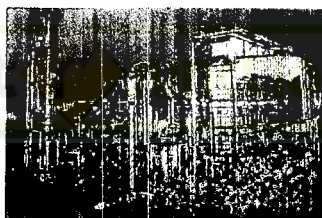


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AGM	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>			



Rama Petrochemicals Limited

A N N U A L R E P O R T 1 9 9 7 - 9 8



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

M.P. TEJWANI

ARVIND R. DOSHI

MAHENDRA LODHA - Additional Director

COMPANY SECRETARY

R.D. JOG

AUDITORS

HARIBHAKTI & CO.

SOLICITORS

CRAWFORD BAYLEY & CO.

BANKERS

BANK OF INDIA

BANK OF BARODA

DENA BANK

REGISTERED OFFICE

812, RAHEJA CHAMBERS

NARIMAN POINT

MUMBAI - 400 021.

CORPORATE OFFICE

51/52, FREE PRESS HOUSE

NARIMAN POINT

MUMBAI - 400 021.

FACTORY

VILLAGE VASHIVALLI,

SAVROLI KHARPADA ROAD,

PATALGANGA,

DIST. RAIGAD,

MAHARASHTRA.

SHARE DEPARTMENT

711, VEENA KILLEDAR INDL. ESTATE,

10/14, PAIS STREET.

BYCULLA (WEST),

MUMBAI 400 011.



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NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of RAMA PETROCHEMICALS LIMITED will be held on Friday the 31st day of July 1998 at 11 a.m at M C Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, Mumbai 400001 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended January 31,1998 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 R L Ramsinghani who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr M P Tejwani who retires by rotation and is eligible for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

" RESOLVED THAT Mr Mahendra Lodha be and is hereby appointed as a Director of the Company whose office shall be liable to determination by retirement of Directors by rotation."

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

"RESOLVED THAT the consent of the Company be and it is hereby accorded pursuant to the provisions of Section 293 (1) (a) and 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 Mortgage of and/or Charging on such terms and conditions and in such form or manner as it may deem fit the whole or substantially the whole, or one or more of the Company's undertakings or all its undertakings including the present and 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 undertaking(s) of the Company in certain events to or in favour of SICOM to secure the Corporate Loan of Rs 700 Lacs lent and advanced by SICOM to the Company together with interest thereon at the agreed rates, compound interest, additional interest, commitment charges, liquidated damages, premia on prepayment, costs, charges, expenses and other monies payable by the Company to SICOM in terms of the Loan Agreement/Letter of Sanction/Memorandum of Terms and conditions entered into by the Company in respect of the said Corporate Loan."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to finalise and execute all such deeds, documents,agreements and writings as may be necessary for creating the aforesaid mortgage and/or charge and to agree to any modifications or variations thereto on such terms and conditions that they may deem fit, proper or appropriate in their absolute discretion and to do all such acts ,deeds and things as may be necessary,expedient or desirable 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 163 and other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the Resolution passed at the Twelfth Annual General Meeting held on the 31st day of July, 1997, the Company hereby accords its consent to the keeping of the Register and Index of Members and Debentureholders and copies of all Annual Returns prepared under Section 159 and 160 together with the copies of certificates and documents required to be annexed thereto under Section 160 and 161 of the Companies Act, 1956 at 711, Veena Killedar Industrial Estate, 10/14 Pais Street, Byculla West, Mumbai 400011 with effect from August 01, 1998."

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

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

" RESOLVED THAT subject to the approval, if required, of the Central Government, Reserve Bank of India and other Regulatory Bodies, the consent of the Company be and it is hereby accorded for investment by Foreign Institutional Investors/Non Resident Indians/Overseas Corporate Bodies in the Equity Share Capital of the Company and/or Partly/Fully Convertible Debentures and/or any other permitted securities issued by the Company from time to time by acquiring from the market under the Portfolio Investment Scheme on repatriation basis, subject to the condition that such investment shall not exceed in the aggregate 30% of the Paid up Equity Share Capital of the Company or 30% of the total Paid up value of each series of Partly/Fully Convertible Debentures and/or other permitted securities issued by the Company or such other limits as may be prescribed from time to time by the Central Government and/or the Reserve Bank of India and/or any other Regulatory Body."

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

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

"RESOLVED THAT the consent of the members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 to the reappointment of Mr. S.S.Bhandari as a Whole time Director designated as Executive Director for a period of Five Years from May 01, 1998 on the terms and conditions including the remuneration payable to him as the Executive 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 between the Company and Mr. S.S.Bhandari placed before the meeting and for the purpose of identification initialled by the Chairman hereof."

"FURTHER RESOLVED THAT the Directors be and they are hereby severally 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.S.S.Bhandari 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."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable and expedient to give effect to the above Resolutions."

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NOTES

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item No. 6 to 10 of the notice 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 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 Wednesday the 15th day of July, 1998 to Friday the 31st day of July, 1998 (both days inclusive).
4. The Dividend recommended by the Directors, if approved by the Shareholders, shall be paid on or before 10th day of September, 1998.
5. Pursuant to the provisions of Section 205(A) of the Companies Act, 1956, unclaimed Dividend upto the year ended March 31, 1994 has been transferred to the Credit of the General Revenue Account of the Central Government. Members who have not received the Dividend for the said year may claim the amount from the Registrar of Companies, Maharashtra, Mumbai. The Interim Dividend paid during the year 1994-95 and remaining unclaimed will be transferred to the Credit of the Central Government on July 9, 1998.
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 time of the meeting.
7. 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.

Regd. Office
812, Raheja Chambers,
Nariman Point,
Mumbai - 400 021.
Date : June 15, 1998.

By Order of the Board
for RAMA PETROCHEMICALS LTD.
R. D. JOG
Company Secretary



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO ITEM NOS 6 TO 10 SPECIFIED IN THE NOTICE CONVENING THE THIRTEENTH ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO. 6

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr Mahendra Lodha was appointed as an Additional Director by the Board of Directors at their meeting held on June 15, 1998. Mr Lodha will hold the office of Additional Director upto the forthcoming Annual General Meeting. The Company has received notice in writing from a member, together with a Deposit of Rs 500/-, as required under Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr Lodha as a Director. Mr Lodha has filed with the Company his consent to act as a Director pursuant to Section 264(1) of the Companies Act, 1956. Mr Lodha is an eminent Chartered Accountant and it is considered that it will be in the best interest of the Company to appoint him as a Director.

Mr Mahendra Lodha may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

ITEM NO. 7

The Company has been sanctioned a Corporate Loan of Rs. 700 Lacs by SICOM. The Loan is to be secured, inter alia, by a first mortgage on the office premises of the Company situated at 51/52, Free Press House, Nariman Point, Mumbai - 400 021.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a Public Limited Company shall not, without the consent of the Company in General Meeting, sell, lease or dispose off the whole or substantially the whole of the undertaking of the Company. Since the mortgaging of the office premises, being immovable property, may be regarded as disposal of the Company's property and as the mortgage to be executed in favour of SICOM by the Company will contain the power to take over the management of the company in certain events, it is necessary for the members to pass the resolution under Section 293(1)(a) of the Companies Act, 1956 as set out at Item No. 7 of the Notice.

None of the Directors of the Company are, in any way, concerned or interested in the above Resolution.

ITEM NO. 8

For the sake of Administrative convenience, it is proposed to keep the Register and Index of Members and Debentureholders, Copies of Annual Returns under Section 159 of the Companies Act, 1956 together with all Certificates and Documents required to be annexed thereto at 711, Veena Killedar Industrial Estate, 10/14 Pais Street, Byculla (W), Mumbai - 400 011.

The approval of the Members is required to be obtained, pursuant to the provisions of Section 163 of the Companies Act, 1956, for the aforesaid arrangement of keeping the Books and Documents at a place other than the Registered office of the Company and hence the Resolution as set out at Item No.8 of the Notice is placed before the members for their approval.

None of the Directors of the Company are, in any way, concerned or interested in the Resolution.

ITEM NO. 9

The Government of India in the Union Budget 1997-98 permitted Indian Companies to enhance the portfolio investment by Foreign Institutional Investors, Non-Resident Indians and Overseas Corporate Bodies from 24% to 30% of the paid-up Capital of the Company subject to the approval of the Board of Directors and approval of the Members.

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The Board of Directors of the Company, at their Meeting held on June 15, 1998 have passed a resolution permitting investment by Foreign Institutional Investors, Non-Resident Indians and Overseas Corporate Bodies upto 30% of the paid-up Capital of the Company subject to the approval of the members.

The approval of the members is therefore being sought as per the Resolution set out at Item No. 9 of the Notice.

None of the Directors of the Company are, in any way, concerned or interested in the Resolution.

ITEM NO 10

It is proposed to reappoint Mr. S. S. Bhandari as a Whole time Director designated as Executive Director for a period of Five Years from May 01, 1998.

The terms and conditions including the remuneration payable to Mr.S.S.Bhandari as an Executive Director as set out in the draft Agreement between the Company and Mr S. S. Bhandari are as follows :

1. REMUNERATION

- A) Salary: Rs.53,000/- per month in the grade of 53000-5000-73000.
- 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 actual 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 Company's Rules.
 - (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 personnel 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 or Committee(s) thereof.

The Draft Agreement between the Company and Mr. S.S. Bhandari is open for inspection of the members at the Registered Office of the Company on all days except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m.

Mr. S.S. Bhandari may be deemed to be concerned or interested in this Resolution as it relates to his own reappointment.

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

Regd. Office
812, Raheja Chambers,
Nariman Point,
Mumbai - 400 021.
Date : June 15, 1998.

By Order of the Board
for RAMA PETROCHEMICALS LTD.
R. D. JOG
Company Secretary