



**13th Annual Report
1996-97**

MD	✓				PKC	✓
CS	✓				DFY	MA
RO	✓				DIV	✓
TRA	✓				AC	✓
AGM	✓	✓			SH	✓
YE	✓	✓	✓	✓		✓

RAMA PHOSPHATES LTD.

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BOARD OF DIRECTORS'

MANAGING DIRECTOR

RAJESH L. RAMSINGHANI

DIRECTORS

H. D. Ramsinghani

S. V. Balkundi

Anil Harish

Mrs. Shashi Madhok - Nominee of RIICO

BANKERS

Bank of India

State Bank of Indore

Bombay Mercantile Co-op. Bank Ltd.

Central Bank of India

AUDITORS

M/s. Dayal & Lohia

Chartered Accountants

REGISTRARS & TRANSFER AGENTS

Rama Capital & Fiscal Services Ltd.

812, Raheja Chambers, Nariman Point, Mumbai - 400 021.

Tel. No.2834123 / 82 Fax : 2049946

REGISTERED OFFICE

812, Raheja Chambers, Nariman Point, Mumbai - 400 021.

Tel. No.2834123 / 82 Fax : 2049946

ADMINISTRATIVE OFFICES

Indore

Rama House, 4, Saket Nagar, Indore-452 001 Madhya Pradesh

Tel. No. : (0731) 494851 / 56 Telex : 735-414 RAMA IN

Fax : (0731) 494857

Pune

P.O. Loni Kalbhor, Tal. Haveli, Dist. Pune-412 221

Tel. No.: (0212) 813479 / 813426 / 813209 Fax : (0212) 813 479

Udaipur

198, Sector 4, Hiran Magri, Udaipur-313 001 (Raj)

Tel. No. : (0294) 584286 / 484576 Fax : (0294) 483855

WORKS

Indore

2014 KM Stone, Indore - Ujjain Road

Indore, Madhya Pradesh - 452 001.

Pune

P.O. Loni Kalbhor, Tal. Haveli, Dist. Pune - 412 221

Udaipur

4807/8, Umra, Village - Kanpur

Umra-Jamarkotra Road, Udaipur (Rajasthan)

CONTENTS

Pg.No.

Notice	2
Directors' Report	4
Auditors' Report	8
Balance Sheet	10
Profit & Loss Account	11
Schedules	12
Notes to the Accounts	18

13TH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, 19th June, 1998 at 11.00 A.M. at Ashoka Hall, Arcadia, Behind N.C.P.A., Nariman Point, Mumbai 400 021 to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the period ended 31st December 1997 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri Harish D. Ramsinghani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. V. Balkundi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. Dayal & Lohia - Chartered Accountants as Auditor of the Company, to hold office from the conclusion of this meeting untill the conclusion of the next Annual General Meeting of the Company and to fix the remuneration.
6. To appoint M/s. Kanji R. Agarwal & Company - Chartered Accountants, as Auditors of the Udaipur Branch, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix the remuneration.

SPECIAL BUSINESS :

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

"RESOLVED that subject to the approval of Reserve Bank of India and/or Central Government under Foreign Exchange Regulation Act, 1973 and subject to such other approvals, permissions and sanctions as may be considered necessary, consent of the Company be and is hereby accorded for purchase/acquisition of shares/convertible debentures of the Company by Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Non-Residents (NRs), etc. under the Investment Portfolio Scheme of the Reserve Bank of India and/or in accordance with all applicable rules, subject, however, that the shares/convertible debentures so purchased/acquired shall not exceed 30% of issued and paid up Share Capital of the Company as issued from time to time.

"RESOLVED further that the said purchase/acquisition of shares/convertible debentures as aforesaid upto a limit of 30% of issued and paid Share Capital as issued from time to time shall be subject to the conditions and restrictions as laid under the Investment Portfolio Scheme and/or other applicable rules and guidelines for the time being in force and as amended from time to time."

"RESOLVED further that the Board of Directors be and is hereby authorised to do all such acts, matters and things as may be necessary, proper and expedient for the purpose of giving effect to this Resolution and for matters connected therewith."

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

"RESOLVED THAT pursuant to Section 163 and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby accords its approval to the keeping of Register of Members and Index, 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 711, Veena Killedar Industrial Estate, 10/14, Pais Street, Byculla (West) Mumbai 400 011 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 authorized to take such steps as may be necessary to give effect to the above Resolution."

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. The proxy need not be a member. The proxies, in order to be valid must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd June, 1998, Wednesday to 19th June, 1998, Friday (both days inclusive)
3. Dividend when declared will be paid to those shareholders whose names shall appear on the Register of Members as on 19.06.1998.
4. Members are informed that an amount of Rs. 57,385.00 being dividend remaining unclaimed relating to the Financial Year ended 1993-94 has been transferred to General Revenue Account of the Central Government in terms of Section 205A (5) of the Companies Act, 1956. Members whose dividend has remained unclaimed are now advised to lodge their claims with the Registrar of Companies,
5. Members are informed that we have shifted our Share Transfer department. All communications relating to shares, should now be addressed to :-
711, Veena Killedar Industrial Estate, 10/14, Pais Street, Byculla (West), Mumbai - 400 011.

By order of the Board
For Rama Phosphates Limited

Place : Mumbai
Dated : May 8, 1998

Ramesh Sharma
Company Secretary

Rama Phosphates Ltd.

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

In respect of Item No. 7

Till recently, Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) and Non-Residents (Nrs) could jointly hold 24% of the issued and paid up share capital of any Company. This limit has since been enhanced to 30%, subject to the approval of the shareholders of the Company by way of Special Resolution. This increase is being done to facilitate further foreign investment and thereby increase by inflow of foreign exchange into the country. Accordingly, it is now proposed to increase the ceiling of holdings of shares/convertible debentures by NRIs, OCBs, FIIs and Nrs from the present limit of 24% to 30%.

The Board recommends passing of the Special Resolution of Item No. 8 of the Notice. None of the Directors is, in any way, concerned or interested in the said resolution.

Item No. 8

At present, your company is keeping all its Register of Members, index 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 - 400 021. It is now proposed to keep the said Registers and other documents at 711, Veena Killedar Industrial Estate, 10/14, Pais Street, Byculla (West), Mumbai - 400 011 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.

By Order of the Board
For Rama Phosphates Limited

Ramesh Sharma
Company Secretary

Date : May 8, 1998

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13TH ANNUAL REPORT

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirteenth Annual Report with the Audited Statement of Accounts for the period ended December 31, 1997.

1. FINANCIAL RESULTS

		Rs. In Lacs
	1996-97 18 Months	1995-96 12 Months
Sales & Other Income	26317.85	17950.28
Profit before financial charges & Depreciation	2512.46	1773.16
Less: Financial Charges	1238.36	961.28
Cash Profit for the year	1274.10	811.88
Less: Depreciation	590.84	304.70
Profit for the year	683.26	507.18
Less: Prel. Exps W/off & Prior Year Adj. (Net)	65.81	5.97
Net Profit	617.45	501.21
Balance brought forward from the previous year	806.10	462.08
Amount available for appropriation	1423.55	963.29
The proposed appropriations are:-		
a) Proposed Dividend	111.14	157.19
b) Dividend Tax	11.11	—
c) Balance Carried to the Balance Sheet	1301.30	806.10
	1423.55	963.29

2. DIVIDEND

After carefully considering the Company's operations for the current period, the conservative financial policy that we have consistently followed and after considering the likely scenario during the current year, the directors recommend dividend of Rs.0.80 per share. The proposed dividend together with dividend tax will absorb Rs.121.46 Lacs. The dividend will be paid to all the shareholders whose names stand in the register of members as on the date of the book closure.

3. REVIEW OF PERFORMANCE

A) EXPANSION

The new unit at Udaipur for the manufacture of SSP was commissioned during the period under review. It has stabilized its operations and is doing well. The company also expanded its facilities at Indore and Pune with a view to meet the increasing demand for the company's products. The company hopes to become the largest SSP manufacturer in India in a short time.

The company also successfully installed two backpressure steam driven turbines. This has enabled the company to use the waste heat generated in the sulphuric acid plant to generate power and thus reduce the power costs. The Solvent extraction plant also uses the steam generated by the turbine at Indore.

B) OPERATIONS

During the period under review the performance of all the divisions of the company was satisfactory. The fertilizer divisions achieved a total production of 430232 Mts., which was 27.73% higher when compared with the performance of the earlier year on an annualized basis.

The Oil division of the company processed 89041 Mts. of seeds during the period.

C) EXPORTS

The company achieved an export turnover of Rs.3406 Lacs during the period as compared to Rs. 3819 Lacs in the previous year.

4. MERGER OF THE ERSTWHILE RAMA KRISHI RASAYAN LTD., PUNE, WITH THE COMPANY.

The Board for Industrial and Financial Reconstruction (BIFR) has modified its earlier Order dated May 31, 1995 for the merger of erstwhile Rama Krishi Rasayan Limited (RKRL) with your company, vide its Order dated January 19, 1998. The Board of Directors as well as the Shareholders have already approved the same.

Under the earlier order, 25,73,950 shares of RPL were issued to the secured creditors of RKRL in lieu of their loans. The salient features of the modified scheme include cancellation of these shares for conversion of the same into secured loan of RPL at the rate of Rs.35 per share. The effect of modified order would be given in the accounts during the year 1998.

5. FUTURE PROSPECTS

The future prospects of the company continue to be good. The favourable policies of the Government of India towards agriculture

DIRECTORS' REPORT (Contd.)

are expected to result in a further boost in the agricultural production. This is expected to result in a higher demand for fertilizers.

The company has been benefiting from the increased economies of scale consequent to the commissioning of the expanded capacities. The company is a market leader in the states of Madhya Pradesh and Rajasthan. We hope to achieve the same level in Maharashtra & Gujarat in due course.

6. DIRECTORS

In accordance with the articles of association of the company, Mr. H.D Ramsinghani and Mr. S.V. Balkundi retire by rotation at the annual general meeting and being eligible, offer themselves for reappointment.

7. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

In accordance with the provisions of the Section 217(1)(e) of the Companies act 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars required to be furnished with respect to the conservation of energy, technology absorption and foreign exchange earnings and outgo have been given in Annexure 'A' which is appended herewith and forms part of this report.

8. PARTICULARS OF EMPLOYEES

The names and other particulars of employees as required under Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in Annexure 'B' which forms part of this report.

9. AUDITORS & AUDITORS' REPORT

M/S Dayal & Lohia, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment.

The members are also requested to appoint the branch auditors.

The notes on the accounts as referred to in the Auditors' Report are self-explanatory and wherever necessary, appropriate actions are being taken by the management.

10. EMPLOYEE RELATIONS

The Company continued to maintain good industrial relations. The Directors would like to record their appreciation and sense of commitment displayed by the working staff, officers and executives and acknowledge their contribution to the growth of the company.

11. SAFETY, ENVIRONMENT CONTROL AND PROTECTION

The Company has complied with the requirements for safety, environment control and protection at its plants at Indore, Pune & Udaipur.

12. ACKNOWLEDGEMENT

The Directors would like to place on record their gratitude to the Central Government, the State Governments of Madhya Pradesh, Maharashtra and Rajasthan and the local authorities for their continued support and co-operation. The Directors would also like to express their gratitude to the Financial Institutions and Banks and to all the investors for the confidence reposed in the Company.

By Order of the Board
For RAMA PHOSPHATES LIMITED

RAJESH L.RAMSINGHANI
Managing Director

H.D.RAMSINGHANI
Director

Mumbai
Dated: May 8, 1998

REGISTERED OFFICE:
812, Raheja Chambers
Nariman Point
Mumbai - 400 021.

13TH ANNUAL REPORT

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 'A' :

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 PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED DECEMBER 31, 1997.

A. CONSERVATION OF ENERGY :

- 1) The Company has completed the implementation of the scheme to use the by-product steam generated in the Sulphuric Acid plant to produce power. The Company has successfully installed new TG sets, which are performing well and will save 66,00,000 units per annum.
- 2) Oversized electrical motors running in the plants are being identified and replaced by correct sized motors on a continuous basis so that energy losses in the system are kept to minimum at Pune. A Chennai based audit firm has carried out preliminary electrical energy audit.
- 3) Particulars with respect to total energy consumption per unit of production are as below :

a) POWER AND FUEL CONSUMPTION :

	Current Period Ended 31.12.97	Previous Year Ended 30.6.1996
i) Electricity		
a) Purchased:		
Units (in thousands)	17490	11141
Total amount (Rs. in lacs)	658	336
Rate / Unit (Rs.)	3.76	3.03
b) Own Generation :		
i) Through diesel generator :		
Units (in thousand)	1941	666
Units per litre of diesel oil	3.33	3.34
Cost / Unit (Rs.)	2.55	2.34
ii) Through steam turbine/generator :		
Units (in thousand)	4318	761
Units / litre of fuel oil/ gas	Nil	Nil
Cost/ Units (Rs.)	Nil	Nil
ii) Coal	Nil	Nil
iii) Furnace Oil (Rs. in lacs)	78	155
iv) Others / Internal generation	Nil	Nil

b) CONSUMPTION PER UNIT OF PRODUCTION :

	SSP : Single Super Phosphate			GSSP : Granulated SSP			SA : Sulphuric Acid			
	As at 31.12.1997*			As at 30.6.1996*						
	Refinery	Seeds	SSP	GSSP	SA	Refinery	Seeds	SSP	GSSP	SA
Electricity (Units)	53	42	21.56	14.5	55	53	42	24	18	55
Furnace Oil	—	—	4.5	11	—	—	—	—	15	—
Coal	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

* After taking into consideration the power generated by steam turbine.

ANNEXURE TO DIRECTORS' REPORT (Contd.)

B. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption :

i) RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company:

The company has installed an Instant analyzer (NRI) for detailed analysis at various process stages to further enhance the quality of its products and stimulate R&D based work in its oil division.

2. Expenditure on R & D : (Rs. in lacs)

a) Capital	10
b) Recurring	2
c) Total	12
d) Total R & D expenditure as a % of total turnover	0.05%

ii) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

- a) The Company has installed a three stage scrubbing system at its Indore fertiliser unit to further minimize gas emissions.
b) The company is in the process of installing a plate exchanger system for improving the acid cooling system.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Activities relating to exports, initiatives taken to increase exports, development of new export plans

Total foreign exchange used, earned and saved:

	Rupees (In Lacs)
Used :	
Dividend	36.22
Travelling Expenses	—
Raw Material	696.77
Interest	—
Earnings :	3405.65

ANNEXURE B :

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED DECEMBER 31, 1997.

Name of Employee	Age (Yrs.)	Designation	Gross Remun- eration (Rs.)	Qualifi- cations	Experience (In Years)	Date of Commen- cement	Previous Employment & Position Held
Mr. R.L.Ramsinghani	37	Managing Director	10,29,492	H.S.C.	17	08/04/86	Self Employed
Mr. S.V. Balkundi	59	*Director	3,77,707	M Sc., MBA	35	06/11/89	Chief Marketing Manager, DMCC Ltd.
Mr. M. S. Shah	54	Joint Chief Executive	5,40,000	S.S.C.	35	01/10/93	Self Employed
Mr. S. S. Arora	36	Chief Executive	2,25,000	B.Com.	15	01/04/97	Director - Rainbow Fabrics Pvt. Ltd.

NOTES :

- 1) Remuneration includes salary, leave travel assistance, medical reimbursement and other perquisites valued in accordance with Income Tax Rules, 1962.
2) The appointments of Mr. R.L. Ramsinghani & Mr. S.V. Balkundi are contractual.
3) Mr. R.L. Ramsinghani is a relative of Mr. H.D. Ramsinghani, a Director of the Company. No other employee is related to any Director.
* Mr. S.V. Balkundi has been the Whole time Director in the company till June 1997.