the year after Tax and extraordinary items	(31.53)	(148.13)

DIVIDEND

Your Directors regret their inability to recommend any dividend for the year under review.

REVIEW OF OPERATIONS

The Methanol Plant of the Company continued to be closed during the entire year under review since the operation of the Plant by using Naphtha as feed stock continues to be economically not viable. The Company is registered with BIFR and a draft rehabilitation scheme is currently under preparation.

FUTURE PROSPECTS

Future prospects of the company depends on the availability of natural gas at competitive price. As of now the domestic gas production is not sufficient to meet the demands of the priority sector, however it is expected that the gas production would increase in near future and would be made available to our company at competitive price and plant may resume operation.

CORPORATE GOVERNANCE

A Report on Corporate Governance along with the Auditor's Certificate regarding Compliance of the conditions of Corporate Governance as also a Management Discussion and Analysis Report pursuant to clause 49 of the Listing Agreement are annexed hereto.

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 judgments 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 March 31, 2014 and the loss of the Company for the year ended March 31, 2014;
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 and for preventing and detecting fraud and other irregularities; and
4. The annual accounts have been prepared on a going concern basis.

AUDIT COMMITTEE

The Company has constituted an Audit Committee comprising of the following Directors viz. Mr. Mahendra Lodha (Chairman), Mr. Deonath Singh and Mr. R. G. Kulkarni. The Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

OTHER COMMITTEES

The Company has constituted the Stakeholders Relationship Committee which presently consists of Mr. H. D. Ramsinghani (Chairman), Mr. D. N. Singh and Mr. R. G. Kulkarni – Directors

The Company has also constituted the Risk Management Committee which presently consists of Mr. H. D. Ramsinghani (Chairman), Mr. D. N. Singh and Mr. R. G. Kulkarni – Directors

SUBSIDIARY COMPANY

In accordance with the General Circular dated February 8, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company and that of the subsidiary company. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary company. Further, the necessary particulars in respect of the said subsidiary have been disclosed in the Consolidated Financial Statements as required by the said Circular.

SAFETY, ENVIRONMENTAL CONTROL & PROTECTION

The Company has taken all the necessary steps for safety and environmental control and protection.

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 earnings and outgo to the extent applicable, is annexed hereto and forms a part of this Report.

PERSONNEL

There were no employees drawing remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 during the year under review or part thereof.

DIRECTORS

Mr. H.D. Ramsinghani retires from the Board of Directors by rotation and is eligible for re-appointment.

In accordance with the provisions of section 149 and 152 of the Companies Act, 2013 and the rules made there under, it is proposed to appoint Mr. Mahendra Lodha and Mr. R.G. Kulkarni as non executive Independent Directors for period of five years from date of the forthcoming Annual General Meeting.

AUDITORS REPORT

Your Directors refer to the observations made by the Auditors in their Report and wish to state as under :

- a) The Company has filed a Writ Petition in the Hon'ble Bombay High Court and is hopeful of receiving the value of materials auctioned by the Custom Authority which was lying in Bonded Warehouse.
- b) The Company has not provided for interest on unpaid Custom Duty and for the unpaid Custom duty in view of the difficult financial position and closure of the plant during the entire year under review.
- c) The Company has not provided for interest on late payment of Custom Duty in view of the difficult financial position and closure of the plant during the entire year under review.
- d) The Company has not paid statutory liability on account of Sales Tax dues in view of difficult financial position and closure of the plant during the entire year under review.
- e) The Company is a Sick Industrial Company as defined in Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and the Draft Rehabilitation Scheme is under consideration of the Hon'ble BIFR.

- f) The Company does not have a formal Internal Audit system since the manufacturing activities continued to be suspended during the year under review.
- g) The Company has used short term funds for funding the accumulated losses.

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 141 (3)(g) of the Companies Act, 2013.

COST AUDIT

The Cost Account Records for “Chemicals” are subject to yearly audit by qualified Cost Auditors. However, the Company has applied to the Central Government for exemption from maintaining cost records and audit of the same for the year under review in view of the fact that the manufacturing activities of the Company have been closed during the entire financial year.

FIXED DEPOSITS

The Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

INDUSTRIAL RELATIONS

The Industrial Relations remained cordial during the year under review.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

H. D. RAMSINGHANI
CHAIRMAN

Place: Mumbai

Date : July 31, 2014

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING A PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

I. CONSERVATION OF ENERGY:

- A. Energy conservation measures taken :
- B. Additional investment proposals, if any, being implemented for reduction of consumption of energy :
- C. Impact of measures at (A) and (B) above for reduction of Energy Consumption and consequent impact on the cost of production of goods :

Not Applicable as the Plant was closed during the entire year under review.

- D. Particulars with respect to energy consumption per unit of production:

a) POWER AND FUEL CONSUMPTION	2013- 2014 (12 months)	2012-2013 (12 months)
--------------------------------------	-----------------------------------	----------------------------------

1) ELECTRICITY :

A) Purchased (MSEB)	66.040	73.740
Units (in Thousand)	66.040	73.740
Total cost (₹ in lacs)	5.81	5.73
Rate per Unit (₹)	8.80	7.77
B) Own Generation :		
Through Diesel Generation	NIL	NIL
Units (in Thousand)	NIL	NIL
Units/KL of Diesel	NIL	NIL
Cost/Unit (₹)	NIL	NIL
Through Steam Turbine/Generator	N.A.	N.A.
Units (in Thousand)	N.A.	N.A.
Units/Lt Of Fuel Oil, Gas	N.A.	N.A.
Cost/Unit	N.A.	N.A.

2) COAL

3) FURNACE OIL

b) CONSUMPTION PER UNIT OF PRODUCTION

Consumption/ton of Methanol	N.A.	N.A.
Electricity (KWH)	N.A.	N.A.
Furnace Oil	N.A.	N.A.
Coal	N.A.	N.A.
Other – Diesel Oil (KL)	N.A.	N.A.

II. TECHNOLOGY ABSORPTION :

A. RESEARCH AND DEVELOPMENT (R & D)

- a) Specific areas in which R & D is carried out by the Company :
- b) Benefits derived as a result of R & D :

c) Future Plan of Action :
Not Applicable as the Plant was closed during the entire year under review.

d) Expenditure on R & D (₹ in lacs)

i) Capital	NIL
ii) Recurring	NIL
iii) Total	NIL
iv) Total R & D expenditure as a percentage of total turnover	N.A.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

a) Efforts in brief made towards technology absorption and innovation:

b) Benefits derived as a result of above efforts :
Not Applicable as the Plant was closed during the entire year under review.

c) Information of Imported Technology :
Technology Imported: Low pressure technology for manufacture of Methanol from M/s. Lurgi GmbH, Germany.
Year of Import : 1987 – 88
Whether the technology has been fully absorbed.
In terms of the scope of agreement with the technical collaborator, the technology has been fully absorbed.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(₹ in lacs)
Foreign Exchange used	NIL
Foreign Exchange earned	NIL

For and on behalf of the Board

H. D. RAMSINGHANI
CHAIRMAN

Place: Mumbai
Date : July 31, 2014

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

As required by the Listing Agreement with Bombay Stock Exchange Limited, the Company has implemented the Code of Corporate Governance and it is committed to the philosophy of good Corporate Governance in letter and in spirit.

2. Board of Directors

- a. As on the date of this Report, the Board consists of four Directors (One Executive and three Non-Executive Directors. The Company does not have a Managing Director.)
- b. The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year was as under :

Name of Director	Category Executive, Non-executive/ Independent	Attendance at		Membership of other Board (excluding alternate Director-ships and Private Companies)	Membership Chairmanship of other Board Committees		Share-holding (No. of Shares)
		Board Meetings	Last Annual General Meeting		Chairman	Member	
Mr. H.D. Ramsinghani (Chairman)	Promoter Non Executive	Four	Yes	Four	Nil	Two	131510
Mr. Deonath Singh (Whole Time Director)	Executive	Four	Yes	Three	Three	Two	10898
Mr. Mahendra Lodha	Non Executive Independent	Four	Yes	Seven	Four	One	Nil
Mr. R.G. Kulkarni	Non Executive Independent	Four	Yes	Three	Nil	One	Nil

None of the Directors are related to each other.

- (c) During the year four Board Meetings were held on the following dates :

May 30, 2013, August 13, 2013, November 8, 2013 and February 11, 2014.

3. Code of Conduct

The Company has framed a Code of Conduct for the members of the Board of Directors and Senior Management personnel of the company. The declaration by the Chairman regarding compliance by the members of the Board and the Senior Management personnel with the said code of conduct is annexed hereto.

4. Audit Committee

Role of the Audit Committee and its terms of reference include reviewing the financial statements, overseeing the Company's Annual Report process and discussions with Auditors.

The Committee presently comprises of Mr. Mahendra Lodha – Chairman, Mr. Deonath Singh and Mr. R. G. Kulkarni.

Four meetings of the Audit Committee were held during the year on May 30, 2013, August 13, 2013, November 08, 2013 and February 11, 2014. The attendance at the Audit Committee meetings of each of the Directors is as under:

Name of the Director	Attendance at Audit Committee meetings
Mr. Mahendra Lodha	Four
Mr. Deonath Singh	Four
Mr. R G Kulkarni	Four

In the absence of the Company Secretary, Mr. R. D. Jog acts as the Secretary of the Audit Committee.

5. Share Transfer Committee

The Board has delegated the power of share transfers to a Committee of Directors comprising of Mr. Deonath Singh (Chairman) and Mr. H. D. Ramsinghani as also to the Registrars and Transfer Agent of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates, issue of certificates on split/consolidation/renewal and demat/remat of Share certificates etc.

Barring certain cases pending in Courts relating to disputes over the title of shares in which the Company has been made a party, no investor complaint is pending for a period exceeding one month.

6. Nomination & Remuneration Committee

The Nomination & Remuneration Committee determines the managerial remuneration including perquisites payable to Directors and makes recommendations to the Board of Directors.

The Committee presently comprises of Mr. Mahendra Lodha – Chairman, Mr. H. D. Ramsinghani and Mr. R. G. Kulkarni.

7. Risk Management

The Company has constituted a Risk Management Committee to review the Risk Management framework and the Risk mitigation plans which are presented to the Audit Committee and the Board of Directors on a periodical basis. The Committee presently consists of Mr. H. D. Ramsinghni - Chairman, Mr. Deonath Singh and Mr. R. G. Kulkarni.

8. Stakeholders Relationship Committee

The Shareholders/Investors Grievances Committee specifically looks into the redressing of Shareholder's and Investor's complaints relating to Share transfers, Non receipt of Balance Sheet and demat/remat of Share Certificates etc. In terms of Clause 47 of the Listing Agreement, the Company has appointed Mr. R. D. Jog as the Compliance Officer and the investors are requested to register their complaints, if any, on the exclusive email ID : rdjog@ramagroup.co.in

The committee presently comprises of Mr. H. D. Ramsinghni (Chairman), Mr. Deonath Singh and Mr. R. G. Kulkarni.

A summary of complaints received and resolved by the Company during the year under review is given below:

	Received	Resolved
Non-Receipt of Share Certificates duly transferred	Nil	Nil
Non-Receipt of Dividend Warrants.	8	8
Non-Receipt of Annual Report	1	1
Others	Nil	Nil
Letters from Stock Exchanges, SEBI and Ministry of Corporate Affairs	Nil	Nil

9. Remuneration of Directors

(a) Executive Director

No remuneration was paid to the Whole Time Director (Technical Director) during the year under review.

(b) Non-Executive Directors:

The Non-Executive Directors are not paid any remuneration except sitting fees for attending meetings of the Board or committees thereof. Details of Sitting Fees paid to the Non-Executive Directors are as follows :

Name of the Director	Sitting Fees (₹)
Mr. H. D. Ramsinghani	8,000/-
Mr. Mahendra Lodha	8,000/-
Mr. R.G. Kulkarni	8,000/-
TOTAL	24,000/-

10. General Body Meetings

Financial Year	Date	Time	Location
2010-2011	16/09/2011	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001
2011-2012	27/09/2012	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001
2012-2013	20/09/2013	10.00 A.M.	Babasaheb Dahanukar Hall, Fort, Mumbai 400001

11. Postal Ballot

No Resolutions were required to be approved through Postal Ballot at the last Annual General Meeting nor is any resolution proposed for passing through Postal Ballot at the ensuing Annual General Meeting.

The details of Special Resolutions passed in the previous Three Annual General Meetings are as under :

Date	Particulars
16.09.2011	No Special Resolutions were passed.
27.09.2012	No Special Resolutions were passed.
20.09.2013	Appointment of Mr. R. G. Kulkarni as Director of the Company
	Reappointment of Mr. D. N. Singh as Whole Time Director designated as 'Technical Director' for a further period of Three Years from May 01, 2013

12. Disclosures

- There were no transactions of material nature with the Directors or the management or relatives of the Directors during the financial year which could have potential conflict with the interests of the Company at large.
- Transactions with related parties as per requirements of Accounting Standard – 18 are disclosed elsewhere in the Annual Report. None of these transactions have potential conflict with interest of the Company at large.
- No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

13. Means of communication

The Company has not made any presentation to the institutional investors or analysts.

14. General Shareholder Information:

Financial Year	:	31 st March, 2014
Annual General Meeting	:	September 23, 2014 at 10.00 a.m. At Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber Of Commerce Path, Fort, Mumbai 400001
Dates of Book Closure	:	September 9, 2014 to September 23, 2014 (both days inclusive)

Dividend payment date	:	Not Applicable
Listing on Stock Exchange	:	Bombay Stock Exchange Ltd.
Stock Code	:	500358
ISIN	:	INE 783A01013

15. Market Price Data (High/Low in ₹ during each month):

<u>Month</u>	<u>High</u>	<u>Low</u>
April 2013	2.15	1.90
May 2013	1.85	1.26
June 2013	1.36	1.22
July 2013	1.20	1.19
August 2013	1.15	0.99
September 2013	0.97	0.90
October 2013	1.32	0.95
November 2013	2.28	1.32
December 2013	1.97	1.45
January 2014	2.42	1.62
February 2014	3.46	2.40
March 2014	3.60	2.24

16. Registrars & Transfer Agent

Link Intime India Private Limited
C - 13, Pannalal Silk Mills Compound,
L. B. S Marg, Bhandup (West), Mumbai 400078.
Tel : 25963838; Fax : 25946969;
Email : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.com

17. Share Transfer System

The Share Transfers which are received in the Physical Form are processed well within prescribed statutory period from time to time, subject to the documents being valid and complete. The Transfers etc. approved by the Share Transfer Committee are also noted at every meeting of the Board of Directors.

18. Distribution of Equity Shareholding as of March 31, 2014:

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	14072	93.69	2196383	20.98
501 – 1000	538	3.58	451874	4.30
1001 – 2000	198	1.32	304828	2.91
2001 – 3000	66	0.44	167444	1.60
3001 – 4000	32	0.21	112841	1.08
4001 – 5000	25	0.17	120081	1.15
5001 – 10000	39	0.26	266198	2.54
10001 & above	49	0.33	6849751	65.43
Total	15019	100.00	10469400	100.00

19. Shareholders' Profile as on March 31, 2014:

Category of Shareholders	No. of Shares held	% to Total Capital
Promoters	55,32,289	52.84
Foreign Collaborators	Nil	Nil
Banks	10,000	0.10
Financial Institutions	600	0.00
Foreign Institutional Investors	Nil	Nil
Mutual Funds	7,100	0.07
Domestic Companies	2,32,410	2.22
Non-Domestic Companies	Nil	Nil
Non-Resident Indians	87,156	0.83
General Public	45,99,845	43.94
Total	1,04,69,400	100.00

20. Dematerialization of shares as on March 31, 2014:

84.78% of the Company's total share capital representing 8875580 shares are held in dematerialised form.

21. Plant Location :

Village Vashivalli,
Savroli Kharpada Road,
Patalganga, Dist. Raigad,
Maharashtra

22. Address for Correspondence:

Shareholders should address all correspondence to the Company at its Corporate Office at 51/52, Free Press House, Nariman Point, Mumbai 400 021 or to the Registrars and Transfer Agent – Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078.

23. Other Matters :

- a) An office for the use of the non-executive Chairman is made available whenever required.
- b) The Company has constituted a Nomination and Remuneration Committee.
- c) Half yearly financial results including summary of significant events in the past six months are presently not being sent to the Shareholders.
- d) There is no formal policy at present for training of the Board members as all the Board members are eminent and experienced professionals.
- e) There is no formal mechanism at present for evaluation of non-executive Directors.
- f) The Company is in the process of establishing a formal Whistle Blower Policy.
- g) The replies to the Qualifications in Auditors Report on the financial statement are given in the Directors Report.

24. Reappointment of Directors:

Mr. H.D. Ramsinghani is proposed to be re-appointed at the forth coming Annual General Meeting. Mr. Mahendra Lodha and Mr. R.G. Kulkarni are proposed to be appointed as Independent Directors. The relevant information about the said Directors is given in the Notice convening the Annual General Meeting.

For and on behalf of the Board

Place: Mumbai
Date : July 31, 2014

H. D. RAMSINGHANI
CHAIRMAN

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement.

The Company has, in respect of the Financial Year ended March 31, 2014, received from the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board

Place: Mumbai
Date : July 31, 2014

H. D. RAMSINGHANI
CHAIRMAN

CERTIFICATE

To the Members of
RAMA PETROCHEMICALS LIMITED

We have examined the compliance of conditions of corporate governance by **RAMA PETROCHEMICALS LIMITED**, for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

Based on the representation received from the Company's Share Transfer Agents, we state that barring some cases pending in courts over the title of shares in which the Company is made a party, complaint letters received from shareholders during the period 01/04/2013 to 31/03/2014 have been attended.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Yours faithfully,

**For Dayal and Lohia
Chartered Accountants
(Firm Registration No.102200W)**

**(Sunil Khandelwal)
Partner
Membership No.101388**

Place : Mumbai.
Date : 31/07/2014

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Due to non-availability of natural gas it's feed stock, operation of the industry is under severe constraints, some plants are shut down or operating at reduced capacity. Therefore the short fall in the supply of methanol is being met by imports.

2. OPPORTUNITIES AND THREATS

Since the domestic demand for methanol is being fulfilled by import, there is good opportunity of starting the plant but viability will be only on natural gas as feed stock which is not available as of now.

3. SEGMENTWISE PERFORMANCE

The segment wise details as required by Accounting Standard – 17 are given in the notes forming part of the Accounts.

4. OUTLOOK

Domestic methanol industry outlook is good provided natural gas is provided at competitive price.

5. RISKS AND CONCERNS

Availability of natural gas to our industry from domestic supply is only after meeting the requirements of priority sectors, like fertilizer, power and city gas distribution. As such there is huge shortage of gas for these sectors. Therefore, the availability of gas to our sector would be after meeting the requirement of priority sector.

6. INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls that ensures that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting principles.

7. FINANCIAL PERFORMANCE

During the year under review there was no production and sales as the operations of the Methanol unit remained suspended. The loss for the year after extra ordinary items is ₹ 31.53 lacs as compared to a loss of ₹ 148.13 lacs in the previous year.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Human Resources and Industrial relations remained cordial during the year under review.

9. CAUTIONARY STATEMENT

Statements in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include domestic and global prices of Methanol/Naphtha, changes in Government regulations, future availability of gas, litigation and industrial relations. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

For and on behalf of the Board

H. D. RAMSINGHANI
CHAIRMAN

Place: Mumbai

Date : July 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of RAMA PERTROCHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **RAMA PERTROCHEMICALS LIMITED**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:

1) Non provision of :

(a) *Value of materials lying in the Bonded warehouse, auctioned by the Customs being shown as Claims Receivable amounting to ₹ 1,87,71,179/- under Note-16 which is doubtful of recovery (Refer Note-16.1) and liabilities towards interest on unpaid custom duty up to March 31, 2014 aggregating to ₹ 1,81,51,909/- and unpaid customs duty of ₹ 4,32,740/- (Refer Note- 25 (a)).*

(b) *Demand of Interest on late payment of customs duty up to March 31, 2014 ₹ 19,62,185/- (Refer Note-25 (b)).*

The above has resulted in understatement of loss for the year by ₹ 11,86,548/-, accumulated losses by ₹ 3,93,18,013/-, outstanding liability by ₹ 2,05,46,834/-, and overstatement of Other Current Assets by ₹ 1,87,71,179/-.

2) *Non Payment of statutory liability on account of sales tax aggregating ₹ 30,99,30,262/- upto March 31, 2014 as explained in Note-24(c).*

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying the report we like to draw your attention to that the company's net worth has been completely eroded and has been declared as sick industrial company by BIFR vide order dated 01.07.2002. As explained in Note No. 26, the management considers that the methanol division can be made viable and accordingly the company's accounts have been prepared on going concern assumption. The revival of the Company's operations depends upon the Company being able to obtain the alternative main feed stock. In absence of any other information indicating to the contrary, we have accepted this assumption.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Dayal and Lohia**
Chartered Accountants
(Firm's Registration No. 102200W)

S.L.Khandelwal
Partner
Membership No. 101388

Place : Mumbai
Date : 28th May, 2014.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our Report of even date to the members of **RAMA PERTROCHEMICALS LIMITED** on the financial statements for the year ended 31st March, 2014.)

1. In respect of its Fixed assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets on the basis of available information;
 - b) Management has certified that they have carried out physical verification of fixed assets and no material discrepancy noticed on such verification.
 - c) The Company has not disposed off any substantial part of fixed assets so as to affect its going concern.
2. In respect of its inventories:
 - a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from our examination of the books.
3. a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) are not applicable.
e) According to the information and explanations given to us, the company has not taken any loans, secured or unsecured from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (f) and (g) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under section 301 of the Companies Act, 1956, according to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, provision of sub-clause (b) of clause 4 (v) of the Order is not applicable.
6. According to the information and explanation given to us, the company has not accepted any deposits u/s 58A, 58AA or any other relevant provisions of the Companies Act, 1956, during the year.
7. ***The Company does not have a formal internal audit system during the year.***
8. According to the information and explanation given to us, the government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the methanol division of the company. The manufacturing activities are suspended and hence the Company has applied for the exemption for not maintaining the cost records and has not been maintaining any such records.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were

outstanding, at the year end, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of Payment
The Customs Act, 1962	Custom Duty on import of Catalyst	59,32,740/-	1998-99	21.02.1998	-

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand for income tax	27,00,45,311	Block Assessment A.Y. 87-88 to 97-98	High Court
Income Tax Act, 1961	Demand for income tax	34,53,167	A.Y. 1997-98	High Court
Income Tax Act, 1961	Demand for income tax	1,19,98,802	A.Y. 1998-99	High Court
Sales Tax Act,	Turnover Tax	18,02,591	F.Y.1993-94	Dy. Commissioner of Commercial Tax Rajkot
Sales Tax Act,	Turnover Tax	18,03,494	F.Y.1994-95	Dy. Commissioner of Commercial Tax Rajkot
Irrigation Dept.	Water Charges	25,92,05,087	-	High Court

10. The company has accumulated losses amounting to ₹ 34,22,61,212/- as on 31st March, 2014. The Company has incurred cash loss during the year and in the immediately preceding financial year, it has incurred cash losses amounting to ₹ 21,17,691/- and ₹ 1,36,20,924/- respectively.
11. According to the information and explanation given to us and on the basis of our examination of the books, there is no dues to banks or financial institutions hence the question of default does not arise.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, the Company is not a Chit Fund, Nidhi or Mutual Fund/Society and therefore the provisions of clause 4 (xiii) of the Order are not applicable.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
15. According to the information and explanations given to us, and the representations made by the management, the Company has given corporate guarantee for loans taken by others from banks and financial institutions.
16. In our opinion and on the basis of information and explanations given to us, no term loans are availed by the Company during the year.
17. *According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that as on the date of balance sheet, Short Term Funds to the extent of ₹ 12,14,93,297/- have gone in to funding the accumulated losses of the Company.*
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. According to the information and explanations given to us, and to the best of our knowledge and belief no fraud on or by the Company, has been noticed or reported during the year.

For **Dayal and Lohia**
Chartered Accountants
(Firm's Registration No. 102200W)

S.L.Khandelwal
Partner
Membership No. 101388

Place : Mumbai
Date : 28th May, 2014.

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	NOTE NO.	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
EQUITY AND LIABILITIES :			
Shareholders' Fund :			
Share Capital	2	104,694,000	104,694,000
Reserves and Surplus	3	<u>(336,231,212)</u>	<u>(333,078,089)</u>
		(231,537,212)	(228,384,089)
Share Application Money :	4	149,775,000	147,075,000
Non Current Liabilities :			
Long Term Provisions	5	2,564,910	2,291,976
Current Liabilities :			
Short Term Borrowings	6	157,912,523	237,153,416
Trade Payables	7	5,503,017	1,149,162
Other Current Liabilities	8	<u>18,747,348</u>	<u>18,544,398</u>
		182,162,888	256,846,976
	TOTAL	102,965,586	177,829,863
ASSETS :			
Non - Current Assets :			
Fixed Assets :	9		
Tangible Assets		16,087,959	17,123,391
Capital work in progress		<u>24,120,371</u>	<u>24,120,371</u>
Non-Current Investment	10	-	-
Long Term Loans and Advances	11	<u>2,087,665</u>	<u>2,072,665</u>
		42,295,995	43,316,427
Current Assets :			
Inventories	12	30,896,710	31,885,283
Trade Receivables	13	1,138,373	-
Cash and Bank Balances	14	2,585,051	2,158,602
Short Term Loans and Advances	15	7,090,658	81,546,669
Other Current Assets	16	<u>18,958,799</u>	<u>18,922,882</u>
		60,669,591	134,513,436
	TOTAL	102,965,586	177,829,863
Significant Accounting Policies	1		
Notes on Financial Statement	2 to 32		

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

Place : Mumbai

Date : May 28, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
REVENUE			
Revenue from Operations	17		
Sales		32,079,176	-
Less : Excise Duty		-	-
		32,079,176	-
Other Income	18	1,823,184	5,974,655
		33,902,360	5,974,655
EXPENSES			
Purchase of Stock in Trade	19	12,384,805	-
(Increase) / Decrease in Stock in Trade		975,890	-
Employee Benefits Expense	20	6,183,985	7,977,012
Finance Cost	21	9,010,924	1,303,888
Depreciation	9	1,035,432	1,191,692
Other Expenses	22	7,464,447	10,314,679
		37,055,483	20,787,271
Profit / (Loss) before tax		(3,153,123)	(14,812,616)
Tax Expenses			
Profit / (Loss) for the Year		(3,153,123)	(14,812,616)
Earnings per Equity Share of Face Value of ₹ 10/- each			
Before Extraordinary Items :			
Basic		(0.30)	(1.41)
Diluted		(0.12)	(0.66)
After Extraordinary Items :			
Basic		(0.30)	(1.41)
Diluted		(0.12)	(0.66)
Significant Accounting Policies	1		
Notes on Financial Statement	2 to 32		

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

Place : Mumbai

Date : May 28, 2014

H. D. RAMSINGHANI

Chairman

CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
A. CASHFLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(3,153,123)	(14,812,616)
Add:		
Depreciation	1,035,432	1,191,692
Interest Paid	9,010,924	1,303,888
Loss on Sale of Shares	178,394	-
	<u>10,224,750</u>	<u>2,495,580</u>
	<u>7,071,627</u>	<u>(12,317,036)</u>
Less:		
Interest Received	224,904	376,135
Dividend Received	5,250	4,500
Excess Provision written back	697,235	-
Sundry balances written back	158,526	8,706
	<u>1,085,915</u>	<u>389,341</u>
Operating Profit before Working Capital Changes	5,985,712	(12,706,377)
Adjustment for :		
(Increase)/Decrease in Trade & Other receivables	73,266,721	(56,919,383)
Increase/(Decrease) in Trade Payables & Other Liabilities	5,685,500	(3,115,607)
(Increase)/Decrease in Inventories	988,573	18,789,757
	<u>79,940,794</u>	<u>(41,245,233)</u>
	<u>85,926,506</u>	<u>(53,951,610)</u>
	<u>85,926,506</u>	<u>(53,951,610)</u>
Net Cash from Operative Activities (A)		
B. CASHFLOW FROM INVESTING ACTIVITIES		
Dividend Received	5,250	4,500
Loss on Sale Of Shares	(178,394)	-
Capital work in Progress	-	(666,470)
	<u>(173,144)</u>	<u>(661,970)</u>
Net cash used in investing activities (B)		
C. CASHFLOW FROM FINANCING ACTIVITIES		
Share Application money received	2,700,000	50,600,000
Repayments of Borrowings	(79,240,893)	(24,320,525)
	<u>(76,540,893)</u>	<u>26,279,475</u>
Interest Received	224,904	376,135
Interest Paid	(9,010,924)	(1,303,888)
	<u>(8,786,020)</u>	<u>(927,753)</u>
Net cash used in financial activities (C)		
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	426,449	(29,261,858)
Cash & Cash Equivalents (Opening Balance)	2,158,602	31,420,460
Cash & Cash Equivalents (Closing Balance)	2,585,051	2,158,602

As per our report of even date

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

For and on behalf of the Board of Directors

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

Place : Mumbai

Date : May 28, 2014

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting :

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Accounting for Construction Division :

Revenue from sale of properties under construction is recognized on the basis of actual bookings done (provided the significant risk and rewards have been transferred to the buyer and there is reasonable certainty of realization of proceeds) proportionate to the percentage of physical completion of construction / development work certified by the Architect.

3. Revenue Recognition :

- a. Revenue is recognized when the substantial risks and rewards of ownership is transferred to the buyer on dispatch of goods.
- b. Interest income is recognized on time proportionate basis.
- c. Dividend income from investments is recognized when the right to receive the dividend is established.
- d. Claims and damages are accounted as and when they are finalized.

4. Fixed Assets :

All Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. The cost of fixed assets includes taxes and duties (other than those subsequently recoverable from respective authorities), freight and other incidental expenses related to acquisition and installation of respective assets.

5. Depreciation :

- a. Depreciation on Fixed Assets is provided on Straight Line Method based on the useful life of the assets estimated by the management which is as per the rate prescribed in Schedule XIV of the Companies Act, 1956.
- b. Depreciation on addition / deletion is provided pro-rata basis with reference to the date of addition / deletion as the case may be.
- c. Individual assets acquired for less than ₹ 5,000/- are depreciated fully in the year of acquisition.

6. Impairment of Assets :

- a. The carrying amounts of assets are reviewed by the management at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending upon changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7. Excise Duty :

Excise duty, if applicable, has been accounted on the basis of payment made in respect of finished goods cleared. No provision is made for the finished good lying in bonded warehouse.

8. Foreign Currency Transactions :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

The gain or loss arising out of settlement / translation of the assets and the liabilities at the closing rates due to exchange fluctuations is recognized as income / expenditure in the profit and loss account.

9. Investments :

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

10. Valuation of Inventories :

- a. Raw Material and Stores & Spares are valued at cost (on “first in first out basis”) or market value whichever is lower.
- b. Stocks in transit are valued at cost or market value whichever is lower.
- c. Finished goods are valued at cost or net realizable value, whichever is lower.
- d. Inventories of traded goods are valued at cost.

11. Employee's Benefits :

Long Term Employee Benefits :

a. Defined Contribution Plan :

The company has Defined Contribution plans for post employment benefits namely Provident Fund. Under the provident Fund Plan, the company contributes to a Government administered provident fund on behalf of its employees.

The Company's contributions to the above funds are charged to revenue every year.

b. Defined Benefit Plans :

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at the balance sheet date. Actuarial gains / losses are recognized immediately in the profit and loss account. Long term compensated absences are provided for based on actuarial valuations.

12. Borrowing Cost :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

13. Segment Reporting :

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses.

14. Earning per Share (EPS) :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year .

15. Provision for Current and Deferred Tax :

- a. Provision for the current tax is made after taking into considering benefits admissible under the provisions of the Income Tax Act, 1961.
- b. Deferred Tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets are reviewed at each balance sheet date and is written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

16. Provisions :

A provision is recognized when the company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17. Contingent Liabilities :

Contingent liabilities, if any are disclosed in the notes on accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the board of directors and which have material effect on the positionstated in the balance sheet.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
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NOTE 2

Share Capital :

Authorised :

5,00,00,000 (Previous Year 5,00,00,000)	500,000,000	500,000,000
Equity Shares of ₹ 10/- each	500,000,000	500,000,000

Issued, Subscribed and Paid - up :

1,04,69,400 (Previous Year 1,04,69,400)	104,694,000	104,694,000
Equity Shares of ₹ 10/- each	104,694,000	104,694,000
Total	104,694,000	104,694,000

Details of rights,preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Equity Shares : The company has issued only one class of Equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. Dividend is payable in the proportion to the Capital Paid Up. In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of Shareholders holding more than 5% shares

Indo Us Investment Inc.	Nos.	3,000,000	3,000,000
	%	28.65%	28.65%
Libra Mercantile Pvt. Ltd.	Nos.	1,404,401	1,404,401
	%	13.41%	13.41%
Jupiter Corporate Services Pvt Ltd.	Nos.	593,280	593,280
	%	5.67%	5.67%

NOTE 3

Reserves and Surplus :

Capital Reserve

As Per Last Balance Sheet	6,030,000	6,030,000
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Profit and Loss Account

As Per Last Balance Sheet	(339,108,089)	(324,295,473)
Add : Profit/(Loss) for the year	(3,153,123)	(14,812,616)
	(342,261,212)	(339,108,089)
Total	(336,231,212)	(333,078,089)

NOTE 4

Share Application Money :	149,775,000	147,075,000
Total	149,775,000	147,075,000

4.1 Share Application money is received from a promoter's group company in accordance with the revival Scheme submitted to the B.I.F.R. and the allotment of shares pursuant thereto is subject to and shall be in accordance with the directions of the B.I.F.R.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
NON CURRENT LIABILITIES :		
NOTE 5		
Long Term Provisions		
for Gratuity	1,814,399	1,628,108
for Leave Encashment	750,511	663,868
Total	<u>2,564,910</u>	<u>2,291,976</u>
5.1 Consequent to the adoption of Accounting Standard 15 on Employee Benefits issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by standards :		
A Defined Contribution Plan		
Provident Fund : The Company has recognised the following amount in the profit and loss account for the year		
Employer's contribution to Provident Fund	282,737	314,876
B Defined Benefit Plan		
The Company has defined benefit plan for leave encashment and gratuity. As per Para 132 of Accounting Standard 15, disclosure for leave encashment are not mandatory. The disclosure for employee benefit towards gratuity are as under :		
a The Principal assumption used in determining gratuity obligations for the company's plans are shown below		
Discount Rate	9.03%	7.75%
Salary Escalation	5.00%	5.00%
Mortality	Indian Assured Lives (2006-08)	LIC(1994-96)
	Ultimate	Ultimate
Type of Plan	Unfunded	Unfunded
The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
b Changes in present value of defined benefit obligation		
Opening defined benefit obligation	1,628,108	1,759,451
Interest Cost	126,178	145,155
Current Service Cost	80,134	103,787
Benefits Paid	32,885	564,346
Actuarial (gain) / Loss on obligation	12,864	184,061
Closing defined benefit obligation	<u>1,814,399</u>	<u>1,628,108</u>
c Changes in the fair value of Plan Assets		
Opening fair value of Plan Assets	-	-
Expected Return	-	-
Contribution by employer	-	-
Benefits Paid	32,885	564,346
Actuarial (gains) / losses	12,864	184,061
Closing fair value of Plan Assets	-	-
Actuarial return on Plan Assets	-	-
Expected contribution to be made in next annual year	-	-
d Reconciliation of the Present Value of Defined Present Obligations and Fair value of Assets		
Present value of Funded Obligation	(1,814,399)	(1,628,108)
Fair Value of Plan Assets	-	-
Funded (Asset)/Liability recognised in Balance Sheet	-	-
Present Value of Unfunded Obligation	-	-
Unrecognised past service cost	-	-
Unrecognised Actuarial	-	-
Unfunded Net Liability recognised in Balance Sheet	<u>(1,814,399)</u>	<u>(1,628,108)</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in ₹)	
	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
e Balance Sheet - Details of Provision of Gratuity		
Defined benefit obligation	(1,814,399)	(1,628,108)
Fair value of Plan Assets	-	-
Liability recognised in the Balance Sheet	(1,814,399)	(1,628,108)
f Profit and Loss Account - Net Employee Benefit Expenses		
Current Service Cost	80,134	103,787
Interest Cost on benefit obligation	126,178	145,155
Net Actuarial (gain) / loss recognised in the year	12,864	184,061
Total Expenses recognised in the Profit and Loss Account	<u>219,176</u>	433,003

CURRENT LIABILITIES :

NOTE 6

Short Term Borrowings :

Unsecured

Loans and Advances		
from Related Parties	32,300,000	138,645,000
from Others	<u>125,612,523</u>	98,508,416
Total	<u><u>157,912,523</u></u>	<u><u>237,153,416</u></u>

NOTE 7

Trade Payables :

Due to Others	5,503,017	1,149,162
Total	<u>5,503,017</u>	<u>1,149,162</u>

7.1 Based on the information available with the company, none of the parties are identified as MSME as defined under “Micro,Small and Medium Enterprises Development Act,2006 “

NOTE 8

Other Current Liabilities :

Advance from Customers	1,240,000	2,431,405
Other Liabilities	<u>17,507,348</u>	16,112,993
Total	<u><u>18,747,348</u></u>	<u><u>18,544,398</u></u>

8.1 Based on the information available with the company, one party has been identified as MSME as defined under “Micro,Small and Medium Enterprises Development Act, 2006” which has claimed ₹ 14,33,622/- (Previous Year ₹ 14,33,622/-) towards supply. This liability has been disputed by the company. The party has filed a complaint against the Company, with Micro and Small Enterprises Facilitation Council. Under these circumstances interest, if any, will be accounted as and when becomes payable.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 9

Fixed Assets (At Cost)

Description	Gross Block					Depreciation	As At 31.03.14	As At 31.03.14	Net Block
	As At 01.04.13	Addition	Deduction	As At 31.03.14	For the Year				
Tangible Assets									
Free Hold Land	3,610,057	-	-	3,610,057	-	-	-	-	3,610,057
Lease Hold Land	255,600	-	-	255,600	71,078	2,691	-	73,769	181,831
Buildings	26,049,991	-	-	26,049,991	13,580,202	517,588	-	14,087,790	11,952,201
Plant and Machinery	345,173,435	-	-	345,173,435	344,418,686	477,051	-	344,895,737	277,698
Furniture and Fixture	3,492,038	-	-	3,492,038	3,482,377	3,293	-	3,485,670	6,368
Office Equipments	4,448,251	-	-	4,448,251	4,353,643	34,809	-	4,388,452	59,799
Vehicles	1,093,271	-	-	1,093,271	1,093,266	-	-	1,093,266	5
Total	384,122,643	-	-	384,122,643	366,999,252	1,035,432	-	368,034,684	16,087,959
Previous Year	384,122,643	-	-	384,122,643	365,807,560	1,191,692	-	366,999,252	17,123,391
Capital work in progress									24,120,371

9.1 Lease hold land is taken on lease for the period of 95 years and cost of the same is amortised over the period of lease.

9.2 Immovable properties of the Company is also mortgaged on first pari-passu charge basis in favour of Financial Institution and Banks to secure Term Loan sanctioned to denim division of the company. In the year 1999 - 2001, denim division of the company was demerged as Rainbow Denim Ltd.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
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NOTE 10

Non Current Investments (At Cost) :

Unquoted (Other than Trade)

Investment in Subsidiary Company

5,00,300 (Previous Year 5,00,300) Equity Shares of		
₹ 10/- each in Rama Capital & Fiscal		
Services Pvt. Ltd. fully paid up.	5,021,735	5,021,735
25,00,000 (Previous Year 25,00,000) 9% Cumulative		
Convertible Preference Shares of		
₹ 10/- each in Rama Capital & Fiscal Services Pvt.		
Ltd. fully paid-up	25,000,000	25,094,000
Less : Provision for diminution in the value of Investments	30,021,735	30,115,735
Total	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
Aggregate Value of Unquoted Investments :	NIL	NIL

NOTE 11

Long term Loans and Advances :

Unsecured

Security Deposits

Considered Good	2,087,665	2,072,665
Considered doubtful	206,600	206,600
	2,294,265	2,279,265
Less : Provision for doubtful deposits	206,600	206,600
Total	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	2,087,665	2,072,665

CURRENT ASSETS

NOTE 12

Inventories (At Cost) :

(As taken, valued & certified by Management)

Stores and Spares	30,896,710	30,909,393
Stock in Trade	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
Total	30,896,710	31,885,283

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
NOTE 13		
Trade Receivables (Unsecured) :		
Due more than six months		
considered good	-	-
considered doubtful	<u>384,116</u>	<u>384,116</u>
	<u>384,116</u>	<u>384,116</u>
Due within six months		
considered good	<u>1,138,373</u>	-
	<u>1,522,489</u>	<u>384,116</u>
Less : Provision for Doubtful Debts	<u>384,116</u>	<u>384,116</u>
Total	<u>1,138,373</u>	-

NOTE 14**Cash and Bank Balances :**

Cash on hand	<u>1,099,497</u>	<u>396,162</u>
Balances with Scheduled Banks		
- Current Accounts	<u>890,156</u>	<u>1,197,589</u>
- Fixed Deposits	<u>595,398</u>	<u>564,851</u>
	<u>1,485,554</u>	<u>1,762,440</u>
Total	<u>2,585,051</u>	<u>2,158,602</u>

NOTE 15**Short Term Loans and Advances :**

(Unsecured, considered good)		
Advances recoverable in cash or in kind or		
for value to be received	<u>279,406</u>	<u>320,133</u>
Advances Income Tax / TDS	<u>157,400</u>	<u>80,919</u>
Balance with Central Excise	<u>6,240,756</u>	<u>5,745,015</u>
Other Advances		
considered good	<u>413,096</u>	<u>75,400,602</u>
considered doubtful	<u>22,824,570</u>	<u>23,487,070</u>
	<u>23,237,666</u>	<u>98,887,672</u>
Less : Provision for Doubtful Advances	<u>22,824,570</u>	<u>23,487,070</u>
	<u>413,096</u>	<u>75,400,602</u>
Total	<u>7,090,658</u>	<u>81,546,669</u>

NOTE 16**Other Current Assets :**

Interest Accrued but not due	<u>187,620</u>	<u>151,703</u>
Claims Receivable (Refer Note 16.1)	<u>18,771,179</u>	<u>18,771,179</u>
Total	<u>18,958,799</u>	<u>18,922,882</u>

16.1 During the year 1998 - 99, company had imported some material and could not pay the custom duty due to financial crisis. The material was stored in Central Warehousing Corporation bonded warehouse. During the year 2012 - 13, the company came to know that the material was auctioned by the Custom Authority for non-payment of duty. The Company is taking appropriate legal remedies for claiming the value of these materials, hence the same is disclosed as Claims Receivable.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
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NOTE 17

Revenue from Operations :

Sales Traded Goods	21,279,176	-
Less : Excise Duty	-	-
Sales - Others	10,800,000	-
Total	<u><u>32,079,176</u></u>	<u><u>-</u></u>

17.1 Particulars of Sales - Traded Goods

Sulphuric Acid	21,279,176	-
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NOTE 18

Other Income :

Interest Income	224,904	376,135
Dividend Income	5,250	4,500

Other Non Operating Income

Sundry Balances Written Back	158,526	8,706
Scrap Sale	192,920	131,153
Miscellaneous Income	701,584	6,000
Rent Income	540,000	120,000
Prior Period Income	-	5,328,161
Total	<u><u>1,823,184</u></u>	<u><u>5,974,655</u></u>

NOTE 19

Purchase of Stock in Trade :

Traded Goods	12,384,805	-
Purchases	-	-
Total	<u><u>12,384,805</u></u>	<u><u>-</u></u>

19.1 Particulars of Cost - Traded Goods

Sulphuric Acid	12,384,805	-
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NOTE 20

Employee Benefits Expenses :

Salaries, Wages and Allowances	5,431,903	6,974,353
Contribution to P.F./F.P.F. and other Funds	501,985	747,879
Welfare & Other Amenities	250,097	254,780
Total	<u><u>6,183,985</u></u>	<u><u>7,977,012</u></u>

20.1 In view of losses in current year, no commission is payable to Directors hence computation of net profit u/s 349 of the Companies Act, 1956 is not applicable.

NOTE 21

Finance Cost :

Interest	9,010,924	1,303,888
Total	<u><u>9,010,924</u></u>	<u><u>1,303,888</u></u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in ₹)	
	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
	2013-14	2012-13
NOTE 22		
Other Expenses :		
Power and Fuel	584,354	577,417
Warehouse Charges	-	198,664
Consumption of Stores and Spares	209,066	57,284
Repairs to :		
Building	28,100	7,800
Plant and Machinery	1,015,814	156,823
Others	385,389	369,491
	<u>1,429,303</u>	<u>534,114</u>
Insurance	310,987	153,535
Rates, Taxes and Duties	283,369	563,017
Loss on Sale of Shares	178,394	-
Director's Sitting Fees	40,000	46,000
Auditor's Remuneration		
Audit Fees	100,000	100,000
Tax Audit Fees	25,000	-
Other Capacity	70,000	60,000
Reimbursement of Expenses	990	1,392
	<u>195,990</u>	<u>161,392</u>
Security Charges	1,907,536	1,621,745
Water Charges	59,947	23,242
Conveyance	419,457	357,588
Printing and Stationary	51,318	49,159
Postage and Telegram	93,478	101,653
Legal and Professional Charges	582,532	1,309,926
Share Department Expenses	187,157	191,193
Books and Periodicals	7,453	7,011
Excise Duty	-	370,110
Travelling Expenses	6,917	47,827
Telephone and Telex	97,523	75,454
Bank Charges	2,238	6,844
Claims and Settlement	-	3,000,000
Miscellaneous Expenses	817,428	861,504
	<u>7,464,447</u>	<u>10,314,679</u>
Total		

Note 23

Earning Per Share (EPS)

Sr. No.	Particulars	2013-14	2012-13
i	Net Profit / (Loss) after Tax as per statement of profit and loss attributable to Equity Shareholders (Before Extraordinary items) (Amount in ₹)	(31,53,123)	(1,48,12,616)
ii	Net Profit / (Loss) after Tax as per statement of profit and loss attributable to Equity Shareholders (After Extraordinary items) (Amount in ₹)	(31,53,123)	(1,48,12,616)
iii	Weighted Average number of Equity Shares outstanding	1,04,69,400	1,04,69,400
iv	Weighted Average number of Equity Shares including diluted potential equity shares outstanding during the year	2,54,27,092	2,23,77,176
v	Face Value of Equity Shares in ₹	10.00	10.00
vi	Basic Earning per Equity Share (Before Extraordinary item)	(0.30)	(1.41)
vii	Diluted Earning per Equity Share (Before Extraordinary item)	(0.12)	(0.66)
viii	Basic Earning per Equity Share (After Extraordinary item)	(0.30)	(1.41)
ix	Diluted Earning per Equity Share (After Extraordinary item)	(0.12)	(0.66)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Note 24

Contingent Liabilities :

a. Claims against the company not acknowledged are as follows :

Name of the Statute	2013 - 14	2012 - 13	(Amount in ₹)
Income Tax	28,54,97,280	16,71,85,892	
Gujarat Sales Tax	36,06,085	36,06,085	
Irrigation Department	25,92,05,087	25,92,05,087	
Total	54,83,08,452	42,99,97,064	

The Company is in appeal for these claims.

b. Guarantees / Counter Guarantees given to Banks, Financial Institutions and other Body Corporate ₹ 90,96,80,000/- (Previous Year ₹ 98,46,70,906/-)

c. Sales Tax Liability of ₹ 31,03,44,140/- (Previous Year ₹ 31,03,44,140/-).

Interest Free Sales Tax Deferment : The Company had a liability of ₹ 31,23,33,405/- (Previous Year ₹ 31,23,33,405/-) payable from 30th April 2001 to 30th April 2014 to Sales Tax Department of Government of Maharashtra in respect of sales tax deferral scheme for its Methanol division. The Company has assigned the said liability to another company during the year 1999 – 2001. The assignee company has paid ₹ 19,89,265/- (Previous Year ₹ 19,89,265/-) upto 31st March, 2014 out of ₹ 31,19,19,527/- (Previous Year ₹ 30,84,96,760/-) due upto 31st March, 2014. Since the assignee company has failed in paying the sales tax dues, the assignor may be responsible to pay the same and hence this has been disclosed as contingent liability. The company is registered under BIFR.

d. Capital commitments ₹ Nil (Previous Year ₹ 18,83,435/-)

Note 25

The company has not provided for :

a. Custom duty (net of provision) of ₹ 4,32,740/- (Previous Year ₹ 4,32,740/-) and interest on custom duty aggregating to ₹ 1,81,51,909/- (Previous Year ₹ 1,69,65,361/-) till March 31, 2014.

b. Interest on late payment of custom duty ₹ 19,62,185/- (Previous Year ₹ 19,62,185/-)

Note 26

The operation of company's methanol division has been unviable and in turn forced the company to suspend its production activities since Sept.'1999. However, the company is making efforts to obtain alternative main feed stock for its methanol plant to make the operation viable. Considering the fact that laying of pipeline for supply of gas by Gas Authority of India Ltd. is completed, the company is hopeful to restart its plant soon. Accordingly the company continues to prepare accounts on the basis of "Going Concern Concept".

Note 27

As mentioned above the company had suspended its production activities since Sept.'1999, as a result of this the company has transferred some of the employees to other Division /Group Companies w.e.f. 30th October,1999. None of the transferred employees has reported to their duties and they have approached the Industrial Court. However, Company does not expect any financial liability, apart from their service benefit, which has been provided in the books of account.

Note 28

The company has obtained a valuation report from registered valuer in respect of its methanol division. On considering the same, the management is of the opinion that there is no loss on account of impairment of assets as per AS – 28 "Impairment of Assets" as issued by ICAI pertaining to this division.

Note 29

Segment Reporting :

The company has the following primary segments during the year :

- 1 Methanol
- 2 Construction
- 3 Trading Goods

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Information about Primary Business Segments :

(Amount in ₹)

Particular	Methanol		Construction		Trading Goods		Total	
	2013 - 14	2012 - 13	2013 - 14	2012 - 13	2013 - 14	2012 - 13	2013 - 14	2012 - 13
Segment Revenue	-	-	1,08,00,000	-	2,12,79,176	-	3,20,79,176	-
Segment Results before interest, exceptional / extraordinary items and tax	(94,23,142)	(62,27,254)	96,54,910	-	88,94,370	-	91,26,138	(62,27,254)
Net Unallocable (Income) /Expenses							32,68,337	72,81,474
Finance Cost							90,10,924	13,03,888
Profit / (Loss) before Tax							(31,53,123)	(1,48,12,616)

Other Information

(Amount in ₹)

	Methanol		Construction		Trading		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Assets	10,18,27,213	17,68,53,973	-	9,75,890	11,38,373	-	10,29,65,586	17,78,29,863
Segment Liabilities	32,85,84,071	40,39,73,952	12,40,000	22,40,000	46,78,727	-	33,45,02,798	40,62,13,952
Depreciation	10,35,432	11,91,692	-	-	-	-	10,35,432	11,91,692
Non cash expenses other than depreciation	-	-	-	-	-	-	-	-

Note 30

Related Party Disclosure under Accounting Standard 18 (AS 18) :

A) List of related parties as identified by the management are as under :

I	Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise	Rama Capital and Fiscal Services Pvt. Ltd. – 100% subsidiary company
II	Associates, Joint Ventures of the reporting entity, investing party or venture in respect of which reporting enterprise is an associate or a joint venture	Indo Us Investment Inc
III	Individual owing, directly or indirectly an interest in voting power of reporting enterprise that gives them control or significant influence over the enterprise and relative of any such individual	None
IV	Key Management Personnel (KMP) and their relatives	Mr. H. D. Ramsinghani – Chairman Mr. D. N. Singh – Technical Director Relatives of Chairman Mr. D. J. Ramsinghani Mrs. L. D. Ramsinghani Mrs. N. H. Ramsinghani Ms. P. D. Ramsinghani
V	Enterprises over which any person described in III and IV above is able to exercise significant influence and with whom transactions have taken place during the year.	Rainbow Denim Ltd. Rama Phosphates Ltd. Rama Industries Ltd. Rainbow Agri Industries Ltd. BlueLagoon Investment Pvt. Ltd. Rama Enterprises

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

B) The following transaction were carried out with the related parties :

(Amount in ₹)

Sr. No	Particulars	Enterprises that directly / indirectly control by the reporting enterprise		Key management personnel and their relatives		Enterprises over which KMP, with their relatives, is able to exercise significant influence	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Sale of Goods	-	-	-	-	2,10,62,829	-
2	Sale of Shares	-	-	7,50,00,000	-	-	-
3	Loans / Advances Taken	44,00,000	4,97,75,000	-	-	1,69,00,000	1,58,00,000
4	Loans / Advances Repaid	12,76,45,000	8,28,55,000	-	-	-	5,15,00,000
5	Share Application money received	-	-	-	-	27,00,000	5,37,00,000
6	Share Application money refunded	-	-	-	-	-	31,00,000
7	Investment	3,00,21,735	3,01,15,735	-	-	-	-
8	Sitting Fees to KMP	-	-	8,000	10,000	-	-
9	Guarantees Outstanding	-	-	-	-	90,95,00,000	90,95,00,000
10	Balance Outstanding Loans / Advances Payable Trade Receivable	1,54,00,000	13,86,45,000	-	-	1,69,00,000 11,22,922	-
11	Sharing of infrastructure and resources	-	-	-	-	This transaction is of non monetary consideration	This transaction is of non monetary consideration

C) Disclosure in respect of Related Party Transactions :

(Amount in ₹)

Sr. No	Particulars	2013 - 2014	2012 - 2013
1	Sale of Goods Rama Phosphates Ltd	2,10,62,829	-
2	Sale of Shares Ms. P. D. Ramsinghani Mrs. L. D. Ramsinghani	6,00,00,000 1,50,00,000	-
3	Loans / Advances taken Rama Capital & Fiscal Services Pvt. Ltd. Rainbow Agri Industries Ltd. Bluelagoon Investment Pvt. Ltd.	44,00,000 - 1,69,00,000	4,97,75,000 1,58,00,000 -
4	Loans / Advances Repaid Rama Capital & Fiscal Services Pvt. Ltd. Rainbow Denim Ltd. Rainbow Agri Industries Ltd.	12,76,45,000 - -	8,28,55,000 45,00,000 4,70,00,000
5	Share Application Money received Rainbow Agri Industries Ltd.	27,00,000	5,37,00,000
6	Share Application Money refunded Rainbow Agri Industries Ltd.	-	31,00,000
7	Investment fully provided for Rama Capital & Fiscal Services Pvt. Ltd.	3,00,21,735	3,01,15,735
8	Sitting Fees to KMP Mr. H D Ramsinghani	8,000	10,000

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Sr. No	Particulars	2013 - 2014	2012 - 2013
9	Guarantees Outstanding on behalf of Rama Industries Ltd. Rainbow Denim Ltd. Rama Phosphates Ltd.	50,45,00,000 13,50,00,000 27,00,00,000	50,45,00,000 13,50,00,000 27,00,00,000
10	Balances Outstanding Loans / Advances Payable Rama Capital & Fiscal Services Pvt. Ltd. Bluelagoon Investment Pvt. Ltd. Trade Receivable Rama Phosphates Ltd.	1,54,00,000 1,69,00,000 11,22,922	13,86,45,000 - -
11	Sharing of Infrastructure & Resources Rama Enterprises	This transaction is of non monetary consideration	This transaction is of non monetary consideration

Note 31

Deferred Tax Liability

In accordance with the provisions of Accounting Standard (AS22) issued by The Institute of Chartered Accountants of India pertaining to accounting of taxes on income, in view of the company not expecting any taxable profits in near future, no deferred tax asset is recognized. The details of the same are as under :

(Amount in ₹)

Particulars	2013 - 14	2012 - 13
Deferred Tax Liability on account of :		
Difference between WDV of Fixed Assets	30,57,392	32,98,319
Deferred Tax Assets on account of :		
Disallowances u/s 43B	15,34,426	14,53,982
Other Provisions	1,65,12,039	1,67,45,798
Carried forward Losses as per Income Tax	3,25,63,065	3,13,03,494
Total Deferred Tax Asset	5,06,09,530	4,95,03,274
Net Deferred Tax Asset/ (Liability)	4,75,52,138	4,62,04,955

Note 32

Previous year figures have been regrouped / rearranged wherever necessary to make them comparable.

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

Place : Mumbai

Date : May 28, 2014

H. D. RAMSINGHANI

Chairman

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Rama Petrochemicals Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **RAMA PERTROCHEMICALS LIMITED** ("the company") and its subsidiaries: hereinafter referred to as the "Group", which comprise the Consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to:

1) *Non provision of :*

- (a) *Value of materials lying in the Bonded warehouse, auctioned by the Customs being shown as Claims Receivable amounting to ₹ 1,87,71,179/- under Note-16 which is doubtful of recovery (Refer Note 16.1) and liabilities towards interest on unpaid custom duty up to March 31, 2014 aggregating to ₹ 1,81,51,909/- and unpaid customs duty of ₹ 4,32,740/- (Refer Note- 26 (a)).*
- (b) *Demand of Interest on late payment of customs duty up to March 31, 2014 ₹ 19,62,185/- (Refer Note-26 (b)).*

The above has resulted in understatement of loss for the year by ₹ 11,86,548/-, accumulated losses by ₹ 3,93,18,013/-, outstanding liability by ₹ 2,05,46,834/-, and overstatement of Other Current Assets by ₹ 1,87,71,179/-

2) ***Non Payment of statutory liability on account of sales tax aggregating ₹ 30,99,30,262/- up to March 31, 2014 as explained in Note-25(c).***

- (a) in case of consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and
- (c) in the case of consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Without qualifying the report we like to draw your attention to that the company's net worth has been completely eroded and has been declared as sick industrial company by BIFR vide order dated 01.07.2002. As explained in Note No. 27, the management considers that the methanol division can be made viable and accordingly the company's accounts have been prepared on going concern assumption. The revival of the Company's operations depends upon the Company being able to obtain the alternative main feed stock. In absence of any other information indicating to the contrary, we have accepted this assumption.

For **Dayal and Lohia**
Chartered Accountants
(Firm's Registration No. 102200W)

S.L.Khandelwal
Partner
Membership No. 101388

Place : Mumbai
Date : 28th May, 2014.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	NOTE NO.	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
EQUITY AND LIABILITIES :			
Shareholders' Fund :			
Share Capital	2	104,694,000	104,694,000
Reserves and Surplus	3	(571,501,680)	(568,149,671)
		(466,807,680)	(463,455,671)
Share Application Money :	4	149,775,000	147,075,000
Non-Current Liabilities :			
Long Term Provisions	5	2,564,910	2,291,976
Current Liabilities :			
Short Term Borrowings	6	186,269,586	269,765,479
Trade Payables	7	5,503,017	4,870,186
Other Current Liabilities	8	329,106,213	328,474,213
		520,878,816	603,109,878
	TOTAL	206,411,046	289,021,183
ASSETS :			
Non - Current Assets :			
Fixed Assets	9		
Tangible Assets		16,913,172	17,983,521
Capital Work in Progress		24,120,371	24,120,371
Non-Current Investment	10	102,500,000	102,500,000
Long Term Loans and Advances	11	2,088,186	2,073,186
		145,621,729	146,677,078
Current Assets :			
Inventories	12	30,902,985	31,977,415
Trade Receivables	13	1,138,373	7,312,869
Cash and Bank Balances	14	2,694,667	2,577,993
Short Term Loans and Advances	15	7,094,493	81,552,899
Other Current Assets	16	18,958,799	18,922,929
		60,789,317	142,344,105
	TOTAL	206,411,046	289,021,183
Significant Accounting Policies			
Notes on Financial Statement	1		
	2 to 35		

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

Place : Mumbai

Date : May 28, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
REVENUE			
Revenue from Operations	17	33,479,380	7,033,493
Sales		-	-
Less : Excise Duty		33,479,380	7,033,493
Other Income	18	1,825,231	5,979,032
		<u>35,304,611</u>	<u>13,012,525</u>
EXPENSES			
Purchase of Stock in Trade	19	13,088,778	4,343,963
Changes in inventories of Stock in Trade	20	1,061,747	(85,857)
Employee Benefits Expense	21	6,183,985	7,977,012
Finance Cost	22	9,579,409	4,510,891
Depreciation	9	1,070,349	1,226,609
Other Expenses	23	7,672,352	10,666,683
		<u>38,656,620</u>	<u>28,639,301</u>
Profit / (Loss) before tax		(3,352,009)	(15,626,776)
Tax Expenses		-	-
Profit / (Loss) for the Year		(3,352,009)	(15,626,776)
Earnings per Equity Share of Face Value of ₹ 10/- each	24		
Before Extraordinary Items :			
Basic		(0.32)	(1.49)
Diluted		(0.13)	(1.31)
After Extraordinary Items :			
Basic		(0.32)	(1.49)
Diluted		(0.13)	(1.31)
Significant Accounting Policies	1		
Notes on Financial Statement	2 to 35		

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

Place : Mumbai

Date : May 28, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars		AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
A	CASHFLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) Before Tax	(3,352,009)	(15,626,776)
Add :	Depreciation	1,070,349	1,226,609
	Interest Paid / Provided	9,579,409	4,510,891
	Loss on sale of Shares	<u>178,394</u>	-
		<u>10,828,152</u>	<u>5,737,500</u>
		<u>7,476,143</u>	<u>(9,889,276)</u>
Less :	Interest Received	224,935	376,182
	Dividend Received	7,266	8,830
	Excess Provision written back	697,235	-
	Sundry balance written back	<u>158,526</u>	<u>8,706</u>
		<u>1,087,962</u>	<u>393,718</u>
	Operating Profit before Working Capital Changes	<u>6,388,181</u>	<u>(10,282,994)</u>
	Adjustment for :		
	(Increase)/Decrease in Trade & Other receivables	80,582,032	(6,405,890)
	Increase/(Decrease) in Trade Payables & Other Liabilities	<u>2,393,526</u>	<u>3,928,552</u>
	(Increase)/Decrease in Inventories	<u>1,074,430</u>	<u>18,703,901</u>
		<u>84,049,988</u>	<u>16,226,563</u>
	Cash Generated from Operations	<u>90,438,169</u>	<u>5,943,569</u>
	Net Cash from Operative Activities (A)	<u>90,438,169</u>	<u>5,943,569</u>
B	CASHFLOW FROM INVESTING ACTIVITIES		
	Capital work in Progress	-	(666,471)
	Loss on Sales of shares	<u>(178,394)</u>	-
	Dividend Received	<u>7,266</u>	<u>8,830</u>
		<u>(171,128)</u>	<u>(657,641)</u>
	Net cash used in investing activities (B)	<u>(171,128)</u>	<u>(657,641)</u>
C	CASHFLOW FROM FINANCING ACTIVITIES		
	Receipts Of Borrowings	2,700,000	50,600,000
	Repayments of Borrowings	<u>(83,495,893)</u>	<u>(91,311,009)</u>
		<u>(80,795,893)</u>	<u>(40,711,009)</u>
	Interest Received	224,935	376,182
	Interest Paid / Provided	<u>(9,579,409)</u>	<u>(4,510,891)</u>
		<u>(9,354,474)</u>	<u>(4,134,709)</u>
	Net cash used in financial activities (C)	<u>(90,150,367)</u>	<u>(44,845,718)</u>
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	<u>116,674</u>	<u>(39,559,790)</u>
	Cash & Cash Equivalents (Opening Balance)	2,577,993	42,137,783
	Cash & Cash Equivalents (Closing Balance)	<u>2,694,667</u>	<u>2,577,993</u>

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

Place : Mumbai

Date : May 28, 2014

NOTE 1

SIGNIFICANT ACCOUNTING POLICIES

A. PRINCIPLES OF CONSOLIDATION :

The Consolidated Financial Statement relate to Rama Petrochemicals Ltd. (the company) and Rama Capital & Fiscal Services Pvt. Ltd., (the Subsidiary). The Consolidated Financial Statements have been prepared on the following basis :

The financial statements of the Company and its subsidiary Company have been combined on a line by line basis by adding together the books values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

The financial statements of the subsidiary used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. 31st March, 2014.

The excess of cost to the Company's of its investment in the subsidiary company over the company's position of the equity of the subsidiary is recognized in the financial statement as Goodwill.

As the Company hold 100% equity in a subsidiary company, question of minority interest does not arise. Subsidiary company is incorporated in India.

B. SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Accounting :

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis.

Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Accounting for Construction Division :

Revenue from sale of properties under construction is recognized on the basis of actual bookings done (provided the significant risk and rewards have been transferred to the buyer and there is reasonable certainty of realization of proceeds) proportionate to the percentage of physical completion of construction / development work certified by the Architect.

3. Revenue Recognition :

- a. Revenue is recognized when the substantial risks and rewards of ownership is transferred to the buyer on dispatch of goods.
- b. Interest income is recognized on time proportionate basis.
- c. Dividend income from investments is recognized when the right to receive the dividend is established.
- d. Claims and damages are accounted as and when they are finalized.

4. Fixed Assets :

All Fixed assets are stated at cost of acquisition less accumulated depreciation and impairment losses if any. The cost of fixed assets includes taxes and duties (other than those subsequently recoverable from respective authorities), freight and other incidental expenses related to acquisition and installation of respective assets.

5. Depreciation :

- a. Depreciation on Fixed Assets is provided on Straight Line Method based on the useful life of the assets estimated by the management which is as per the rate prescribed in Schedule XIV of the Companies Act, 1956.
- b. Depreciation on addition / deletion is provided pro-rate basis with reference to the date of addition / deletion as the case may be.
- c. Individual assets acquired for less than ₹ 5,000/- are depreciated fully in the year of acquisition.

6. Impairment of Assets :

- a. The carrying amounts of assets are reviewed by the management at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is greater of asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to there present value at the weighted average cost of capital.
- b. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. A previously recognized impairment loss is increased or reversed depending upon changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

7. Excise Duty :

Excise duty, if applicable, has been accounted on the basis of payment made in respect of finished goods cleared. No provision is made for the finished good lying in bonded warehouse.

8. Foreign Currency Transactions :

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

The gain or loss arising out of settlement / translation of the assets and the liabilities at the closing rates due to exchange fluctuations is recognized as income / expenditure in the profit and loss account.

9. Investments :

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

10. Valuation of Inventories :

- a. Raw Material and Stores & Spares are valued at cost (on "first in first out basis") or market value whichever is lower.
- b. Stocks in transit are valued at cost or market value whichever is lower.
- c. Finished goods are valued at cost or net realizable value, whichever is lower.
- d. Inventories of traded goods are valued at cost.
- e. In case of subsidiary company inventories of shares and debentures are valued at cost or market value whichever is lower on basket valuation method.

11. Employee's Benefits :

Long Term Employee Benefits :

a. Defined Contribution Plan :

The company has Defined Contribution plans for post employment benefits namely Provident Fund. Under the provident Fund Plan, the company contributes to a Government administered provident fund on behalf of its employees.

The Company's contributions to the above funds are charged to revenue every year.

b. Defined Benefit Plans :

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at the balance sheet date. Actuarial gains / losses are recognized immediately in the profit and loss account. Long term compensated absences are provided for based on actuarial valuations.

c. In case of subsidiary company provision for leave encashment and gratuity are made on the basis of actuarial liability based on the period of service.

12. Borrowing Cost :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

13. Segment Reporting :

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, debtors and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated income / expenses

14. Earning per Share (EPS) :

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

15. Provision for Current and Deferred Tax :

- a. Provision for the current tax is made after taking into considering benefits admissible under the provisions of the Income Tax Act, 1961.
- b. Deferred Tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future. Deferred tax assets are reviewed at each balance sheet date and is written down or written up to reflect the amount that is reasonably or virtually certain, as the case may be, to be realized.

16. Provisions :

A provision is recognized when the company has a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

17. Contingent Liabilities :

Contingent liabilities, if any are disclosed in the notes on accounts. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end till the approval of the accounts by the board of directors and which have material effect on the position stated in the balance sheet.

18. Assigned Liability :

In case of subsidiary company, the value of assigned liability is determined on the basis of present value of the liability at the end of the year. The difference between the present value in the beginning of the year and at the year end is treated as finance charges for the year.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
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NOTE 2

Share Capital :

Authorised :

5,00,00,000 (Previous Year 5,00,00,000)	<u>500,000,000</u>	500,000,000
Equity Shares of ₹ 10/- each		

Issued, Subscribed and Paid - up :

1,04,69,400 (Previous Year 1,04,69,400)	<u>104,694,000</u>	104,694,000
Equity Shares of ₹ 10/- each		
Total	<u>104,694,000</u>	104,694,000

Details of rights,preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Equity Shares : The company has only one class of Equity shares having a par value of ₹ 10/- each. Each holder of equity shares is entitled to one vote per share. Dividend is payable in the proportion to the Capital Paid Up. In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The details of Shareholders holding more than 5% shares

Indo Us Investment Inc.	Nos.	3,000,000	3,000,000
	%	28.65%	28.65%
Libra Mercantile Pvt. Ltd.	Nos.	1,404,401	1,404,401
	%	13.41%	13.41%
Jupiter Corporate Services Pvt Ltd.	Nos.	593,280	593,280
	%	5.67%	5.67%

NOTE 3

Reserves and Surplus :

Capital Reserve

As per last Balance Sheet	<u>6,030,000</u>	6,030,000
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Profit and Loss Account

As per last Balance Sheet	<u>(574,179,671)</u>	(558,552,895)
Add : Profit / (Loss) for the year	<u>(3,352,009)</u>	(15,626,776)
	<u>(577,531,680)</u>	(574,179,671)
Total	<u>(571,501,680)</u>	(568,149,671)

NOTE 4

Share Application Money :

Total	<u>149,775,000</u>	147,075,000
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4.1 Share Application money is received from a promoter's group company in accordance with the revival Scheme submitted to the B.I.F.R. and the allotment of shares pursuant thereto is subject to and shall be in accordance with the directions of the B.I.F.R.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
NON CURRENT LIABILITIES :		
NOTE 5		
Long Term Provisions		
for Gratuity	1,814,399	1,628,108
for Leave Encashment	750,511	663,868
Total	<u>2,564,910</u>	<u>2,291,976</u>
5.1 Consequent to the adoption of Accounting Standard 15 on Employee Benefits issued by the Institute of Chartered Accountants of India, the following disclosures have been made as required by standards :		
A Defined Contribution Plan		
Provident Fund : The Company has recognised the following amount in the profit and loss account for the year		
Employer's contribution to Provident Fund	282,737	314,876
B Defined Benefit Plan		
The Company has defined benefit plan for leave encashment and gratuity. As per Para 132 of Accounting Standard 15, disclosure for leave encashment are not mandatory. The disclosure for Employee benefit towards gratuity are as under :		
a The Principal assumption used in determining gratuity obligations for the company's plans are shown below		
Discount Rate	9.03%	7.75%
Salary Escalation	5.00%	5.00%
Mortality	Indian Assured Live (2006-08) Ultimate Unfunded	LIC(1994-96) Ultimate Unfunded
Type of Plan		
The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
b Changes in present value of defined benefit obligation		
Opening defined benefit obligation	1,628,108	1,759,451
Interest Cost	126,178	145,155
Current Service Cost	80,134	103,787
Benefits Paid	32,885	564,346
Actuarial (gain) / Loss on obligation	12,864	184,061
Closing defined benefit obligation	<u>1,814,399</u>	<u>1,628,108</u>
c Changes in the fair value of Plan Assets		
Opening fair value of Plan Assets	-	-
Expected Return	-	-
Contribution by employer	-	-
Benefits Paid	32,885	564,346
Actuarial (gains) / losses	12,864	184,061
Closing fair value of Plan Assets	-	-
Actuarial return on Plan Assets	-	-
Expected contribution to be made in next annual year	-	-
d Reconciliation of the Present Value of Defined Present Obligations and Fair value of Assets		
Present value of Funded Obligation	(1,814,399)	(1,628,108)
Fair Value of Plan Assets	-	-
Funded (Asset)/Liability recognised in Balance Sheet	-	-
Present Value of Unfunded Obligation	-	-
Unrecognised past service cost	-	-
Unrecognised Actuarial	-	-
Unfunded Net Liability recognised in Balance Sheet	<u>(1,814,399)</u>	<u>(1,628,108)</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Particulars	(Amount in ₹)	
		AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
e	Balance Sheet - Details of Provision of Gratuity		
	Defined benefit obligation	(1,814,399)	(1,628,108)
	Fair value of Plan Assets	-	-
	Liability recognised in the Balance Sheet	(1,814,399)	(1,628,108)
f	Profit and Loss Account - Net Employee Benefit Expenses		
	Current Service Cost	80,134	103,787
	Interest Cost on benefit obligation	126,178	145,155
	Net Actuarial (gain) / loss recognised in the year	12,864	184,061
	Total Expenses recognised in the Profit and Loss Account	219,176	433,003
5.2	In case of subsidiary company, provision for leave encashment and gratuity is not required as the company does not have any employee as on 31st March, 2014		
CURRENT LIABILITIES			
NOTE 6			
Short Term Borrowings :			
Unsecured			
Loans and Advances			
	from Related Parties	60,657,063	171,257,063
	from Others	125,612,523	98,508,416
	Total	<u>186,269,586</u>	<u>269,765,479</u>
NOTE 7			
Trade Payables :			
	Due to others	5,503,017	4,870,186
	Total	<u>5,503,017</u>	<u>4,870,186</u>
NOTE 8			
Other Current Liabilities :			
	Advance from Customers	1,240,000	2,431,405
	Deferred Payment Liability	310,314,605	309,746,120
	Other Liabilities	17,551,608	16,296,688
	Total	<u>329,106,213</u>	<u>328,474,213</u>

8.1 Based on the information available with the company, one party has been identified as MSME as defined under “Micro,Small and Medium Enterprises Development Act, 2006” which has claimed ₹ 14,33,622/- (Previous Year ₹ 14,33,622/-) towards supply. This liability has been disputed by the company. The party has filed a complaint against the Company, with Micro and Small Enterprises Facilitation Council. Under these circumstances interest, if any, will be accounted as and when becomes payable.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 9

Fixed Assets (At Cost)

1. Leasehold land is taken on lease for the period of 99 years and cost of the same is amortised over the period of lease.

9.2 Immovable properties of the Company is also mortgaged on first pari-passu charge basis in favour of Financial Institution and Banks to secure Term Loan sanctioned to denim division of the company. In the year 1999 - 2001, denim division of the company was demerged as Rainbow Denim Limited.

9.3 Premises of subsidiary company is mortgage with banks for loans taken by related party.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in ₹)	
	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
NOTE 10		
Non Current Investments (At Cost) :		
Unquoted (Other than Trade)		
92,760 (Previous Year 92,760) Equity Shares of ₹ 10/- each in Elate Investments & Holdings		
Pvt. Ltd. of ₹ 10/- each fully paid up.	46,380,000	46,380,000
14,030 (Previous Year 14,030) Equity Shares of ₹ 10/- each in Optical Disc Marketing (India)		
Pvt. Ltd. of ₹ 10/- each fully paid up.		
Total	56,120,000	56,120,000
	102,500,000	102,500,000
Agreegate Value of Unquoted Investments :		
At Cost Price	102,500,000	102,500,000
NOTE 11		
Long Term Loans and Advances :		
Security Deposits		
Considered Good	2,088,186	2,073,186
Considered doubtful	206,600	206,600
	2,294,786	2,279,786
Less : Provision for doubtful deposits	206,600	206,600
Total	2,088,186	2,073,186
CURRENT ASSETS		
NOTE 12		
Inventories (At Cost) :		
(As taken, valued & certified by Management)		
Stores and Spares	30,896,710	30,909,393
Stock in Trade	-	975,890
Stock in Trade - Shares	6,275	6,275
Stock in Trade - Traded Goods	-	85,857
Total	30,902,985	31,977,415

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in ₹)	
	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Details of inventories - Shares		
Aarvee Denim Ltd.	770	770
C J Gelatine Ltd.	348	348
K G Denim Ltd.	700	700
Madalsa International Ltd.	200	200
Maheshwari Protein Ltd.	100	100
Modern Suiting Ltd.	50	50
Rainbow Agri Industries Ltd.	1,000	1,000
Rama Phosphates Ltd.	3,010	3,010
Reliance Capital Ltd.	97	97
Details of inventories - Traded Goods		
Spent Sulphuric Acid	-	85,857
12.1 Inventories of shares and debentures are valued at cost or market value whichever is lower based on basket valuation method.		
12.2 Inventories of traded goods are valued at cost.		
12.3 The company has pledged 200 shares of Rainbow Agri Industries Ltd. with lender for loan granted to a related party.		
NOTE 13		
Trade Receivables (Unsecured) :		
Due more than six months		
considered good	-	-
considered doubtful	384,116	384,116
	<u>384,116</u>	<u>384,116</u>
Due within six months		
considered good	1,138,373	7,312,869
	<u>1,138,373</u>	<u>7,312,869</u>
1,522,489	7,696,985	
Less : Provision for Doubtful Debts	384,116	384,116
	<u>384,116</u>	<u>384,116</u>
Total	<u><u>1,138,373</u></u>	<u><u>7,312,869</u></u>

NOTE 14

Cash and Bank Balances :

Cash on hand	1,102,770	397,346
Balances with Scheduled Banks		
- Current Accounts	996,499	1,615,796
- Fixed Deposits	595,398	564,851
	<u>996,499</u>	<u>1,615,796</u>
	<u>595,398</u>	<u>564,851</u>
	<u><u>1,591,897</u></u>	<u><u>2,180,647</u></u>
Total	<u><u>2,694,667</u></u>	<u><u>2,577,993</u></u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
NOTE 15		
Short Term Loans and Advances :		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	283,240	326,363
Advances Income Tax / TDS	157,400	80,919
Balance with Central Excise	6,240,757	5,745,015
Other Advances		
considered good	413,096	75,400,602
considered doubtful	22,824,570	23,487,070
	<u>23,237,666</u>	<u>98,887,672</u>
Less : Provision for Doubtful Advances	<u>22,824,570</u>	<u>23,487,070</u>
	<u>413,096</u>	<u>75,400,602</u>
Total	<u><u>7,094,493</u></u>	<u><u>81,552,899</u></u>

NOTE 16

Other Current Assets :

Interest Accrued but not due	187,620	151,750
Claims receivable (Refer Note 16.1)	18,771,179	18,771,179
Total	<u>18,958,799</u>	<u>18,922,929</u>

16.1 During the year 1998 - 99, company had imported some material and could not pay the custom duty due to financial crisis. The material stored in Central Warehousing Corporation bonded warehouse. During the year 2012 - 13, the company came to know that the material was auctioned by the Custom Authority for non-payment of duty. The Company is taking appropriate legal remedies for claiming the value of these materials, hence the same is disclosed as Claims Receivable.

(Amount in ₹)

Particulars	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
NOTE 17		
Revenue from Operations :		
Sales - Traded Goods	22,679,380	7,033,493
Less : Excise duty	-	-
Sales - Others	10,800,000	-
Total	<u>33,479,380</u>	<u>7,033,493</u>
17.1 Particulars of Sales - Traded Goods		
Sulphuric Acid	22,679,380	7,033,493

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
NOTE 18		
Other Income :		
Interest Income	224,935	376,182
Dividend Income	7,266	8,830
Other Non Operating Income		
Sundry Balances Written Back	158,526	8,706
Scrap Sale	192,920	131,153
Miscellaneous Income	701,584	6,000
Rent Income	540,000	120,000
Prior Period Income	-	5,328,161
Total	1,825,231	5,979,032

NOTE 19

Purchases of Stock in Trade :

Goods	13,088,778	4,343,963
Total	13,088,778	4,343,963
19.1 Particulars of Cost - Traded Goods		
Sulphuric Acid	13,088,778	4,343,963

NOTE 20

Changes in Inventories of Stock in Trade :

Opening Stock	1,068,022	6,275
Add : Transfer / Adjustments	-	975,890
Less : Closing Stock	6,275	1,068,022
Total	1,061,747	(85,857)

NOTE 21

Employee Benefits Expenses :

Salaries, Wages and Allowances	5,431,903	6,974,353
Contribution to P.F./F.P.F. and other Funds	501,985	747,879
Welfare & Other Amenities	250,097	254,780
Total	6,183,985	7,977,012

21.1 In view of losses in current year, no commission is payable to Directors hence computation of net profit u/s 349 of the Companies Act, 1956 is not applicable.

NOTE 22

Finance Cost :

Interest	9,579,409	4,510,891
Total	9,579,409	4,510,891

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in ₹)	
	FOR THE YEAR ENDED 31ST MARCH, 2014	FOR THE YEAR ENDED 31ST MARCH, 2013
NOTE 23		
Other Expenses :		
Power and Fuel	592,444	581,927
Warehouse Charges	-	198,664
Consumption of Stores and Spares	209,066	57,284
Repairs to :		
Building	28,100	7,800
Plant and Machinery	1,015,814	156,824
Others	385,389	369,491
	<u>1,429,303</u>	<u>534,115</u>
Insurance	310,987	153,535
Rates, Taxes and Duties	384,174	594,912
Loss on Sale of Shares	178,394	-
Director's Sitting Fees	40,000	46,000
Auditor's Remuneration		
Audit Fees	128,090	128,090
Tax Audit Fees	25,000	-
Other Capacity	102,585	92,946
Reimbursement of Expenses	1,230	1,940
	<u>256,905</u>	<u>222,976</u>
Security Charges	1,907,536	1,621,745
Water Charges	59,947	23,242
Conveyance	419,457	357,588
Printing and Stationary	51,318	49,206
Postage and Telegram	93,478	101,653
Legal and Professional Charges	596,577	1,542,657
Share Department Expenses	187,157	191,193
Books and Periodicals	7,453	7,011
Excise Duty	-	370,110
Travelling Expenses	6,917	47,827
Telephone and Telex	103,360	78,928
Bank Charges	3,161	7,742
Claims and Settlement	-	3,000,000
Miscellaneous Expenses	834,718	878,368
Total	<u>7,672,352</u>	<u>10,666,683</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 24

Earning Per Share (EPS)

Sr. No.	Particulars	2013 - 14	2012 - 13
i	Net Profit / (Loss) after Tax as per statement of profit and loss attributable to Equity Shareholders (Before Extraordinary items) (Amount in ₹)	(33,52,009)	(1,56,26,776)
ii	Net Profit / (Loss) after Tax as per statement of profit and loss attributable to Equity Shareholders (After Extraordinary items) (Amount in ₹)	(33,52,009)	(1,56,26,776)
iii	Weighted Average number Equity Shares outstanding	1,04,69,400	1,04,69,400
iv	Weighted Average number of Equity Shares including diluted potential equity shares outstanding during the year	2,54,27,092	2,23,77,176
v	Face Value of Equity Shares in ₹	10.00	10.00
vi	Basic Earning per Equity Share (Before Extraordinary item)	(0.32)	(1.49)
vii	Diluted Earning per Equity Share (Before Extraordinary item)	(0.13)	(1.31)
viii	Basic Earning per Equity Share (After Extraordinary item)	(0.32)	(1.49)
ix	Diluted Earning per Equity Share (After Extraordinary item)	(0.13)	(1.31)

NOTE 25

Contingent Liabilities

a. Claims against the company not acknowledge are as :

(Amount in ₹)		
Name of the Statute	2013 - 14	2012 - 13
Income Tax	29,10,93,988	17,27,82,600
Gujarat Sales Tax	36,06,085	36,06,085
Irrigation Department	25,92,05,087	25,92,05,087
Total	55,39,05,160	43,55,93,772

The Company is in appeal for these claims.

b. Guarantees / Counter Guarantees given to Banks, Financial Institutions and other Body Corporate ₹ 90,96,80,000/- (Previous Year ₹ 98,46,70,906/-)

c. Sales Tax Liability of ₹ 31,03,44,140/- (Previous Year ₹ 31,03,44,140/-)

Interest Free Sales Tax Deferment :

The Company had a liability of ₹ 31,23,33,405/- (Previous Year ₹ 31,23,33,405/-) payable from 30th April 2001 to 30th April 2014 to Sales Tax Department of Government of Maharashtra in respect of sales tax deferral scheme for its Methanol division for which net present value as on 31.03.2014 is ₹ 31,03,14,605/- (Previous Year ₹ 30,97,46,120/-). The group had paid ₹ 19,89,265/- (Previous Year ₹ 19,89,265/-) upto 31st March, 2014 out of ₹ 31,19,19,527/- (Previous Year ₹ 30,84,96,760/-) due upto 31st March, 2014. The company is registered under BIFR.

There is delay in payment of sales tax dues and interest thereon cannot be quantified. The company is seeking the waiver in terms of interest on late payment of sales tax dues through BIFR.

d. Capital commitment ₹ NIL (Previous Year ₹ 18,83,435/-)

NOTE 26

The company has not provided for

a. Custom duty (net of provision) of ₹ 4,32,740/- (Previous Year ₹ 4,32,740/-) and interest on custom duty aggregating to ₹ 1,81,51,909/- (Previous Year ₹ 1,69,65,361/-) till March 31, 2014.

b. Interest on late payment of custom duty ₹ 19,62,185/- (Previous Year ₹ 19,62,185/-)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

NOTE 27

The operation of company's methanol division has been unviable and in turn forced the company to suspend its production activities since Sept.'1999. However, the company is making efforts to obtain alternative main feed stock for its methanol plant to make the operation viable. Considering the fact that laying of pipeline for supply of gas by Gas Authority of India Ltd. is completed, the company is hopeful to restart its plant soon. Accordingly the company continues to prepare accounts on the basis of "Going Concern Concept".

NOTE 28

As mentioned above the company had suspended its production activities since Sept'1999, as a result of this the company has transferred some of the employees to other Division/Group Companies w.e.f. 30th October, 1999. None of the transferred employees has reported to their duties and they have approached the Industrial Court. However, Company does not expect any financial liability, apart from their service benefit, which has been provided in the books of account.

NOTE 29

The company has obtained a valuation report from registered valuer in respect of its methanol division. On considering the same, the management is of the opinion that there is no loss on account of impairment of assets as per AS – 28 "Impairment of Assets" as issued by ICAI pertaining to this division.

NOTE 30

Segment Reporting :

The company has the primary segments during the year :

- 1 Methanol
- 2 Construction
- 3 Trading Goods

Information about Primary Business Segments :

(Amount in ₹)

Particulars	Methanol		Construction		Trading Goods		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenue	-	-	1,08,00,000		-	2,26,79,380	70,33,493	3,34,79,380
Segment Results before interest, exceptional / extraordinary items and tax	(94,23,142)	(62,27,254)	96,54,910		-	92,63,969	23,92,843	94,95,737
Net Unallocable (Income) / Expenses							32,68,337	72,81,474
Finance Cost							95,79,409	45,10,891
Profit / (Loss) before Tax							(33,52,009)	(1,56,26,776)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Other Information

(Amount in ₹)

	Methanol		Construction		Trading		Unallocable		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Assets	10,18,27,213	17,68,53,973	-	9,75,890	11,38,373	73,12,868	10,34,45,460	10,38,78,452	20,64,11,046	28,90,21,183
Segment Liabilities	32,85,84,071	40,39,73,952	12,40,000	22,40,000	46,78,727	37,21,024	33,87,15,928	34,25,41,878	67,32,18,726	75,24,76,854
Depreciation	10,35,432	11,91,692	-	-	-	-	34,917	34,917	10,70,349	12,26,609
Non cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

Note 31

Related Party Disclosure under Accounting Standard 18 (AS 18) :

A) List of related parties as identified by the management are as under :

I	Enterprises that directly or indirectly control (through subsidiaries) or are controlled by or are under common control with the reporting enterprise	None
II	Associates, Joint Ventures of the reporting entity, investing party or venture in respect of which reporting enterprise is an associate or a joint venture	Indo Us Investment Inc
III	Individual owing, directly or indirectly an interest in voting power of reporting enterprise that gives them control or significant influence over the enterprise and relative of any such individual	None
IV	Key Management Personnel (KMP) and their relatives	Mr. H. D. Ramsinghani – Chairman Mr. D. N. Singh – Technical Director Mr. V.G. Sharma – Director Mr. R.G. Kulkarni - Director Relatives of Chairman Mr. D. J. Ramsinghani Mrs. L. D. Ramsinghani Mrs. N. H. Ramsinghani Ms. P. D. Ramsinghani
V	Enterprises over which any person described in III and IV above is able to exercise significant influence and with whom transactions have taken place during the year.	Rainbow Denim Ltd. Rama Phosphates Ltd. Rama Industries Ltd. Rainbow Agri Industries Ltd. Bluelagoon Investment Pvt. Ltd. Nova Gelicon Pvt. Ltd. Rama Enterprises Parties related upto 01.08.2012 Cuffeparade Estates Pvt. Ltd. Integrated Port Services (I) Ltd. Libra mercantile Pvt. Ltd. Replica Investments & Estates Ltd. Trishul Mercantile Pvt. Ltd. Vrushabh Trading Co. Pvt. Ltd.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

B) The following transaction were carried out with the related parties :

(Amount in ₹)

Sr. No	Particular	Key management personnel and their relatives		Enterprises over which KMP, with their relatives, is able to exercise significant influence	
		2013-14	2012-13	2013-14	2012-13
1	Purchase of Goods	-	-	31,169	7,85,848
2	Sale of Goods	-	-	2,24,63,034	70,15,013
3	Sale of Shares	7,50,00,000	-	-	-
4	Loans / Advances Given	-	-	-	2,00,000
5	Loans/Advances recovered	-	-	-	2,00,000
6	Loans/ Advances Taken	-	-	2,30,50,000	11,63,35,000
7	Loans/Advances Repaid	-	-	13,36,50,000	19,42,74,819
8	Share Application money received	-	-	27,00,000	5,37,00,000
9	Share Application money refunded	-	-	-	31,00,000
10	Sitting Fees to KMP	8,000	10,000	-	-
11	Guarantees Outstanding	-	-	90,95,00,000	90,95,00,000
12	Balance Outstanding Trade Receivable Loans/Advances Payable Trade Payable	-	-	11,22,922 6,06,57,063 -	72,92,078 17,12,57,063 7,73,773
13	Sharing of infrastructure and resources	-	-	This transaction is of non monetary consideration	This transaction is of non monetary consideration
14	Securities pledged for loan taken by others	-	-	This transaction is of non monetary consideration	This transaction is of non monetary consideration

C) Disclosure in respect of Related Party Transactions :

(Amount in ₹)

Sr. No.	Particulars	2013 - 2014	2012 - 2013
1	Purchase of Goods Nova Gelicon Pvt. Ltd. Trishul Mercantile Pvt. Ltd. Vrushabh Trading Co. Pvt. Ltd.	31,169 - -	- 7,36,927 48,921
2	Sale of Goods Rama Phosphates Ltd.	2,24,63,034	70,15,013
3	Sale of Shares Ms. P. D. Ramsinghani Mrs. L.D. Ramsinghani	6,00,00,000 1,50,00,000	- -
4	Loans / Advances given Rainbow Agri Industries Ltd.	-	2,00,000
5	Loans / Advances recovered Rainbow Agri Industries Ltd.	-	2,00,000

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Sr. No.	Particulars	2013 - 2014	2012 - 2013
6	Loans / Advances taken Bluelagoon Investment Pvt. Ltd. Rainbow Agri Industries Ltd. Libra Mercantile Pvt. Ltd. Trishul Mercantile Pvt. Ltd.	2,30,50,000 - - -	7,79,15,000 1,58,00,000 92,00,000 1,34,20,000
7	Loans / Advances Repaid Rainbow Denim Ltd. Rainbow Agri Industries Ltd. Bluelagoon Investment Pvt. Ltd. Cuffeparade Estates Pvt. Ltd. Integrated Port Services (I) Ltd. Libra Mercantile Pvt. Ltd. Replica Investment & Estates Ltd. Trishul Mercantile Pvt. Ltd.	- - 13,36,50,000 - - - - - -	45,00,000 4,70,00,000 6,11,10,000 10,00,000 1,68,95,000 1,90,00,000 2,18,35,000 2,29,34,819
8	Share Application Money received Rainbow Agri Industries Ltd.	27,00,000	5,37,00,000
9	Share Application Money refunded Rainbow Agri Industries Ltd.	-	31,00,000
10	Sitting Fees to KMP Mr. H D Ramsinghani	8,000	10,000
11	Guarantees Outstanding on behalf of Rama Industries Ltd. Rainbow Denim Ltd. Rama Phosphates Ltd.	50,45,00,000 13,50,00,000 27,00,00,000	50,45,00,000 13,50,00,000 27,00,00,000
12	Balances Outstanding Trade Receivable Rama Phosphates Ltd. Loans / Advances Payable Rama Phosphates Ltd. Bluelagoon Investment Pvt. Ltd. Trade Payable Trishul Mercantile Pvt. Ltd.	11,22,922 3,05,27,063 3,01,30,000 -	72,92,078 3,05,27,063 14,07,30,000 7,73,773
13	Sharing of Infrastructure & Resources Rama Enterprises	This transaction is of non monetary consideration	This transaction is of non monetary consideration
14	Securities Pledged for loan taken Nova Gelicon Pvt. Ltd.	This transaction is of non monetary consideration	This transaction is of non monetary consideration

NOTE 32

Deferred Tax Liability

In accordance with the provisions of Accounting Standard (AS22) issued by The Institute of Chartered Accountants of India pertaining to accounting of taxes on income, in view of the company not expecting any taxable profits in near future, no deferred tax asset is recognized. The details of the same are as under :

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

a) In case of Holding Company :

Particulars	2013 - 14	2012 - 13	(Amount in ₹)
Deferred Tax Liability on account of :			
Difference between WDV of Fixed Assets	30,57,392	32,98,319	
Deferred Tax Assets on account of :			
Disallowances u/s 43B	15,34,426	14,53,982	
Other Provisions	1,65,12,039	1,67,45,798	
Carried forward Losses as per Income Tax	3,25,63,065	3,13,03,494	
Total Deferred Tax Asset	5,06,09,530	4,95,03,274	
Net Deferred Tax Asset/ (Liability)	4,75,52,138	4,62,04,955	

b) In case of subsidiary company :

Particulars	2013 - 14	2012 - 13	(Amount in ₹)
Deferred Tax Liability on account of :			
Difference between WDV of Fixed Assets	1,56,107	1,55,806	
Deferred Tax Assets on account of :			
Carried Forward Losses as per Income Tax	1,66,65,841	2,37,97,787	
Net Deferred Tax Asset / (Liability)	1,65,09,734	2,36,41,981	

NOTE 33

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary company Rama Capital and Fiscal Services Pvt. Ltd.

Particulars	2013 - 14	2012 - 13	(Amount in ₹)
Share Capital	3,00,03,000		
Reserves and Surplus	(26,52,73,469)		
Total Assets	11,88,45,459		
Total Liabilities	35,41,15,928		
Investment other than in subsidiaries	10,25,00,000		
% of holding	100%		
Sales and Other Income	14,02,252		
Profit before taxation	(1,98,886)		
Provision for taxation	Nil		
Profit after taxation	(1,98,886)		
Proposed dividend (incl. dividend reserve)	Nil		

NOTE 34

Previous year figures have been regrouped / rearranged wherever necessary to make them comparable.

NOTE 35

Figures pertaining to the subsidiary company have been reclassified wherever necessary to bring them in line with the parent company's financial statement.

As per our report of even date

For and on behalf of the Board of Directors

For DAYAL AND LOHIA

Chartered Accountants

(Firm Registration No. 102200W)

S. L. KHANDELWAL

Partner

M. No. 101388

Place : Mumbai

Date : May 28, 2014

D. N. SINGH

Technical Director

H. D. RAMSINGHANI

Chairman

RAMA PETROCHEMICALS LIMITED

Corporate Identification Number (CIN) : L23200MH1985PLC035187

Regd. Office : 812, Raheja Chambers, Nariman Point, Mumbai 400 021 Tel.No. (91-22) 2283 3355 / 2283 4182 ;

Fax : (91-22) 2204 9946 Email :rama@ramagroup.co.in Website : www.ramapetrochemicals.com

ATTENDANCE SLIP

For Demat Shares

DP ID	
CLIENT ID	

For Physical Shares

REGD. FOLIO NO.	
NO. OF SHARES HELD	

I certify that I am a Member/Proxy for the Member of the Company

I hereby record my presence at the Twenty Eighth Annual General Meeting of the Company held on Tuesday September 23, 2014 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001.

Name of the Member / Proxy
(in BLOCK letters)

Signature of the Member/Proxy

Applicable for Members holding shares in an electronic form

RAMA PETROCHEMICALS LIMITED

Corporate Identification Number (CIN) : L23200MH1985PLC035187

Regd. Office : 812, Raheja Chambers, Nariman Point, Mumbai 400 021; Tel.No. (91-22) 2283 3355 / 2283 4182 ; Fax : (91-22) 2204 9946
Email :rama@ramagroup.co.in Website : www.ramapetrochemicals.com

PROXY FORM

[pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s) : _____ Registered address : _____

Folio No/Client Id* _____ DP ID* _____ E-mail Id : _____

Applicable for Members holding shares in electronic form

I/We, being the Member(s) of _____ shares of above named company hereby appoint :

1. Name : _____ Address : _____
E-mail ID : _____ Signature _____ or failing him/her

2. Name : _____ Address : _____
E-mail ID : _____ Signature _____ or failing him/her

3. Name : _____ Address : _____
E-mail ID : _____ Signature _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the Twenty Eighth Annual General Meeting of the Company, to be held on Tuesday, September 23, 2014 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as indicated overleaf:

Signed this _____ day of _____ 2014

Signature of Member

Signature of Proxy Holder(s)

Affix
0.15 paise
Revenue
Stamp

This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Resolution No.	Resolutions	For	Against
	Ordinary Business		
1.	Adoption of Statement of Profit & Loss, Balance Sheet, Report of Directors and Auditors for the year ended March 31, 2014.		
2.	Reappointment of Mr. H.D. Ramsinghani (DIN 00035416) Director who retires by rotation.		
3.	Appointment of Statutory Auditors M/s Dayal and Lohia.		
	Special Business		
4.	Ratification of the remuneration of the Cost Auditors for the Financial Year 2014-15.		
5.	Appointment of Mr. R.G.Kulkarni (DIN 03028670) as an Independent Director.		
6.	Appointment of Mahendra Lodha (DIN 00012920) as an Independent Director.		
7.	To authorize the Board to borrow money upto ₹ 300 Crores as per section 180 (1) (c) of the Companies Act, 2013.		
8.	To authorize the Board to create charge on the assets of the Company to secure the borrowings as per section 180 (1) (a) of the Companies Act, 2013.		

Notes

If undelivered please return to :

**Link Intime India Private Limited
Unit : Rama Petrochemicals Limited**

C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W),
Mumbai 400 078.