

Certified True Copy

For RAMA PETROCHEMICALS LTD.

R. D. [Signature]
(R. D. [Signature])
Company Secretary

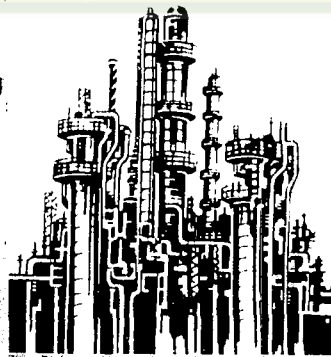
Rama
Petrochemicals
Limited

MD		BKC	
CS		DPY	
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AGM		SHF	
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THE STOCK EXCHANGE
MUMBAI

15 JUL 1997

No.
RESEARCH, STATISTICS
& PUBLICATIONS DEPT.



1 2 T H A N N U A L R E P O R T 1 9 9 6 - 9 7



BOARD OF DIRECTORS

CHAIRMAN
L. J. RAMSINGHANI

MANAGING DIRECTOR
H.D.RAMSINGHANI

EXECUTIVE DIRECTOR
S.S.BHANDARI

TECHNICAL DIRECTOR
D.N.SINGH

DIRECTORS
R.L.RAMSINGHANI
ARVIND R.DOSHI
M.P.TEJWANI
S.R.JARIWALA (NOMINEE OF SICOM)
J.K.BHATTACHARYA (NOMINEE OF UTI)

COMPANY SECRETARY
R.D.JOG

AUDITORS
HARIBHAKTI & CO.

REGISTERED OFFICE
812, RAHEJA CHAMBERS
NARIMAN POINT
MUMBAI - 400 021.

SOLICITORS
CRAWFORD BAYLEY & CO.

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

BANKERS
BANK OF INDIA
BANK OF BARODA

FACTORY
SAVROLI KHARPADA ROAD
VILLAGE VASHIVALLI
PATALGANGA
RAIGAD DISTRICT
MAHARASHTRA

REGISTRARS & TRANSFER AGENTS
RAMA CAPITAL & FISCAL SERVICES LTD.
812, RAHEJA CHAMBERS
NARIMAN POINT
MUMBAI - 400 021.

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NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of RAMA PETROCHEMICALS LIMITED will be held on Thursday the 31st day of July 1997 at 3.00 p.m at Ashoka Hall, Arcadia, Behind NCPA, Nariman Point, Mumbai 400021 to transact the following business :



Ordinary Business

1. To receive, consider and adopt the Profit and Loss Account for the ten months period ended January 31, 1997 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. L. J. Ramsinghani who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Arvind R. Doshi who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

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

"RESOLVED THAT Mr. Deo Nath Singh be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and it is hereby accorded to the appointment of Mr. D. N. Singh as an Whole Time Director designated as Technical Director of the Company for a period of 5 (Five) Years w.e.f. May 01, 1997 on the terms and conditions including the remuneration payable to him as the Technical Director and the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year as set out in the draft agreement proposed to be entered into between the Company and Mr. D. N. Singh placed before the meeting and for the purpose of identification initialled by the Chairman hereof."

"FURTHER RESOLVED THAT the Board of Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations in the remuneration as may be agreed between the Directors and Mr. D. N. Singh PROVIDED that the remuneration as altered, changed or varied shall not exceed, without the prior approval of the Central Government the limits prescribed under Schedule XIII of the Companies Act, 1956 for the time being and from time to time in force."

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

"RESOLVED THAT pursuant to the provisions of Sub clause 20 of Clause III of the Objects Clause of the Memorandum of Association of the Company and subject to the approval of the Board for Industrial and Financial Reconstruction (BIFR) and further subject to such other permissions, approvals and consents as may be required, the consent of the Company be and is hereby accorded to the merger of Rama Fertilisers Pvt. Ltd. with the Company with effect from February 1, 1997."

"FURTHER RESOLVED THAT the Board of Directors of the Company (which term shall include a committee thereof) be and is hereby authorised to make the necessary application to the Board for Industrial and Financial Reconstruction (BIFR) for its approval and to finalise the Scheme of Amalgamation and to make such alterations, modifications and changes, including the share exchange ratio, as may be required by BIFR and as may be expedient and necessary."

"FURTHER RESOLVED THAT the Board of Directors (which term shall include a committee thereof) be and is hereby authorised to take such steps as may be necessary and expedient to give effect to the above Resolutions."

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

"RESOLVED THAT pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Board for Industrial and Financial Reconstruction (BIFR), the consent of the Company be and is hereby accorded to the Board of Directors (which term shall include a committee thereof) to allot and issue one Equity Share of Rs. 10/- each of the Company credited as



fully paid up for every ten Equity Shares of Rs 10/- each of Rama Fertilisers Pvt Ltd. (RFPL) held by the shareholders of Rama Fertilisers Pvt Ltd. (or in such other proportion as the BIFR may specify) and whose names appear on the Register of Members as on such date after the Effective Date, as may be specified by BIFR, as the Board of Directors of the Company may determine."

"FURTHER RESOLVED THAT such number of Equity Shares allotted in the proportion as aforesaid (or in such other proportion as may be specified by BIFR) as would be in fractions, be allotted to such person(s), including a Director of the Company, as the Board of Directors of the Company (which term shall include a committee thereof) may determine on the express condition that the Shares so allotted shall be sold at the then prevailing market price and the sale proceeds thereof together with any dividend or other benefits which may accrue thereon, after deducting reasonable expenses of or incidental to the sale, shall be distributed prorata amongst the Shareholders of RFPL entitled to such fractions."

"FURTHER RESOLVED THAT the Equity Shares of the Company allotted to the Shareholders of RFPL shall rank pari passu with the existing Equity Shares of the Company and shall be entitled to pro rata dividend for the financial year in which they are allotted from the date of allotment and shall be subject to the provisions of the Memorandum and Articles of Association of the Company."

"FURTHER RESOLVED THAT the Board of Directors of the Company (which term shall include a committee thereof) be and is hereby authorised to finalise the modalities and to settle any question or difficulty that may arise with regard to or concerning the issue and allotment of Equity Shares as aforesaid and to take such other steps and actions as may be necessary to give effect to the above Resolutions."

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

"RESOLVED THAT consent of the Company be and it is hereby accorded pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company (which term shall include a committee thereof) for creating such mortgages of and charging on such terms and conditions and in such form or manner as it may deem fit the whole or substantially the whole, or any one or more of the Company's undertakings, or all its undertakings including the present and/or future properties, whether movable or immovable, as the case may be, together with the power to take over the management of the business and concern of all or any such undertakings of the Company in certain events to or in favour of the Trustees for the Secured, Redeemable, Non Convertible Debentures aggregating to Rs. 1450 Lacs privately placed by the Company, as security for the Debentures together with any interest, commitment charges, liquidated damages, remuneration of the Trustees and all costs, charges, expenses and other monies payable in respect of the said Debentures, such security to rank second or subservient to the mortgages and/or charges created to be created in future by the Company and further that the Board of Directors be and is hereby authorised to finalise and execute the documents and any other deeds, papers and writings for creating the aforesaid mortgages and/or charges and to do all such deeds and things as may be necessary for implementing this Resolution."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the Company be and are hereby altered as under:

Following shall be added as new Article 16(B) after the existing Article 16 of the Articles of Association of the Company:

Article 16(B):

The Company shall have power, subject to and in accordance with all applicable provisions of the Companies Act 1956, to acquire, purchase and hold or resell any of its own fully or partly paid shares whether or not they are redeemable and may make payment out of the funds at its disposal for and in respect of such acquisition/purchases, on such terms and conditions and at such times as the Board of Directors may in its discretion decide and deem fit.

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

"RESOLVED THAT subject to all the applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions, consents and sanctions as may be required or the terms and conditions as may be imposed while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors (which term shall include a committee thereof), the



consent of the Company be and it is hereby accorded to the Board to acquire/purchase and hold or resell any of its own fully or partly paid shares on such terms and conditions and in such manner and upto such limits as may be prescribed by law from time to time subject to such acquisition/purchase of such fully or partly paid Shares of the Company not being construed as a reduction in the Share Capital of the Company within the purview of Sections 100 to 104 of the Companies Act, 1956 and thereby attracting the provisions of Section 77 and/or Section 402 of the Companies Act, 1956 or any statutory modification thereof and that the Board of Directors of the Company be and is hereby authorised to do all such acts, things and deeds as may be necessary to give effect to this Resolution."

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

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Resolution passed at the Eighth Annual General Meeting of the Company held on 22nd September, 1993, the Company hereby accords its approval to the keeping of Register of Members and Debentureholders and Index if any, and copies of all Annual Returns prepared under Section 159 and 161 of the Companies Act, 1956 together with copies of certificates and documents required to be annexed thereto at CONCORDE, Plot No 66-A, Sector 11, C B D Belapur, Navi Mumbai 400 614 with effect from such date as may be fixed by the Board of Directors."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to the above Resolution."

NOTES

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No 6 to 13 as setout above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 17th Day of July 1997 to Thursday the 31st Day of July 1997 (Both days Inclusive).
4. Dividend recommended by the Directors, if approved by the Shareholders shall be paid on or before 9th Day of September 1997.
5. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956 unclaimed Dividend upto the year ended April 30, 1992 has been transferred to the credit of the General Revenue Account of the Central Government. The Members who have not received the Dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, Mumbai. The Company did not declare any Dividend for the eleven months period ended March 31, 1993.
6. Members desirous of seeking any information concerning the accounts of the Company are requested to address their queries, in writing, to the Managing Director at least seven days before the date of the Meeting so that the requested information can be made available at the Meeting.

Regd. Office:
812, Raheja Chambers
Nariman Point
Mumbai - 400 021
Date : April 29, 1997

By Order of the Board
For Rama Petrochemicals Limited
R. D. JOG
Company Secretary



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO ITEM NOS 6 TO 13 SPECIFIED IN THE NOTICE CONVENING THE TWELFTH ANNUAL GENERAL MEETING OF THE COMPANY.

Item No. 6

Mr. Deo Nath Singh was appointed as an Additional Director by the Board of Directors of the Company on April 29, 1997 by virtue of the provisions of Section 260 of the Companies Act, 1956. Mr. Deo Nath Singh holds office of the Additional Director up to the date of the Twelfth Annual General Meeting. The Company has received Notice from a Member, together with a deposit of Rs 500/- as required under Section 257 of the Companies Act, 1956 proposing the name of Mr. Singh for the office of Director. Mr. Deo Nath Singh has filed with the Company his consent to act as a Director pursuant to Section 264(1) of the Companies Act, 1956. Mr. Deo Nath Singh has a rich and varied experience in the Chemical/Petrochemical Industry and it will be in the best interest of the Company to appoint Mr. Deo Nath Singh as a Director.

Item No. 7

It is proposed to appoint Mr. Deo Nath Singh as a Whole Time Director designated as Technical Director of the Company for a period of Five Years w.e.f. May 01, 1997. Mr. D. N. Singh, 53, has over 32 Years experience in the Chemicals/Petrochemicals industry.

The terms and conditions including the remuneration payable to Mr. D. N. Singh as the Technical Director of the Company as set out in the draft Agreement between the Company and Mr. D. N. Singh are as follows :

1. REMUNERATION

- A) Salary : Rs.22,000/- per month in the grade of 22000-2000-30000-3000-45000.
- B) Commission : 1% of the Net Profit subject to maximum of one Annual Salary.
- C) Perquisites :
 - (a) Unfurnished residential accommodation; the Company paying all rents, taxes and other expenses for the upkeep and maintenance of such accommodation or House Rent Allowance in lieu thereof, subject to the condition that the expenditure by the Company on hiring, upkeep and maintenance or rent allowance in lieu thereof shall not exceed 60% of the salary.
 - (b) Expenditure on gas, electricity and water charges as also furnishings at the residence to be borne by the Company.
 - (c) Use of one motor car with Driver with all running and maintenance expenses to be paid for by the Company.
 - (d) Benefit of the Provident Fund Scheme, Superannuation and Annuity Fund Scheme as per Company's Rules together with the benefit of any retirement fund or Scheme which the Company may introduce in the future.
 - (e) Gratuity in accordance with the rules of the Company.
 - (f) Reimbursement of medical expenses incurred for self and family as per Company's Rules.
 - (g) Benefit of sick leave in accordance with the Rules of the Company.
 - (h) Thirty days privilege leave with full pay and allowance for each completed year of service; the said leave being accumulatable and encashable at the end of his tenure.
 - (i) Benefit of 1st Class air/air conditioned train and or such other mode of conveyance as the appointee may opt for, for self and family, while on privilege leave together with hotel, board and lodging expenses as per the rules of the Company.
 - (j) Personal accident cover at the cost of the Company provided that the actual premium thereof does not exceed Rs.4,000/- p.a. or such other amount as the Directors may deem fit.
 - (k) Use of Telephone for the Company's business at the residence provided that the cost of personal long distance calls, if any, shall be reimbursed by the appointee to the Company.
 - (l) Fees (including entrance and subscription) of maximum of two clubs together with the benefit of all expenses incurred thereat towards the business of the Company.

PROVIDED THAT the remuneration as above shall not in any financial year exceed 5% of the Net Profits (where the Company has only one such managerial personnel) OR 10% of the Net Profits if the Company has more than one managerial person for all of them put together.

2. Minimum Remuneration

The remuneration as in (1) above including perquisites but save and except commission shall, nevertheless, be paid as minimum remuneration in the event of absence or inadequacy of profits in any financial year subject to the condition that the remuneration shall not without the approval of the central Government, if required, exceed Rs 10,50,000/- per annum or Rs 87,500/- per month computed on the basis of the effective capital of the Company as defined in the explanation under Para 3 of Section II of Part II to Schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in the future.

PROVIDED THAT the under mentioned perquisites viz., a) contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. b) Gratuity Payment at the rate not exceeding half a month's Salary for each completed year of service and c) Encashment of Leave at the end of his tenure in office shall not be included in the computation of the above mentioned ceiling on remuneration viz., Rs.10,50,000/- p.a. or Rs.87,500/- p.m. and the remuneration shall stand reduced accordingly.

Other Terms

The appointee shall be entitled to sitting fees for attending the meetings of the Board of Directors and/or committee thereof.

The Draft Agreement between the Company and Mr. D. N. Singh is open for inspection of the Members at the Registered Office of the Company on all days except Saturdays, Sundays & Public Holidays between 11.00 a.m. and 1.00 p.m.

Mr. D. N. Singh may be deemed to be concerned or interested in this Resolution as it relates to his own appointment.

This Explanatory Statement alongwith the accompanying notice is and shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

Item No. 8

Rama Fertilisers Pvt. Ltd. (RFPL) is a sick company and is proposed to be merged with Rama Petrochemicals Limited (RPCL). A scheme has been formulated by RPCL for rehabilitation of the said sick company with ICICI as Operating Agency.

The salient features of the scheme are as under:

1. RFPL shall be merged with RPCL with effect from Feb 1, 1997, hereinafter referred to as the transfer date.
2. The entire undertaking and business of RFPL including all its properties moveable and immoveable and other assets of whatever nature, shall without any further act or deed be transferred, and vest in and/or be deemed to have been amalgamated with RPCL.
3. The transferee company shall take over all the liabilities from the transfer date.
4. RPCL shall issue and allot one equity share of Rs. 10/- each to the shareholders of RFPL for every 10 shares of Rs.10/- each of RFPL held by them.
5. All employees of RFPL in the employment of RFPL on the Transfer Date in terms of this scheme shall as from the transfer date become employees of RPCL on the basis that their services have not been interrupted by vesting of the undertaking of RFPL in RPCL under this scheme.
6. The scheme envisages rehabilitation of RFPL with a total approximate cost of Rs. 201 lacs.

The Means of Finance is as under :

	Rs. in lacs
Unsecured Loans from Promoters	68.00
Section 72A Benefit	133.00
	<u>201.00</u>

The members are requested to please note that the above scheme is subject to such modifications, if any, as may be suggested by the Operating Agency ICICI and accepted by BIFR and therefore Board of Directors are being empowered to accept such alterations and modifications as may be required for smoother implementation of the scheme of merger and rehabilitation of the sick company.

A copy of the Scheme is open for inspection at the Regd. Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day prior to the date of the meeting.

Shri S.S.Bhandari, Executive Director being a Director of RFPL may be deemed to be concerned or interested in the Resolution. None of the other Directors of the company is in any way concerned or interested in the Resolution.

**Item No 9**

The proposed merger of Rama Fertilisers Pvt. Ltd. (RFPL) with the Company envisages issue and allotment of 67000 Equity Shares of the Company to the Shareholders of RFPL in the ratio of one fully paid up Equity Share of Rs.10/- each of the Company for every ten fully paid up Equity Shares of Rs.10/- each of RFPL.

Pursuant to the provisions of Section 81(1A) of the Companies Act, 1956, the sanction of the members is required for issue and allotment of Shares of the Company to persons other than the Shareholders and hence this Resolution.

Mr S S Bhandari-Executive Director may be deemed to be concerned or interested in this Resolution since he is also a Director of Rama Fertilisers Pvt. Ltd.

Item No. 10

The Company has issued Secured Redeemable Non Convertible Debentures , on private placement basis, aggregating to Rs.1450 Lacs to meet long term working capital requirements and for other corporate purposes. The Debentures will be secured by a second charge by way of hypothecation and mortgage on the Fixed Assets of the Company. Since the Trustees would have a right to sell, lease or dispose off the whole or substantially the whole of the undertaking of the Company under certain circumstances, it would be necessary for the Members to pass the Ordinary Resolution in terms of Section 293(1)(a) of the Companies Act, 1956 .

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

Item No. 11

It is proposed to add new article 16(B) to the existing Articles of Association of the Company as set out in Item No. 11 of the Notice to enable the Company to purchase its own shares in the future in accordance with the law as may be then prevailing. In the event that purchase by a company of its own shares is permitted by law, the amended Article confers authority to the Board of Directors for the same.

As per the provisions of Section 31 of the Companies Act, 1956, a Company may by special resolution alter its Articles of Association and hence this Resolution.

None of the Directors may be deemed to be concerned or interested in this Resolution.

Item No 12

At present the Companies Act, restricts the purchase of its own shares by a Company unless the same is done with a view to reduce its capital. Reduction of capital is subject to the provisions of sections 100 to 104 and 402 of the Companies Act, 1956. Various representations have been made by Trade & Industry Association and Companies to the Government requesting for an amendment to the Companies Act permitting the Companies to buy back their own shares. From the trend of discussions and reports on the subject, it is expected that an amendment/re-enactment to this effect, may be made in the forthcoming codification of the Companies Act, 1956 or amendments thereto. In that event, it will be advisable for your Company to buy back its own shares, when your Directors believe your Company's shares to be undervalued. Furthermore, investment of surplus funds by the Company in its own shares will be preferable compared to investment in other securities. In case the Act is amended so as to allow the Company to buy back its own shares, the Company may wish to take immediate steps in this regard.

All the Directors may be deemed to be concerned or interested in the Resolution to the extent of their shareholding, if any.

Item No 13

At the Eighth Annual General Meeting of the Company held on 22nd September, 1993, the Members had authorised the keeping of the Register of Members, Indices of members, copies of Annual Returns under Section 159 of the Companies Act, 1956 together with all certificates and documents required to be annexed thereto at 812, Raheja Chambers, Nariman Point, Mumbai 400021. It is now proposed to keep the said Registers and other documents at CONCORDE, Plot No 66-A, Sector 11, C B D Belapur, Navi Mumbai 400 614 with effect from such date as may be fixed by the Board of Directors.

None of the Directors are concerned or interested in this Resolution.

Regd. Office:
812, Raheja Chambers
Nariman Point
Mumbai - 400 021
Date : April 29, 1997

By Order of the Board
For Rama Petrochemicals Limited
R. D. JOG
Company Secretary