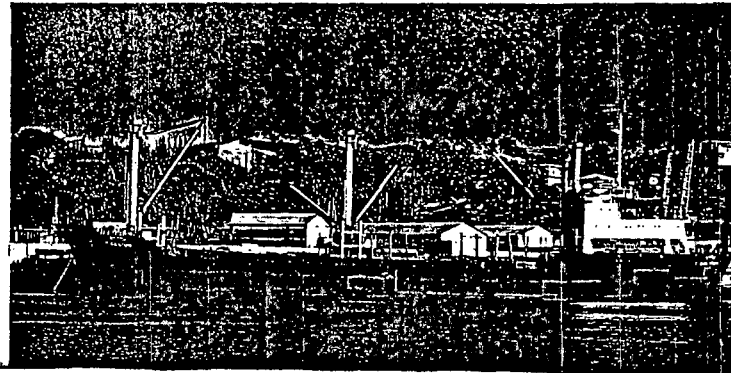


MD	✓	BKC	✓
CS	✓		✓
RO	✓		✓
TRA	✓		✓
AGM	✓		✓
YE	✓		✓

RUCHI INFRASTRUCTURE LIMITED



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**Annual Report
1997-98**



Ruchi Infrastructure Limited

ANNUAL REPORT 1997-98

Board of Directors

Shri Dinesh Shahra
Shri P.S. Santhanakrishnan
Shri Darshan S. Desai
Shri Naveen Gupta

Company Secretary

Shri Ashok Khandelwal

Auditors

M/s. M.M. Singla & Company
Mumbai.

Bankers

State Bank of Indore
HDFC Bank Limited
Development Credit Bank Limited

Registered Office

706, Tulsiani Chambers, Nariman Point,
Mumbai - 400 021.

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Notice

NOTICE IS HEREBY GIVEN THAT THE FOURTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RUCHI INFRASTRUCTURE LIMITED WILL BE HELD AT SUNVILLE DELUXE PAVILION, SUNVILLE BUILDING, 9, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 018 ON THURSDAY, THE 24TH SEPTEMBER, 1998 AT 2 P.M. TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended 31st March, 1998 together with the report of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri Dinesh Shahra, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company situated at Kakinada and Haldia Port, present and future, and/or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of the Industrial Development Bank of India (IDBI) to secure Rupee Term Loan under the project finance scheme not exceeding Rs.650 lacs (Rupees Six Hundred Fifty Lacs Only) lent and advanced / agreed to be lent and advanced by IDBI to the Company for setting up of storage tank projects at Kakinada and Haldia Ports together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, guarantee commission, costs, charges, expenses and other monies payable by the Company to IDBI under the Loan Agreement / Letters of Sanction / Memorandum of terms and conditions entered into / to be entered into by the Company in respect of said term loan.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with IDBI the documents for creating aforesaid mortgage and / or the charge and to do all such acts, deeds, matters and things to the above resolution".

By order of the Board of Directors
For Ruchi Infrastructure Ltd.

Place : Mumbai
Date : 29th August, 1998

Dinesh Shahra
Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself. Such a proxy need not be a member of the Company. The proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
2. Share Transfer Books and the Register of Members of the Company will remain closed from 15.09.98 to 24.09.98 (both days inclusive)
3. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
4. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
5. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
6. All documents referred to in the accompanying Notice and the Explanatory Statements are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturday and holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
7. Members seeking any further information about the accounts are requested to write to the company at least ten days before the Annual General Meeting so as to enable the management to keep the information ready at the meeting.
8. Members holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one folio.
9. Dividend as recommended by the directors, if declared at the ensuing Annual General Meeting will be paid on or after 24th September, 1998, to those members whose names appear in the Register of members of the Company on 24th September, 1998.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

The Company has been sanctioned a Rupee Term Loan of Rs.650 lacs by IDBI for setting up of storage tank at Kakinada and Haldia Ports. The financial assistance from the above institution has to be secured by way of a first pari-passu charge on all the immovable and movable properties of the company situated at Kakinada and Haldia ports, present and future. Section 293 (1) (a) of the Companies Act, 1956 provides inter-alia that the Board of Directors of public company in general meeting, sell, lease, or otherwise dispose off the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertakings whole or substantially the whole, of any such undertakings whole or substantially the whole, of any such undertaking. Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the Financial Institutions may be regarded as disposal of the Company's properties / undertakings, the directors commend this resolution for your approval under section 293 (1) (a) of the Companies Act, 1956.

Copy of the Letter of Intent No. 4912 / IDBI / MBD / CFD / SV dtd. March 19, 1998 received from IDBI and copies of the relevant documents / correspondence between the said institution and the company are open for inspection.

None of the directors of the company is concerned or interested in the resolution.

By order of the Board of Directors
For Ruchi Infrastructure Ltd.

Place : Mumbai
Dated : 29th August, 1998

Dinesh Shahra
Director

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 1998

	1997-98 (Rs.in Lacs)	1996-97 (Rs.in Lacs)
FINANCIAL RESULTS :		
Sales & Services	19189.22	9866.76
Profit before Depreciation & Taxation	577.74	429.58
Less : Depreciation	248.75	184.20
Profit before Taxation	328.99	245.38
Less : Provision for Taxation	27.00	35.08
Profit after Taxation	301.99	210.30
Add : Balance brought forward	123.20	76.26
	<u>425.18</u>	<u>286.56</u>
APPROPRIATIONS :		
General Reserves	300.00	100.00
Proposed Dividend	57.60	57.60
Tax on Proposed Dividend	5.76	5.76
Surplus carried to Balance Sheet	61.82	123.20
	<u>425.18</u>	<u>286.56</u>

OPERATIONS :

During the year under review, the Sales and other income has shot up to Rs.191.89 Crores reflecting a huge increase of 94% over the previous year figure of Rs.98.66 Crores. The net profit of the company has also shot up to Rs.301.99 Lacs reflecting an increase of 44% over the previous year figure of Rs. 210.30 Lacs.

DIVIDEND :

Your Directors are pleased to recommend dividend at the rate 12% (Rs. 1.20 per Equity Share) on Equity Share Capital of Rs.4.80 Crores for the year 1997-98. There will be no tax deduction at source on dividend but your Company will absorb Rs.5.76 Lacs towards tax on dividend. The net outflow on account of dividend will be Rs.57.60 Lacs.

FUTURE OUTLOOK :

During the year the company has installed liquid storage facilities at Chennai, Kakinada and Mangalore Ports. It has also started construction work at Haldia. The company is witnessing very good demand for its storage tank facilities. All the above port projects are expected to be utilised at full capacity. As all the port projects would be fully operational during the coming years, there would be a quantum jump in the earnings of the Company.

PARTICULARS OF EMPLOYEES :

None of the employees of the Company is covered by Section - 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended).

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

Information required under Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

FIXED DEPOSIT :

During the year under review, the Company has not accepted any deposits from the public.

DIRECTORS :

In accordance to the provision of Companies Act, 1956 and Article 82(1) of the Articles of Association, Shri Dinesh Shahra retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

AUDITORS :

M/s. M. M. Singla & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The notes referred to by the Auditors in their report are self explanatory and hence do not require any explanation.

ACKNOWLEDGEMENTS :

The Directors acknowledge with gratitude and wish to place on record, their appreciation for the support and co-operation received by the company from various Govt. Agencies, bankers, financial institutions, press, shareholders and the staff to the company's successful operation during the year and look forward to their continued support.

Place : Mumbai
Date : 29th August, 1998

By order of the Board of Directors
Dinesh Shahra
Director