



Rama Phosphates Limited

22ND ANNUAL REPORT

2006-2007

Rama Phosphates Ltd.

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

D.J. Ramsinghani

DIRECTORS

D.N. Singh

C.R. Malaviya

V.T. Khardekar

Yashpal Gupta – Nominee Director of IDBI

R.C. Khurana – Nominee Director of BOI

Silpita Guha – Nominee Director of UTI

(up to 19.3.2007)

Luke Fernandez – Nominee Director of UTI

(From 19.3.2007)

CHIEF EXECUTIVE OFFICER

A.N. Manudhane

COMPANY SECRETARY

J.K. Parakh

BANKERS

Bank of India

State Bank of Indore

Central Bank of India

Syndicate Bank

State Bank of Hyderabad

AUDITORS

M/s. Dayal & Lohia

Chartered Accountants

Mumbai

REGISTERED OFFICE

812, Raheja Chambers, Nariman Point,

Mumbai 400 021

CORPORATE OFFICE

51/52, Free Press House

Nariman Point

Mumbai 400 021

REGISTRARS & TRANSFER AGENTS

INTIME SPECTRUM REGISTRY LTD.

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup West,

Mumbai 400078

Tel. No. 25963838 Fax No.: 25946969

Email: isrl@intimespectrum.com

ADMINISTRATIVE OFFICES

Indore

100, Chetak Centre, R.N.T. Marg,

Indore 452 001, M.P.

Pune

P.O. Loni Kalbhor,

Pune Solapur Road, Tal. Haveli,

Dist. Pune – 412 201

Udaipur

204-B, Circle View Sukhadia Circle,

Dist. Udaipur 313 001 (Rajasthan)

WORKS

Indore (Oil & Fertilizer Division)

20/6 KM Stone, Indore – Ujjain Road

(Dharampuri), Dist. Indore,

Madhya Pradesh – 453 557.

Pune (Fertilizer Division)

Rama Krishi Rasayan

Division of Rama Phosphates Ltd.

P.O. Loni, Kalbhor, Pune Solapur Road,

Tal. Haveli, Dist. Pune 412 201

Udaipur (Fertilizer Division)

4807/11, Umra Village,

Jamarkotra Road, Teh. Girwa,

Dist. Udaipur (Rajasthan) 313 901

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of the Company will be held on Tuesday the 18th day of September 2007 at 10.00 a.m. at Babasaheb Dahanukar Hall, Orion House, 12, K Dubhash Marg, Fort, Mumbai 400001 to transact the following business:-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2007 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. C.R. Malaviya who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT M/s Dayal and Lohia, Chartered Accountants be and they are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the Company.”

NOTES

1. The Explanatory Statement pursuant to the provisions of section 173 of the Companies Act, 1956 in respect of Special Business specified in 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 ON A POLL TO 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 Tuesday the 11th day of September 2007 to Tuesday the 18th day of September 2007 (both days inclusive).
4. Information required to be furnished as per the Listing Agreement about Director proposed to be reappointed at the forthcoming Annual General Meeting is annexed hereto.
5. Pursuant to the provision of Section 205(A) of the Companies Act, 1956, Unclaimed Interim Dividend for the year ended December 31, 1999 has been transferred to the Credit of the Investor Education and Protection Fund (“the Fund”). No claim shall lie against the Fund or the Company in respect of the Unclaimed Interim Dividend as the same is transferred to the Fund.
6. Members desirous of seeking any information concerning the Accounts 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 are requested to bring their copies of the Annual Report to the Meeting since copies of the Annual Report will not be distributed at the Meeting.

Place: Mumbai
Date : July 31, 2007

By Order of the Board
For **RAMA PHOSPHATES LIMITED**
J.K. PARAKH
COMPANY SECRETARY

Rama Phosphates Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956, WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE COMPANY.

ITEM NO 3

Section 224A of the Companies Act, 1956, requires that in case of such companies where the shareholding of Financial Institutions/Banks is more than 25% of the paid up share capital of the company, the appointment of Auditors should be made by a Special Resolution. As the shareholding of Financial Institutions and Banks exceeds the aforesaid limit, Special Resolution is proposed for the appointment of M/s Dayal and Lohia, Chartered Accountants as the Auditors of the Company.

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

By Order of the Board
For **RAMA PHOSPHATES LIMITED**
J.K. PARAKH
COMPANY SECRETARY

Place: Mumbai
Date : July 31, 2007

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

As required under the Listing Agreement, the particulars of Director who is proposed to be reappointed at the forthcoming Annual General Meeting is given below:

Mr. C R Malaviya retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. Malaviya has been Director of the Company since November 2001.

Mr. Malaviya is an eminent technologist and has a rich and varied experience in the field of chemicals and fertilizers spanning over 40 years. He is a design and process consultant for various companies and has commissioned several SSP and Sulphuric Acid projects for various companies. Mr. Malaviya is also a Director of Rama Industries Ltd.

DIRECTORS' REPORT

Your Directors present the Twenty Second Annual Report together with Audited Accounts for the year ended March 31, 2007.

(Rs. in lacs)

FINANCIAL RESULTS	YEAR ENDED 31/03/2007	YEAR ENDED 31/03/2006
Sales & Other Income	18184.83	17103.10
Profit before financial charges & Depreciation	468.49	757.81
Less: Financial Charges	1428.63	1143.10
Profit/(Loss) before Depreciation and amortization	(960.14)	(385.29)
Less: Depreciation and other amortization	563.46	567.72
Net Profit/(Loss) for the year	(1523.60)	(953.01)
Prior year Adjustment (Net)	(11.56)	(57.07)
Excess Provision for depreciation written back	14.39	—
Sundry Debtors / Creditors Balance written off	(16.16)	(7.61)
Provision for doubtful advances	(665.52)	—
Excess provision written back	47.65	—
Fringe Benefit Tax	(12.63)	(14.58)
Profit/(Loss) after adjustments	(2167.43)	(1032.27)
Profit & Loss balance brought forward from the previous year	(9464.60)	(9265.88)
Appropriation on account of Reduction in Equity Share Capital	—	833.55
Balance carried to Balance Sheet	(11632.03)	(9464.60)

1. DIVIDEND

In view of accumulated losses, your Directors regret their inability to recommend any dividend for the year under review.

2. REVIEW OF OPERATIONS

Performance: The Company is engaged in manufacture of fertilizer, i.e. Single Super Phosphate and Soya oil. The production of Single Super Phosphate has been increased during the year to 63.5% from the capacity utilisation of 53.61% in the previous year. However, it may be noted that the Company could not achieve optimum capacity utilization due to scarcity of indigenous raw material, viz. Rock Phosphate. Moreover, financial performance has been severely affected due to non-remunerative MRP fixed by the respective State Governments as also inadequate concession paid by the Central Government to SSP industry. It is pertinent to note that increased distribution cost on account of restriction on overloading of trucks has also played vital role in affecting financial performance of the Company. At the same time input cost has also gone up substantially. Thus the non-increase of concession increased input costs and increased logistics costs have severely affected financial performance of our Company despite increase in capacity utilisation. During the year under review, your Company has crushed 33,156 MT of Soya seeds.

The industry has approached the concerned ministry for upward revision in concession payment considering higher input costs and distribution cost. The Company is hopeful that both the Central and State Governments shall review the problems being faced by the industry as a whole and give suitable relief to the industry.

Rama Phosphates Ltd.

Your Directors are hopeful that considering strong Brand leader image of our product in the field of operation and with state-of-art infrastructure available at all our plants, the performance of the Company in the coming years will improve and will be at par with peer group.

3. FUTURE PROSPECTS

With sincere efforts made by the Company in consolidating its operations, reduction of operating costs and optimization in logistics costs by marketing its products in Economic Zone, the Company is improving its market share. Continuous efforts made by the Company will help to reap the fruit in the years to come. The increase in capacity utilisation of Fertilizer division would enable the Company to increase its sale volume. Your Company has strategically planned to concentrate on Mixed Fertilizers, viz. NPK of various grades to utilize its idle capacity which would generate additional revenue to the Company. Increased quantity availability of Soya Seeds in ensuing year owing to good sowing of soyabean in Madhya Pradesh, will improve capacity utilisation of Soya division. Your Directors are optimistic that the Soya division will perform at its full capacity and bring in better results considering conducive atmosphere prevailing for edible oil industry.

4. REFERENCE TO BIFR

As the members are aware the Company has been declared as a Sick Industrial Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 at the hearing held on November 29, 2005 and IDBI Limited has been appointed as the Operating Agency.

5. CORPORATE DEBT RESTRUCTURING (CDR)

Your Directors are pleased to inform you that restructuring of Company's debts under Corporate Debt Restructuring mechanism has been approved by CDR Empowered Group with retrospective effect from 1st July, 2003. As per the CDR restructuring package approved, the CDR members have sanctioned various relief / concession viz. conversion of part of overdue interest in to Equity / Preference shares, reduction in the rate of interest, re-scheduling of loans, funding of interest, waiver of penal interest and liquidated damages etc. This has brought down the interest burden of the Company to certain extent.

However, Company has sought more relief and concessions from the lenders considering shortfall in projections subsequent to adverse Government policies and other reasons stated above. The Company is hopeful that lenders will take positive view on the current situation and grant necessary relief and concessions sought for.

6. 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.

7. 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 judgements 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, 2007 and of the Loss of the Company for the year ended March 31, 2007;
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 financial accounts have been prepared on a going concern basis.

8. AUDIT COMMITTEE

In accordance with the provisions of Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee comprising of the following Directors, viz., Mr. C.R. Malaviya (Chairman), Mr. Yashpal Gupta and Mr. Luke Fernandez. Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

9. SAFETY, ENVIRONMENTAL CONTROL & PROTECTION

The Company has taken all the necessary steps for safety and environmental control & protection at its plants at Indore, Udaipur and Pune.

10. 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 earning and outgo is annexed hereto and forms a part of this Report.

11. PERSONNEL

There were no employees who were employed during the year under review or part thereof and who were in receipt of remuneration in excess of the limits specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended to date.

12. DIRECTORS

During the year under review UTI Asset Management Co. Pvt. Ltd. has withdrawn the nomination of Ms. Silpita Guha from the Board of Directors of the Company and nominated Mr. Luke Fernandez as its Nominee Director w.e.f. March 19, 2007. The Board places on record its sincere appreciation of the valuable contribution made by Ms. Silpita Guha during her association with the Company.

Mr. C.R. Malaviya retires from the Board of Directors by rotation and is eligible for reappointment.

13. AUDITORS REPORT

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

The Company has informed all the parties concerned to confirm the balances. The Company is in the process of compiling information in respect of the status of the party. As regards the default in repayment of dues to Financial Institutions / Banks, your Directors wish to inform you that the default was due to the difficult financial position faced by the Company during the year under review.

14. 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 224(1-B) of the Companies Act, 1956.

15. COST AUDIT

The Cost Accounts Records maintained by the Company for "Fertilizers" and "Sulphuric Acid" are subject to yearly audit by qualified Cost Auditors. The Company has appointed Mr. R.S. Raghavan, a qualified Cost Auditor for conducting the Cost Audit of such records for the financial year 2007-08.

16. INDUSTRIAL RELATIONS

The Industrial Relations remained cordial at all the units of the Company during the year under review.

17. ACKNOWLEDGEMENT

Your Directors sincerely record their appreciation with gratitude for the continued support and assistance extended to the Company by the Financial Institutions, Banks and various Government Departments and Agencies. The Directors also wish to place on record the appreciation to the team of executives, staff and workers who have shown devotion and efficiency in performing their jobs.

For and on behalf of the Board

Place : Mumbai
Dated : July 31, 2007

D.J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS PURSUANT TO 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 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2007.

I. CONSERVATION OF ENERGY:

A. Energy conservation measures taken:

Over the years Company has taken several measures for energy conservation viz. installation of Steam Turbine and Coal Fired Boiler, regular monitoring of Consumption of Power through managers, installation of energy saving fans, installation of capacitors, modification of steam traps, conversion of heaters, revamping of Turbine cooling tower, operating ball mill with the Turbine etc.

B. Additional investment proposals, if any, being implemented for reduction of consumption of energy:

The Company has already invested substantial amount in the Steam Turbine and Coal Fired Boiler during the previous year, which are in operation. During the year, the Company has successfully installed Coal Fired Furnaces to change feedstock from Furnace oil to Coal in respect of GSSP and NPK plant. The Company has several investment proposals such as installation of variable frequency drives, additional economizer in Sulphuric Acid plant which will increase steam generation resulting in power generation. Accordingly, the Company is actively considering various investment proposals for further reduction in 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:

As a result of continuous effort, the Company has been able to achieve substantial saving in energy cost.

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

a) POWER AND FUEL CONSUMPTION:

	12 months ended 31.03.2007	12 months ended 31.03.2006
i) Electricity		
a) Purchased:		
Units (in thousands)	5383	4276
Total amount (Rs. in lacs)	267.79	209.73
Rate / Unit (Rs.)	4.97	4.90
b) Own Generation:		
i) Through diesel generator:		
Units (in thousand)	90.90	129.86
Units per litre of diesel oil	3.12	2.91
Cost / Unit (Rs.)		
ii) Through steam turbine/generator:		
Units (in thousand)	11656	12499
Units per M.T. of Steam	110.47	130.36
Cost / Unit (Rs.)	1.18	1.41
ii) Coal (Rs. in lacs)	172.93	150.76
iii) Furnace Oil (Rs. in lacs)	131.98	115.82

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b) CONSUMPTION PER UNIT OF PRODUCTION:

SSP: Single Super Phosphate
SEP: Solvent Extraction Plant

GSSP: Granulated

SA: Sulphuric Acid

	31.03.2007					31.03.2006				
	Refinery	SEP	SSP	GSSP	SA	Refinery	SEP	SSP	GSSP	SA
Electricity (Units) PMT	55.35	40.03	20.96	14.50	66.98	83.66	38.86	23.06	13.05	67.52
Furnace Oil PMT	NIL	NIL	1.15	10.55	NIL	NIL	NIL	1.14	11.20	NIL
Coal PMT	96.47	54.00	NIL	25.16	NIL	NIL	NIL	NIL	18.69	NIL

II. TECHNOLOGY ABSORPTION:

A. RESEARCH & DEVELOPMENT (R & D)

a) Specific areas in which R & D is carried out by the Company:

The specific areas in which the R & D activities are carried out by the Company are relating to improvement in quality of the existing products and development of new products to meet market demands and change in the product mix.

b) Benefits derived as a result of R & D:

Research and Development has always been a continuous process at various Units of the Company. The areas in which R & D is carried out are (a) minimization of effluents and (b) better sampling.

c) Future Plan of Action:

The Company could not implement them during the year under review due to financial constraints.

d) Expenditure on R & D:

Due to financial constraints the Company was unable to make any additional investment in R & D activities.

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

The Company has not imported any foreign technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Activities relating to exports, initiatives taken to increase exports, development of new export plans.
During the year, the Company has made indirect exports in Oil Division.

B. Total foreign exchange used & earned:

(Rs. in lacs)

Used: 1115.21

Earnings: NIL

For and on behalf of the Board

Place : Mumbai
Dated: July 31, 2007

D.J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

As required by the Listing Agreement with various Stock Exchanges, the Company has fully 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) The present strength of the Board consists of Seven Directors. (One Executive and Six Non Executive all of whom are Independent Directors.)
- b) The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial year of the Company was as under:

Name of Director	Category Executive, Non-Executive Independent	Attendance at		Directorship of other Board (including alternate Directorships and Private Companies)	Membership/ Chairmanship of other Board Committees	
		Board Meetings	Last Annual General Meeting		Chairman	Member
Mr. D.J. Ramsinghani Chairman & Managing Director	Executive	Four	Yes	Three	Nil	Nil
Mr. Deonath Singh Director	Non-Executive Independent	Five	No	Four	One	Three
Mr. C.R. Malaviya Director	Non-Executive Independent	Four	Yes	One	One	Nil
Mr. V.T. Khardekar Director	Non-Executive Independent	Five	Yes	One	Nil	One
Ms. Silpita Guha Nominee Director – UTI (upto 19/03/2007)	Non-Executive Independent	Four	No	One	Nil	One
Mr. R.C. Khurana Nominee Director – BOI	Non-Executive Independent	Three	No	One	Nil	Nil
Mr. Yashpal Gupta Nominee Director – IDBI	Non-Executive Independent	Four	No	Nil	Nil	Nil
Mr. Luke Fernandez Nominee Director – UTI (from 19/03/2007)	Non-Executive Independent	N.A.	N.A.	One	Nil	Nil

- c) During the year Five Board Meetings were held on the following dates:
April 27, 2006, July 27, 2006, August 16, 2006, October 18, 2006 and January 24, 2007.

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 internal and external Auditors.

The Committee presently comprises of Mr. C.R. Malaviya – Chairman, Mr. Yashpal Gupta and Mr. Luke Fernandez

During the year Five meetings of the Audit Committee were held on April 27, 2006, July 27, 2006, August 16, 2006, October 18, 2006 and January 24, 2007.

Name of the Director	Attendance at Audit Committee Meetings
Mr. C.R. Malaviya	Four
Mr. Yashpal Gupta	Four
Ms. Silpita Guha	Four
Mr. Luke Fernandez	N.A.

5. Share Transfer Committee

The Board has delegated the power of share transfers to a Committee of Directors comprising of Mr. D.J. Ramsinghani – Chairman, Mr. C.R. Malaviya and Mr. D.N. Singh as also to the Registrars and Transfer Agents of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates and issue of certificates on split / consolidation / renewal etc. at least once in a fortnight The transfers etc. approved by the Registrars and Transfer Agents and the Share Transfer Committee are also noted at every meeting of the Board of Directors. The Board has delegated Mr. J.K. Parakh – Company Secretary as the Compliance Officer.

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. Remuneration Committee

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

The Committee presently comprises of Mr. C.R. Malaviya – Chairman, Mr. Yashpal Gupta and Mr. Luke Fernandez and no meetings of the Committee were held during the year under review.

7. Shareholders/Investors Grievances Committee

The committee presently comprises of Mr. V.T. Khardekar – Chairman and Mr. D.J. Ramsinghani. In terms of Clause 47 of the Listing Agreement the Company has appointed Mr. J.K. Parakh – Company Secretary as the Compliance Officer and the investors are requested to register their complaints, if any, on the exclusive email ID: jparakh@ramagroup.co.in

A Summary of complaints received and resolved by the Company during the year is given below:

	Received	Cleared
Non receipt of shares duly transferred	6	6
Non-Receipt of Dividend Warrants.	3	3
Miscellaneous	17	17
Letters from Stock Exchanges, SEBI and Department of Company Affairs	Nil	Nil

Rama Phosphates Ltd.

8. Remuneration of Directors

a) **Managing Director**

The remuneration paid to the Managing Director during the year was as follows:

Name	Designation	Remuneration (Rs. in lacs)	Sitting Fees (Rs.)
Mr. D.J. Ramsinghani	Managing Director	13.20	Nil

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.

Name of Director	Sitting Fees (Rs.)
Mr. D.N. Singh	5000/-
Mr. C.R. Malaviya	8000/-
Mr. V.T. Khardekar	5000/-
Mr. Yashpal Gupta *	8000/-
Ms. Silpita Guha**	8000/-
Mr. R.C. Khurana ***	3000/-
Mr. Luke Fernandez	NIL

* Sitting Fees paid to IDBI for meetings attended by its Nominee Director Mr. Yashpal Gupta.

** Sitting Fees paid to UTI for meetings attended by its Nominee Director Ms. Silpita Guha upto 19/03/2007.

*** Sitting Fees paid to BOI for meetings attended by its Nominee Director Mr. R.C. Khurana.

9. General Body Meetings

Financial Year	Date	Time	Location
2003-04	29/12/2004	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001
2004-05	25/11/2005	10.00 A.M.	M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001
2005-06	29/09/2006	10.00 A.M.	Ashoka Hall, Arcadia, Nariman Point, Mumbai 400 021

10. Postal Ballot / Special Resolution

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.

Special Resolution passed in the previous Three Annual General Meetings.

Date	Matter
29.12.2004	Appointment of Auditors
29.12.2004	Amendment to Articles of Association
29.12.2004	De-rating (Cancellation) of Equity Share Capital of the Company (Postal Ballot)
29.12.2004	Authority to Board of Directors to issue and allot 1,34,80,000 Equity Shares of Rs. 10/- each to promoters, Financial Institutions and Banks.

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29.12.2004	Authority to Board of Directors to issue and allot 1,10,00,000 4% Optionally Convertible Cumulative Preference Shares (OCCP) to Financial Institutions and Banks.
29.12.2004	Keeping of the Register and Index of Members and Debentureholders and copies of all annual returns at the office of the Registrar and Transfer Agent.
25.11.2005	Appointment of Auditors
25.11.2005	Appointment of Mr. D.J. Ramsinghani as Managing Director for a period of three years w.e.f. April 01, 2005.
29.09.2006	Appointment of Auditors

11. Disclosures

- a) 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.
- b) 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.
- c) 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.

12. Means of communication

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

13. General Shareholder Information:

Annual General Meeting	: September 18, 2007 at 10.00 a.m. at Babasaheb Dahanukar Hall, Orion House, 12, K Dubhash Marg, Fort, Mumbai 400001.
Dates of Book Closure	: September 11, 2007 to September 18,2007 (Both Days Inclusive)
Dividend payment date	: Not Applicable
Listing on Stock Exchange	: Mumbai, Madras, M P, Calcutta, Ahmedabad, Delhi
Stock Code	: 524037
International Securities	: INE809A01024
Identification Number allotted By NSDL	

Note: The Company has applied for delisting from all the Stock Exchanges except Bombay Stock Exchange Limited.

14. Market Price Data (High/Low in Rs. during each month):

Month	High	Low
April 2006	—	—
May 2006	—	—
June 2006	—	—
July 2006	10.22	5.92
August 2006	9.99	7.41
September 2006	8.55	6.21
October 2006	9.70	6.50
November 2006	8.30	5.67
December 2006	8.00	6.26
January 2007	8.90	6.25
February 2007	8.20	5.89
March 2007	7.34	4.55

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15. Registrars & Transfer Agent

Intime Spectrum Registry Ltd.
C – 13, Pannalal Silk Mills Compound
L. B. S. Marg,
Bhandup (West), Mumbai 400078
Tel: 25963838 Fax: 25946969 Email: isrl@intimespectrum.com

16. Distribution of Shareholding as of March 31, 2007:

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	9733	93.37	1003317	18.06
501 – 1000	359	3.44	267292	4.81
1001 – 2000	162	1.55	243706	4.39
2001 – 3000	44	0.42	110114	1.98
3001 – 4000	48	0.46	166037	2.99
4001 – 5000	12	0.12	55297	0.99
5001 – 10000	36	0.35	249089	4.48
10001 & above	30	0.29	3462174	62.30
Total	10424	100.00	5557026	100.00

17. Shareholders' Profile as on March 31, 2007:

Sl.No.	Category of Shareholders	No. of Shares held	% to Total Capital
1.	Promoters	421332	43.57
2.	Foreign Collaborators	NIL	N. A.
3.	Banks	508920	9.16
4.	Financial Institutions	83640	1.51
5.	Foreign Institutional Investors	NIL	N. A.
6.	Mutual Funds	5320	0.10
7.	Domestic Companies	193850	3.49
8.	Non-Resident Indians	98660	1.77
9.	General Public	2245304	40.40
Total		5557026	100.00

18. Dematerialization of shares on March 31, 2007:

89.26% of the Company's total equity share capital representing 4960403 shares are held in dematerialised form.

19. Plant Location:

- (1) 20/6, KM Stone, Indore – Ujjain Road, (Dharampuri), Indore 453 557 (M.P.).
- (2) P. O. Loni Kalbhor, Tal Haveli Dist Pune 412 201, Maharashtra.
- (3) 4807/11, Umra Village, Jamarkotra Road, Teh. Girva, Dist. Udaipur, Rajasthan 313 901.

20. Address for Correspondence:

Shareholders should address all correspondence to the Company at 51/52, Free Press House, Nariman Point, Mumbai 400 021 or to the Registrar and Transfer Agents – Intime Spectrum Registry Limited at C – 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400 078.

21. Non Mandatory Items:

- a) At present there is no policy for fixing the tenure of independent Directors.
- b) The Company has constituted a 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 has not established at present any formal Whistle Blower Policy.
- g) The replies to the Qualifications in Auditors Report on the financial statement are given in the Directors Report.

22. Appointment / Reappointment of Directors:

Mr C.R. Malaviya is proposed to be reappointed at the forthcoming Annual General Meeting. The relevant information about Mr. C.R. Malaviya is given in the Notice convening the Annual General Meeting.

For and on behalf of the Board

Place : Mumbai
Dated: July 31, 2007

D.J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

**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, 2007, 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
Dated: July 31, 2007

D.J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE

To the Members of
RAMA PHOSPHATES LIMITED

We have examined the compliance of conditions of corporate governance by **RAMA PHOSPHATES LIMITED**, for the year ended on 31st March, 2007, 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 and based on the representations received from the Directors and the management we certify that the company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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.

For **Dayal and Lohia**,
Chartered Accountants

Place : Mumbai.
Date : 31st July, 2007.

(Anil Lohia)
Partner

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

FERTILIZER:

Single Super Phosphate (SSP) is one of the most popular fertilizer amongst farming community in India and is considered as "poor man's fertilizer". This SSP provides nutrients like Sulphur and Calcium in addition to its main ingredient which enhances soil fertility. SSP industry showed a sign of recovery after witnessing deceleration in the growth in production during major part of the preceding period in the current decade. Total production of SSP correspondingly increased from 27.95 lacs MT in the year 2005-06 to 29.72 lacs MT in the year 2006-07. However, All-India capacity utilization of SSP marginally reduced from 49.5% during 2005-06 to 48.7% during 2006-07. Unfortunately delay in upward revision of MRP by various states and fixing concession by Central Govt. has adversely affected the growth. Whilst production of other fertilizers like DAP and Complex fertilizers is going up, the consumption of SSP showed negative growth. The position is not likely to improve unless serious thought is given by the Govt. in fixing MRP and upward revision of concession. With the increase in production of DAP and NP / NPK complex fertilizers, the share of SSP to total production and consumption has been going down over the years.

SOYA:

India is a major consumer of edible oil in the world and major part of its requirement is met through imports of Palm oil. Hence, Soya oil can easily become an import substitute in the years to come. The consumption of Soya based edible oil is becoming popular because of low prices amongst the masses and low cholesterol in high-income consumers. With the improvement in GDP growth, per capita consumption of edible oil is steadily growing. The Soya seed growing pattern has been gradually spreading from traditional belt of "Madhya Pradesh" to neighbouring states, viz., Maharashtra and Rajasthan due to remunerative prices to farmers. This has resulted in availability of Soya seed throughout the year. With the increased awareness amongst farmers and industrialists, Soyabean, Soya Oil Soya Meal has been permitted to be traded in Multi-Commodity Exchanges. This gives better leverage and hedging of the risk associated in the long run. In view of bright outlook and improved performance in the recent past, additional capacities are on the anvil.

Soya meal demand is growing steadily in the domestic market, especially from poultry sector due to presence of high protein. Over and above domestic requirements, Indian Soya meal has entered in the export markets, particularly in Middle East and South Asian countries.

2. OPPORTUNITIES AND THREATS

The Company is in the field of manufacture and sale of phosphatic fertilizers and Soya oil. The phosphatic fertilizer has good demand amongst small and medium sized farmers, as it is one of the cheapest fertilizers. This fertilizer is also useful for growing various cash-crops grown in almost in all parts of the country. The recent trend of mixing phosphatic fertilizers with nitrogenous fertilizers is also becoming popular, which results in higher consumption of SSP.

On the other hand, sale of phosphatic fertilizers depends on purchasing power of farmers and vagaries of monsoon. The viability of the industry primarily dependent on policies framed by the Govt. since pricing and concession payment of SSP is regulated by both Central and respective State Governments. Indigenous raw material available from single source restricts capacity utilization.

3. SEGMENTWISE PERFORMANCE

The requisite information regarding Segment wise performance has been given in the Notes forming part of the Accounts.

4. OUTLOOK

With sincere efforts made by the Company in consolidating its operations, reduction of operating costs and optimization in logistics costs by marketing its products in Economic Zone and favourable monsoon, the Company

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is improving its market share. Continuous efforts made by the Company will help to reap the fruit in the years to come. The increase in capacity utilisation of Fertilizer division would enable the Company to increase its sale volume. Your Company has strategically planned to concentrate on Mixed Fertilizers, viz. NPK of various grades to utilize its idle capacity which would generate additional revenue to the Company. Increased quantity availability of Soya Seeds in ensuing year owing to good sowing of soyabean in Madhya Pradesh, will improve capacity utilisation of Soya division. The company is optimistic that the Soya division will perform at its full capacity and bring in better results considering conducive atmosphere prevailing for edible oil industry in the country.

5. INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal control 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.

6. FINANCIAL PERFORMANCE

During the year sales amounted to Rs. 18038.04 lacs as compared to Rs.17103.10 lacs for the year ended March 31, 2006. The loss for the year is Rs. 2167.42 lacs as compared to loss of Rs. 1032.27 lacs in the previous year.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial during the year under review.

8. 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 make a difference to the Company's operations include poor monsoon, changes in Government regulations relating to fertilizer subsidy, economic conditions affecting demand/supply, price conditions in the markets in which the company operates, competition from small scale manufacturers, litigations 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

Place : Mumbai
Dated: July 31, 2007

D.J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS' REPORT

To The Members of

RAMA PHOSPHATES LIMITED,

We have audited the attached Balance Sheet of Rama Phosphates Limited as at 31st March, 2007 and the Profit and Loss Account for the year ended on that date, and also the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, 2004 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to above, 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 accounts as required by the law have been kept by the Company so far as it appears from our examination of the books.
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion and based on the information and explanations given to us, none of the directors are disqualified as on 31st March, 2007, from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and subject to:
 1. *Company obtaining balance confirmations for some parties' accounts;*
 2. *Note – 10 regarding non-disclosure of amounts overdue to small-scale industries;*
 3. *Note – 14 regarding amount advanced during the year & certain interest free advances made to related parties;*give a true and fair view:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
 - ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **DAYAL AND LOHIA**
Chartered Accountants

ANIL LOHIA
Partner
M.No.: 31626

Place : Mumbai
Date : 29th June, 2007.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 of our Report of even date on the accounts of Rama Phosphates Limited for the year ended 31st March, 2007.)

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 discrepancies have been 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 procedure 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) In respect of loans, secured or unsecured, granted by the Company to companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - i) The Company has granted loans to a party amounting to Rs.7.50 lacs which is fully received back during the year.
 - ii) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
 - b) In respect of loans, secured or unsecured, taken by the Company from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - i) The company had taken interest free loans from two parties amounting to Rs.846.16 lacs of which Rs. 746.66 lacs is outstanding during the year.
 - ii) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company.
 - iii) In respect of loans taken, some of the loans have been repaid during the year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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, transactions in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanation given to us, the company has not accepted the deposits u/s 58A, 58AA or any other relevant provisions of the Companies Act, 1956, during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size and the nature of the business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of the Company's Products to which the said rules are made applicable, and are of the opinion that prima facie, the prescribed accounts have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate.

Rama Phosphates Ltd.

9. a) According to the records of the Company, there were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues outstanding as on 31st March, 2007, for a period of more than six months from the date they became payable, except Income Tax demand of Rs.24.80 lacs.
- b) According to the records of the Company and information and explanations given to us there are no dues of sales tax, income tax, wealth tax, service tax, custom duty, excise duty on account of any disputes, except as given below:-

Statue	Rs. in lacs	Forum where dispute is Pending
Entry Tax (1995-96)	1.00	Asst Commissioner
Excise Duty	4.04	CESTAT — New Delhi
Excise Duty	165.28	The Commissioner appeal.
Excise Duty	42.81	Commissionarate Central Excise — Indore
Excise Duty	55.30	Commissionarate Central Excise – Pune
MPCT (1994-95)	6.46	Appellate Board, Bhopal
MPCT (2001-02)	9.18	Dy Commissioner Appeal
MPCT (2002-03)	0.01	Dy Commissioner Appeal
MPCT (2003-04)	36.74	Dy Commissioner Appeal
Service Tax (1997-98)	2.26	Asst Commissioner – Service Tax
CST (2002-03)	29.86	Dy Commissioner Appeal
CST (2003-04)	35.05	Dy Commissioner Appeal

10. The Company has accumulated losses amounting to Rs. 11,632.02 lacs as on 31st March, 2007. During the year, the Company has incurred cash loss of Rs. 1,618.34 lacs and in the immediately preceding financial year, it has incurred cash loss of Rs. 469.38 lacs.
11. *On the basis of our examination of books and according to information and explanations given to us, the loans from Banks/Institutions have been restructured as per the Corporate Debt Restructuring package sanctioned to the Company. The Company has defaulted in repayment of dues to financial institutions, debenture holders and banks aggregating to Rs. 5,827.22 Lacs, since July 2005.*
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.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the question of maintaining proper record of the transactions and contracts of dealing in shares and securities and timely entering them in the records does not arise. All the investments are held by the Company in its own name.
15. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. In our opinion and on the basis of information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, during the year no funds raised on short term basis have been used for long term investment by the Company.

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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

Place : Mumbai
Date : 29th June, 2007.

ANIL LOHIA
Partner
M.No.: 31626

Rama Phosphates Ltd.

BALANCE SHEET

	Schedule	As At 31-Mar-07 Rs. in Lacs	As At 31-Mar-06 Rs. in Lacs
I SOURCES OF FUNDS			
1. Shareholders Funds			
Share Capital	1	1,550.83	1,550.83
Share Application Money		1,048.39	778.46
Reserves & Surplus	2	1,721.66	1,721.66
2. Loan Funds:			
Secured	3	15,482.69	14,346.57
Unsecured	4	1,207.22	1,225.69
Total		21,010.79	19,623.21
II APPLICATION OF FUNDS			
1. Fixed Assets	5		
Gross Block		11,469.76	11,443.70
Less: Depreciation		7,570.82	7,030.03
Net Block		3,898.94	4,413.67
Capital Work In Progress		—	0.44
		3,898.94	4,414.11
2. Investments	6	11.61	11.61
3. Deferred Tax Asset		400.00	400.00
4. Current Assets, Loans & Advances	7		
Inventories		3,360.00	3,786.88
Sundry Debtors		1,040.70	945.30
Subsidy Receivable		742.64	550.36
Cash & Bank Balances		420.44	341.44
Loans & Advances		1,426.50	1,798.32
		6,990.30	7,422.30
Current Liabilities & Provisions	8	1,922.07	2,089.41
		5,068.23	5,332.89
Profit & Loss Account		11,632.03	9,464.60
		11,632.03	9,464.60
Total		21,010.79	19,623.21
NOTES ON ACCOUNTS	13		

Schedule 1 to 13 annexed hereto form part of the Balance Sheet and Profit & Loss Account.
As per our Audit report of even date attached.

For **DAYAL AND LOHIA**
Chartered Accountants

ANIL LOHIA
Partner

For and on behalf of the Board

D.J. RAMSINGHANI
Chairman & Managing Director

A.N. MANUDHANE
Chief Executive Officer

Place : Mumbai
Dated: 29th June, 2007

J.K. PARAKH
Company Secretary

D.N. SINGH
Director

PROFIT AND LOSS ACCOUNT

	Schedule	For the year ended 31-Mar-07 Rs. in Lacs	For the year ended 31-Mar-06 Rs. in Lacs
INCOME			
Sales & Other Income	9	18,184.83	17,103.10
Increase / (Decrease) in Stock	10	(133.82)	299.75
		18,051.01	17,402.85
EXPENDITURE			
Manufacturing and Other expenses	11	17,582.52	16,645.04
Profit before Financial charges and Depreciation		468.49	757.81
Financial Charges	12	1,428.63	1,143.10
Profit /(Loss) before Depreciation & Amortisation		(960.14)	(385.29)
Depreciation		563.46	562.93
Debenture issue expenses		—	0.78
Deferred Revenue Expenses		—	4.01
		563.46	567.72
Net Profit/(Loss) for the Year		(1,523.60)	(953.01)
Prior Period adjustments (Net)		(11.56)	(57.07)
Excess Provision for Depreciation w/back		14.39	—
Sundry Dr / Cr balances written off		(16.16)	(7.61)
Provision for doubtful advances		(665.52)	—
Excess Provision written back		47.65	—
Fringe Benefit Tax		(12.63)	(14.58)
Profit / (Loss) after adjustments		(2,167.43)	(1,032.27)
Add: Balance brought from Previous year		(9,464.60)	(9,265.88)
		(11,632.03)	(10,298.15)
APPROPRIATIONS			
Reduction in Share Capital		—	(833.55)
Balance carried to Balance Sheet		(11,632.03)	(9,464.60)
		(11,632.03)	(9,464.60)
Basic & Diluted Earning Per Share (In rupees) Refer Note 6		(39.00)	(18.54)
NOTES ON ACCOUNTS	13		

Schedule 1 to 13 annexed hereto form part of the Balance Sheet and Profit & Loss Account.
As per our Audit report of even date attached.

For **DAYAL AND LOHIA**
Chartered Accountants

For and on behalf of the Board

ANIL LOHIA
Partner

D.J. RAMSINGHANI
Chairman & Managing Director

A.N. MANUDHANE
Chief Executive Officer

Place : Mumbai
Dated: 29th June, 2007

J.K. PARAKH
Company Secretary

D.N. SINGH
Director

Rama Phosphates Ltd.

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-07 Rs. in Lacs	As At 31-Mar-06 Rs. in Lacs
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,00,00,000 (Previous year 2,00,00,000) Equity Shares of Rs.10 each	2,000.00	2,000.00
2,10,00,000 (Previous year 2,10,00,000) Preference Shares of Rs.10 each	2,100.00	2,100.00
	4,100.00	4,100.00
Issued, Subscribed and paid up		
55,57,026 (Previous year 55,57,026) Equity Shares of Rs.10 each fully paid up. Of these, 3830 (Previous year 3830) shares were issued for consideration other than cash.	555.70	555.70
Less: Calls in arrears	4.87	4.87
1,00,00,000 Optionally Convertible 5.85% Cumulative Preference Shares of Rs. 10 each (Previous year 1,00,00,000 shares) Refer Note 3	1,000.00	1,000.00
Total	1,550.83	1,550.83

SCHEDULE 2

RESERVES AND SURPLUS

Investment Allowance Reserve	16.50	16.50
Debenture Redemption Reserve	12.50	12.50
Share Premium Account	1,699.95	1,699.95
Less: Share Premium relating to calls in arrears	7.31	7.31
	1,692.64	1,692.64
Capital Reserve	0.02	0.02
Total	1,721.66	1,721.66

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	As At 31-Mar-07 Rs. in Lacs	As At 31-Mar-06 Rs. in Lacs
SCHEDULE 3		
SECURED LOANS		
I From Institutions :		
15,00,000 (Previous year 15,00,000) 15% Non Convertible Debentures of Rs 100 /- each	1,500.00	1,500.00
Term Loans and Funded Interest	5,712.91	5,723.82
Interest accrued and due	741.44	201.66
II From Banks :		
Cash Credit, Working Capital Demand Loans & Funded Interest	7,528.34	6,921.10
Total	<u>15,482.69</u>	<u>14,346.57</u>

Notes :

- 1 Working Capital facilities, FITL & Working Capital Term Loan (WCTL) from the banks are secured against hypothecation of raw materials, stock in process, finished goods, stores and spares and book debts and by second charge on immovable properties of the company and further secured by personal guarantee of a Director.
- 2 Debentures are secured by first mortgage of immovable properties, ranking parripassu with term loans present & future & by hypothecation of all movables (except bookdebts) subject to prior charges referred in note 1 above.
- 3 Term Loan and FITL from Financial Institutions are secured by first parripassu charge by way of Equitable mortgage of immovable properties, present and future and by hypothecation of all movables (excluding book debts) including movable machinery, but subject to prior charges referred in note 1 and further secured by personal guarantee of a Director.
- 4 The above term loans and working capital facilities are further secured by way of equitable mortgage of the properties situated at Indore and Mumbai owned by a firm and a company in which director is interested.

SCHEDULE 4

UNSECURED LOANS

Loans & Deposits	1,207.22	1,225.69
Total	<u>1,207.22</u>	<u>1,225.69</u>

**SCHEDULE 5
FIXED ASSETS**

Rs. in Lacs

Description of the Asset	Gross Blocks at Cost				Depreciation			Net Block		
	As at 01.04.06	Additions	Deductions/Transfers	As at 31.03.07	As at 01.04.06	For the Year	Deductions/Transfers/Adjustments	Total upto 31.03.2007	As at 31.03.2007	As at 31.03.2006
Freehold Land & Site Dev	289.36	—	33.70	255.66	—	—	—	—	255.66	289.36
Building	1,739.98	2.03	—	1,742.01	741.63	55.03	—	796.66	945.35	998.35
Plant & Machinery	8,907.69	37.43	—	8,945.12	5,968.63	475.38	—	6,444.01	2,501.11	2,939.06
Railway siding	153.51	2.73	—	156.24	50.98	7.35	—	58.33	97.91	102.53
Furniture & Fixtures	66.55	3.04	—	69.59	42.21	4.38	—	46.59	23.00	24.34
Vehicles	127.70	9.91	10.50	127.11	101.23	10.85	15.92	96.16	30.95	26.47
Office Equipment	158.91	15.12	—	174.03	125.35	10.48	6.76	129.07	44.96	33.56
Total	11,443.70	70.26	44.20	11,469.76	7,030.03	563.47	22.68	7,570.82	3,898.94	4,413.67
Previous year	11,418.01	27.72	2.03	11,443.70	6,467.90	562.93	0.80	7,030.03	4,413.67	4,950.12

Rama Phosphates Ltd.

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	As At 31-Mar-07 Rs. in Lacs	As At 31-Mar-06 Rs. in Lacs
SCHEDULE 6		
INVESTMENTS		
(Long term - Non Trade)		
Quoted:		
3,03,900 (Previous year 3,03,900) Equity shares of Rama Petrochemicals Ltd of Rs.10 each	12.26	12.26
Total	12.26	12.26
Less : Provision for diminution in the value of investments	0.87	0.87
	11.39	11.39
Unquoted:		
716 (Previous year 716) Equity shares of Bombay Mercantile Co-op Bank Ltd of Rs.30 each at par	0.22	0.22
Total	11.61	11.61
Aggregate value of quoted investments	11.39	11.39
Aggregate value of unquoted investments	0.22	0.22
Aggregate Market value of quoted investments	17.23	8.60

SCHEDULE 7
CURRENT ASSETS, LOANS AND ADVANCES

Inventories :

(As taken, valued and certified by the Management)

Raw Materials	410.28	725.50
Packing Materials	69.14	82.56
Stores and Spares	258.65	223.07
Finished Goods	2,621.93	2,755.75
Sub - Total	3,360.00	3,786.89

Sundry Debtors (Unsecured) :

Debts considered good ;

Outstanding for a period exceeding six months *	170.11	239.36
Others	870.59	705.94
Sub - Total	1,040.70	945.30

* Net of Provision for Doubtful Debts Rs.500.37 Lacs
(P.Y. Rs.376.05 Lacs)

Rama Phosphates Ltd.

	As At 31-Mar-07 Rs. in Lacs	As At 31-Mar-06 Rs. in Lacs
Cash and Bank Balances :		
Cash and Cheques in hand *	35.43	31.16
Balances with Scheduled banks :		
In Current Accounts	269.97	205.96
In Deposit towards Margin Money	115.04	104.32
* Cheques in hand Rs.10.80 Lacs (Previous year Rs. 15.00 Lacs)		
Sub - Total	420.44	341.44
Loans and Advances (Unsecured) :		
a) Advances recoverable in cash or kind or for value to be received.		
i. Considered Good	1,180.41	1,593.33
ii. Considered doubtful	768.96	26.36
Less: Provision for doubtful	(768.96)	(26.36)
b) Deposits with Government departments and others	246.09	204.99
Sub - Total	1,426.50	1,798.32

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities :

Advance from customers	570.47	450.45
Sundry Creditors for goods, services and Capital goods	764.96	1,005.50
Other liabilities and provisions	388.19	452.24
Unclaimed dividend	2.39	6.74
Interest accrued but not due	174.52	149.87
Sub - Total	1,900.53	2,064.80

Provisions :

Provision for Tax	21.54	22.23
Provision for FBT	—	2.38
Sub - Total	21.54	24.61
Total	1,922.07	2,089.41

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	For the year ended 31-Mar-07 Rs. in Lacs	For the year ended 31-Mar-06 Rs. in Lacs
SCHEDULE 9		
SALES AND OTHER INCOME		
Sales including Subsidy	18,132.45	17,261.50
Less : Excise Duty	125.16	201.45
Net Sales	18,007.29	17,060.05
Sales - Trading	30.75	—
Profit on sale of Assets	62.02	—
Exchange Fluctuation Gain	22.02	—
Miscellaneous Income	62.75	43.05
Total	18,184.83	17,103.10
SCHEDULE 10		
INCREASE / (DECREASE) IN STOCK		
Closing stock of Finished goods	2,621.93	2,755.75
Less: Opening stock of Finished goods	2,755.75	2,456.00
Total	(133.82)	299.75
SCHEDULE 11		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Cost:		
Opening stock	725.50	156.57
Add : Purchases	12,414.07	13,102.80
	13,139.57	13,259.37
Less : Closing stock	410.28	725.50
Raw Material Consumed	12,729.29	12,533.87
Packing Material consumed	648.17	484.43
Cost of traded goods	31.00	154.21
Sub - Total	13,408.46	13,172.51
Salary, Wages & Benefits:		
Salaries, Wages, Allowances, Gratuity and Others	593.88	570.98
Contribution to Provident Fund and others	44.25	41.62
Welfare and Other Benefits	23.54	18.79
Sub - Total	661.67	631.40

Rama Phosphates Ltd.

	For the year ended 31-Mar-07 Rs. in Lacs	For the year ended 31-Mar-06 Rs. in Lacs
Manufacturing Expenses:		
Power and Fuel	580.54	500.27
Stores Consumed	453.20	430.20
Repairs & Maintenance:		
Plant	124.88	112.16
Building	10.49	3.44
Others	2.89	4.10
Other manufacturing costs	158.38	203.01
Sub - Total	1,330.38	1,253.16
Selling and Distribution Expenses		
Freight Outward	1,479.55	1,173.24
Sales Promotion Expenses	54.14	61.29
Handling charges and godown rent	36.15	32.41
Discount and commission	4.70	13.83
Travelling	37.16	35.76
Others	8.80	5.89
Sub - Total	1,620.50	1,322.42
Other expenses:		
Legal and professional fees	65.71	47.66
Insurance	30.71	26.37
Travelling and conveyance	51.29	44.02
Vehicle maintenance	37.46	37.29
Directors sitting fees	0.37	0.37
Rent	1.19	2.96
Rates and Taxes	22.20	5.45
Provision for Doubtful debts, Subsidy and advances	201.59	(69.65)
Miscellaneous expenses	147.07	151.51
Loss on sale of Investment	—	0.20
Exchange rate Loss	3.26	18.20
Loss on sale of Fixed assets	0.39	0.75
Donation	0.27	0.40
Sub - Total	561.51	265.53
Total	17,582.52	16,645.03

**SCHEDULE 12
FINANCIAL CHARGES**

Interest on Debentures and Fixed Loans	693.54	549.12
Other Finance charges	735.09	593.98
Total	1,428.63	1,143.10

SCHEDULE - 13

(Notes on the Accounts)

Year Ended 31st March 2007.

1. SIGNIFICANT ACCOUNTING POLICIES:

A) GENERAL

1. The accounts are prepared on the basis of the Historical Cost Convention and in accordance with generally accepted accounting principles and provisions of the Companies Act, 1956.
2. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis. Interest on unpaid call money is accounted for as and when received.
3. Sales include sale of by-products and are net of sales tax if any and includes subsidy.
4. Investments are valued at cost of acquisition. Only permanent diminution in the value of investments meant to be held for long term is recognised.

B) EXCISE DUTY

Excise duty liability on manufactured goods lying in factory premises is not provided for and also excluded in the valuation of stock- in trade.

C) FIXED ASSETS

Fixed Assets are stated at cost of acquisition including taxes, duties, freight and other incidental expenses related to acquisition and installation of the concerned assets and net off cenvat.

D) DEPRECIATION

Depreciation is provided on straight-line method, at the rates prescribed in Schedule XIV to the Companies Act, 1956 on a pro-rata basis commencing from the month of addition, except in case of plant and factory building of edible oil refinery and solvent extraction unit and Sulphuric acid plants where the depreciation is provided on written down value method.

E) EXPENDITURE DURING CONSTRUCTION YEAR

In case of new project and substantial expansion of existing plants, expenditure incurred including interest on funds deployed for the project is capitalised. On completion of the project, the cost is allocated to the respective fixed assets.

F) INVENTORIES

Inventories are valued as under:

Raw materials	:	at landed cost on a First in First out (FIFO) basis
Finished goods	:	at cost or net realisable value whichever is lower
Packing materials, stores & spares	:	at cost on a First in First out (FIFO) basis
Work In Process	:	at Material Cost

G) BORROWING COST

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of cost of the assets, upto the date the asset is put to use. Other Borrowing cost are charged to Profit & loss account in the year in which they are incurred.

H) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions where these are not covered by forward contracts. Liabilities in foreign currencies as on the date of balance sheet are converted at the exchange rate prevailing on that date.

The values of fixed assets acquired through specific Foreign Currency loans are adjusted, at the end of the financial year by any change in liability arising out of expressing the outstanding Foreign Currency loans at the exchange rates prevailing at the date of the balance sheet.

Rama Phosphates Ltd.

I) PROVISION FOR RETIREMENT BENEFITS.

Provision for Gratuity is made on the basis of actuarial valuation during the year. The company extends the benefits of encashment of leave to its employees while in service as well as on retirement and the same is provided for in the books of accounts.

J) SUBSIDY RECEIVABLE

Subsidy receivable are accounted on the basis of actual sales and the deductions if any from the same, made by the Certifying Authority, are accounted as and when the same are communicated to the Company.

K) REVENUE RECOGNITION

Revenue in respect of insurance / other claims are recognised only when it is reasonably certain that the ultimate collection will be made.

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:

- a) Amount of Letters of Credit and Bank Guarantee issued by banks Rs. 54.17 Lacs (Previous Year. Rs.16.21 Lacs)
- b) Service tax demand raised by excise authorities and disputed by the company Rs. 19.67 lacs (Previous year Rs.2.26 Lacs)
- c) Dividend on Optionally Convertible Preference shares Rs. 488.25 Lacs (Previous year Rs. 411.25 Lacs).
- d) Non-agriculture Tax raised by Tahshildar Haveli Pune Rs. Nil (Previous year Rs. 11.49 lacs)
- e) Disputed Excise duty on Furnace oil 55.30 lacs (Previous year Rs. 55.30 Lacs)
- f) CLAIMS NOT ACKNOWLEDGED AS DEBT**
 - i) Custom Duty, Excise duty, Demurrage, Sales Tax and Others Rs. 335.57 lacs (Previous year Rs. 297.36 Lacs)
 - ii) Wages Rs. 14.45 lacs (Previous year Rs. 19.25 Lacs)
 - iii) Railway Claim Rs. 4.22 lacs (Previous year Rs. 4.02 Lacs)

- 3. a)** The Company's Liabilities from Banks and Institutions have been restructured under the Corporate Debt Restructuring (CDR) package w.e.f. 1st July 2003 subject to certain terms & conditions, some of which are yet to be complied. During the current year, based on its own calculation, company has provided interest as per CDR package. Financial impact of the other terms and conditions envisaged in CDR package would be taken upon compliance of the same.
- b)** In compliance of the CDR package and pursuant to the provisions of Sec.100 of the Companies Act, 1956 and consent of members in the Annual General meeting of the Company held on 29th December 2004, the Hon'ble Bombay high court vide its order dated 10.06.2005 has sanctioned the reduction of Paid up Equity Share capital of the Company from Rs. 13,89,25,660/- divided into 1,38,92,566 Equity Shares of Rs.10/- each to Rs. 5,55,70,260/- divided into 55,57,026 Equity Shares of Rs.10/- each by cancelling 60% of the existing Share Capital of the Company. Accordingly, Issued, Subscribed and Paid up Share capital of the Company stands reduced and consequent to this, accumulated losses have been reduced to the extent of Rs.8,33,55,400/-
- c)** 15% Non-Convertible Debentures amounting to Rs. 1500 lacs issued during the last quarter of 1999 were to be redeemed in 3 equal instalments at the end of 5th, 6th and 7th year. After giving effect to the CDR package, these are now redeemable in 36 quarterly instalment commencing from October 2005.
- d)** 12% Optionally Convertible Cumulative Preference Shares amounting to Rs. 1000 Lacs issued during last quarter of 2000 were Optionally redeemable at the end of 4th, 5th and 6th year. After giving effect of CDR package, dividend rate is reduced to 5.85% and these are now may be redeemed in 3 annual instalment commencing from year 2011 at the option of the shareholders.
- e)** In view of the accumulated losses, no provision has been made during the year towards Debenture Redemption Reserve and Capital Redemption Reserve.
- f)** The Company has submitted a fresh proposal for restructuring of debts and rehabilitation to the secured lenders. The same is under consideration.

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4. In accordance with the provisions of Accounting Standard 22 (AS-22) issued by the Institute of Chartered Accountants of India pertaining to Accounting for Taxes on Income, the Company had recognised deferred tax income of Rs. 400 lacs by crediting the Profit and Loss Account for the eighteen months period ended 30th June 2001. The utilisation of the deferred tax asset will depend upon the sanction of financial rehabilitation package made by the Company, pending with Banks and Institutions. Considering the current year results and the projections for the immediate future, no further provision for deferred tax asset is being made for the year.

5. REPORTING OF SEGMENT WISE REVENUE, RESULT AND OTHER DETAILS

UNDER CLAUSE 41 OF THE LISTING ARRANGEMENT

The Company has disclosed Business Segments as its primary segments. Reporting segments have been identified as Fertilizer and Oil, taking into accounts the nature of product, the different risk and returns, the organizational structure and the internal reporting system

The company caters mainly to the need of domestic market. The direct export turnover is insignificant during the year. As such there are no reportable geographical segments.

Segment revenue, Segment results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis to the respective segments.

The expenses, which are not directly relatable to the business segments, are shown as unallocated costs.

Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities

(Rs. in Lacs)				
Segments	Fertilisers	Oil	Unallocable	Total
a) Segment Revenue	12,853.08 <i>11,088.05</i>	5,184.96 <i>5,972.00</i>	146.79 <i>43.05</i>	18,184.83 <i>17,103.10</i>
b) Segment Result	147.41 <i>296.58</i>	(59.63) <i>2.80</i>	62.58 <i>(52.22)</i>	150.37 <i>247.16</i>
c) Interest and financial cost — For the year	—	—	(1,428.63) <i>(1,143.10)</i>	(1,428.63) <i>(1,143.10)</i>
d) Net Corporate Office Expenses	—	—	—	(898.61) <i>(150.95)</i>
e) Profit / (Loss) as per Profit & Loss Account	—	—	—	(2,167.41) <i>(1,032.32)</i>
f) Segment Assets	8,820.23 <i>9,496.33</i>	1,417.51 <i>987.37</i>	1,063.11 <i>1,764.32</i>	11,300.85 <i>12,248.02</i>
g) Segment Liabilities	5,120.97 <i>5,113.71</i>	1,514.36 <i>1,720.52</i>	11,976.68 <i>10,827.45</i>	18,612.00 <i>17,661.68</i>
h) Cost Incurred during the year to acquire Segment Assets	55.86 <i>18.86</i>	1.31 <i>0.11</i>	13.09 <i>9.19</i>	70.26 <i>28.16</i>
i) Segment Depreciation	489.44 <i>481.30</i>	69.53 <i>76.78</i>	4.49 <i>4.86</i>	563.46 <i>562.94</i>
j) Non-Cash Expenses other than Depreciation	2.33 <i>4.79</i>	—	665.52 <i>0.95</i>	667.85 <i>5.74</i>

(Previous year figures shown in Italics)

Rama Phosphates Ltd.

6. Earnings per share (EPS) is calculated as under:

	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
a) Numerator- Net Profit / (Loss) before tax and extraordinary items	(2167.42)	(1032.27)
Net Loss attributable to equity share holders	(2167.42)	(1032.27)
b) Denominator — number of Equity Shares outstanding	5,557,026	5,557,026
c) Nominal value of Shares (in Rs.)	10	10
d) Earning per share (on reduced capital as per Note 3 (b))	(39.00)	(18.58)

7. Payments to Auditors

	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
<i>Statutory Auditors:</i>		
Audit fees	4.39	2.58
Out of pocket expenses	0.19	0.21
Tax audit	1.31	1.00
Certification	0.96	0.66
Management services (including Income Tax matters)	0.31	1.91
Total	7.15	6.36

8. Salaries, Wages & Benefits includes Remuneration to Managing Director & * Manager

	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
Salaries and allowances	14.38	21.33
Contribution to provident fund	1.06	1.57
Perquisites	0.69	0.60
Total	16.14	23.50

* (Part of the year)

9. The computation of net profit for the purpose of Directors' Remuneration under Section 349 of the Companies Act, 1956, has not been given in view of accumulated losses as on balance sheet date

10. In the absence of information from suppliers of their status being small scale/ancillary undertakings, amount overdue and interest payable thereon, if any, cannot be quantified.

11. Details of Expenditure allocated & debited to Fixed assets during the year

	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
Other Expenses	10.91	—

12. Difference due to exchange rate fluctuation has been debited / credited as follows:

	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
Other expenses / (Miscellaneous income) including prior period items	(18.76)	18.20

13. Related party disclosure under Accounting Standard -18

a) The list of the related parties as identified by the management is as under:

I) Enterprises over which Key Management Personnel, with their relatives, is able to exercise significant influence.

Rainbow Denim Limited
 Rainbow Agri Industries Limited
 Rama Petrochemicals Limited
 Rama Industries Limited
 Blue Lagoon Investments Private Limited
 True bell Holding & Impex Pvt. Limited
 Rama Enterprises
 Rama Capital and Fiscals Services Limited
 Integrated Port Services (India) Limited
 Goodearth Credit and Investment Limited
 Trishul Mercantile Pvt. Ltd.
 Libra Mercantile Pvt. Ltd.

II) Key Management Personnel (KMP) and their relatives

D J Ramsinghani — Chairman & Managing Director
 A N Manudhane — Chief Executive Officer

b) The following transactions were carried out with the related parties

Sl. No.	Particulars	Key Management personnel and their relatives Rs. in lacs	Enterprise over which KMP, with their relative, is able to exercise significant influence Rs. in lacs
1.	Balance outstanding as of 31.3.2007		
	Receivable	—	1,083.56
		—	(1,083.56)
	Payable	—	—
		—	(29.75)
2.	Balance outstanding as Investments as on 31.03.2007	—	11.39
		—	(11.39)
3.	Payment made on their behalf	—	7.49
		—	(0.05)
4.	Payment made on our behalf	—	—
5.	Loans & Advances given / repaid	—	152.00
		—	(6.57)
6.	Loans & Advances received / recovered	—	129.74
		—	(61.88)
7.	Share Application money received	—	269.93
		—	(381.60)
8.	Remuneration to KMP	27.30	—
		(23.50)	—

(The figures of the previous year has been shown in the bracket)

14. Loans and advances of Rs. 1083.56 Lacs (Previous Year Rs. 1,083.56 Lacs) referred to in note 13 (b) above are free of interest. This includes an amount of Rs. 665.52 Lacs (Previous year Rs. 665.52 Lacs) due from a Sick Company and its subsidiary against which provision has been made during the year. Further, during the year Company had granted short-term advances of Rs. 45 lacs, which has been received back. Non-charging of interest and granting of short term advance is in contravention of the provision of the Companies Act 1956.

Rama Phosphates Ltd.

15. a) Subsidy receivable is netted off from provision for doubtful subsidy receivable aggregating Rs.37.46 lacs (Previous year Rs. 45.18 Lacs)
b) Sales includes Subsidy Rs. 2938.72 Lacs (Previous Year Rs. 2000.12 Lacs)

16. In the opinion of the Board:

- a) All the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business.
b) All the known liabilities have been provided for and there is no liability, contingent or otherwise, except those which are stated in the accounts.

17. Previous year figures have been regrouped / rearranged, wherever necessary.

18. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3, 4C and 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT

A) Capacity and Production

Installed Capacity P.A.	Production Qty (Mts.)	Qty (Mts.)
Single Super Phosphates ☐	462,000 (462,000)	293,359 (247,673)
Sulphuric Acid	183,600 (183,600)	99,415 (100,145)
Granulated SSP	198,000 (198,000)	76,105 (66,645)
NPK	60,000 (60,000)	2,043 (3,131)
Solvent Extraction Plant, Seed Crushing	120,000 (120,000)	33,156 (44,998)
Refinery	30,000 (30,000)	3,418 (1,185)

☐ Includes 76,105 MT consumed for granulation (Previous year 66,655 MT)

Figures in the brackets are for the previous year.

The details of the licensed Capacity has not been given as the Industry have been de-licensed.

B) Stock of Finished Goods

	31.03.2007		31.03.2006		31.3.2005	
	Qty. (Mts.)	Rs. in lacs	Qty. (Mts.)	Rs. in lacs	Qty. (Mts.)	Rs. in lacs
Single Super Phosphates (Powdered and granulated)	64,509	2,080.39	72,567	2,336.10	70,613	2,094.88
Sulphuric Acid (98%)	3,601	74.03	3,948	86.05	3,062	65.00
N P K	1,686	109.07	184	11.36	283	17.21
Oil	962	347.76	954	315.92	465	178.50
De-oiled Cake	101	10.68	79	6.32	974	95.49

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C) Turnover	31.03.2007		31.03.2006	
	Qty. (Mts.)	Rs. in lacs	Qty. (Mts.)	Rs. in lacs
Single Super Phosphates (including Subsidy) (Powdered and granulated)	□ 301,418	11,970.58	245,719	9,336.60
Sulphuric Acid 98%	□ 100,288	816.20	99,259	1,384.19
Oil	7,652	2,404.81	8,912	2,558.93
De-oiled Cake	27,588	2,756.85	38,436	3,384.53
N P K	541	37.22	3,230	210.83
Traded goods	—	30.76	—	156.05
Others		21.63		28.91

□ Includes 500MT Captive consumption (P.Y. 850 MT)

□ Includes 58,996MT Captive consumption (P.Y. 40,191 MT)

D) Raw Material Consumed	31.03.2007		31.03.2006	
	Qty. (Mts.)	Rs. In lacs	Qty. (Mts.)	Rs. In lacs
Rock Phosphates	164,372	5,540.45	140,863	4,139.68
Sulphur	33,475	1,652.80	33,762	1,823.38
Oil Seeds	33,156	4,654.11	44,998	5,383.78
Traded goods	—	31.00	—	154.21
Others	—	881.94	—	1,187.03

E) Value of Imported and Indigenous Raw Material Consumed

	31.03.2007				31.03.2006			
	Raw Materials Rs. in lacs	Stores & Spare Parts % Rs. in lacs	Raw Materials % Rs. in lacs	Stores & Spare Parts % Rs. in lacs	Raw Materials % Rs. in lacs	Stores & Spare Parts % Rs. in lacs	Raw Materials % Rs. in lacs	Stores & Spare Parts % Rs. in lacs
Imported	2,117.37	16.59	—	—	1,307.57	10.31	46.17	10.73
Indigenous	10,642.93	83.41	453.20	100.00	11,380.51	89.69	384.03	89.27
Total	12,760.30	100.00	453.20	100.00	12,688.08	100.00	430.20	100.00

F) C.I.F. Value of Imports	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
Raw Material	1,515.69	1,127.92
Stores	—	38.68

G) Earnings in Foreign Exchange	31.03.2007	31.03.2006
	Rs. in lacs	Rs. in lacs
FOB Value of Exports	—	31.09

For and on behalf of the Board

D.J. RAMSINGHANI
Chairman & Managing Director

A.N. MANUDHANE
Chief Executive Officer

Place : Mumbai
Dated: 29th June, 2007

J.K. PARAKH
Company Secretary

D.N. SINGH
Director

Rama Phosphates Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

	Year ended 31st March, 2007 Rs. in lacs	Year ended 31st March, 2006 Rs. in lacs
A. Cash flow from Operating activities		
Net Profit/(Loss) before taxation and extra ordinary items	(1,523.59)	(1,030.28)
Adjustments for:-		
Depreciation	563.46	562.94
Debenture issue expenses written off	—	0.78
Loss on sale of Investment	—	0.20
Deferred Revenue Exp.	—	4.01
Foreign exchange (gain) / loss	(18.76)	18.20
Interest and financing charges	1,428.63	1,143.10
Profit on sale of assets	(62.02)	—
Loss on sale of Assets	0.39	0.75
	1,911.70	1,729.98
Operating profit before working capital changes	388.11	699.70
Decrease / (Increase) in trade and other receivables	84.12	(471.06)
Decrease / (Increase) in inventories	426.88	(915.21)
Increase / (Decrease) in Short term borrowings	607.24	633.77
Increase / (Decrease) in trade payables	(166.64)	542.80
	951.60	(209.70)
Cash generated from Operations	1,339.71	490.00
Interest	(1,428.63)	(1,143.10)
Cash flow before Extra-ordinary items	(88.92)	(653.10)
Prior period items	(11.56)	(57.07)
Foreign exchange gain / (loss)	18.76	(18.20)
Excess provision & dep. w/back & debit bal.w/off	45.88	69.65
Provision for Doubtful Advances	(665.52)	—
Fringe Benefit Tax	(12.63)	(14.58)
Net Cash from Operating Activities (A)	(713.98)	(673.31)
B. Cash flow from investing activities		
Purchase of fixed assets	(69.82)	(28.11)
Sale of fixed assets	21.13	0.49
Profit on sale of fixed assets	62.02	—
Sale of investments	—	(27.63)
	13.33	(0.00)
Net cash used in Investing Activities (B)	13.33	(27.63)
C. Cash flows from financing activities		
Share Capital	269.93	381.60
Calls in Arrears received	—	10.18
Increase in long term borrowings	528.88	322.85
Increase in unsecured loan	(18.47)	21.06
	780.34	735.69
Net cash from Financing Activities (C)	780.34	735.69
Net increase in cash and cash equivalent (A+B+C)	79.00	34.76
Cash and cash equivalents (Opening balance)	341.44	306.70
Cash and cash equivalents (Closing balance)	420.44	341.44

As per our report of even date attached.

For **DAYAL AND LOHIA**
Chartered Accountants

ANIL LOHIA
Partner

Place : Mumbai
Dated: 29th June, 2007

For and on behalf of the Board

D.J. RAMSINGHANI
Chairman & Managing Director

J.K. PARAKH
Company Secretary

A.N. MANUDHANE
Chief Executive Officer

D.N. SINGH
Director

22ND ANNUAL REPORT 2006-2007

**STATEMENT PURSUANT TO PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration details			
Registration no.:	<input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="1"/> <input type="text" value="7"/>	State code	<input type="text" value="1"/> <input type="text" value="1"/>
Balance sheet date	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="7"/>		
II Capital Raised during the year (Amount in Rs. Lacs)			
Public Issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Rights issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
Bonus issue	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>	Private placement	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
III Position of mobilization and deployment of funds (Amount Rs. In Lacs)			
Total liabilities	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="9"/>	Total assets	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="9"/>
Sources of funds			
Paid up capital	<input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="8"/> <input type="text" value="3"/>	Reserves and surplus	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/>
Secured loans	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="6"/> <input type="text" value="9"/>	Unsecured loans	<input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="2"/> <input type="text" value="2"/>
Application of funds			
Net fixed assets	<input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="9"/> <input type="text" value="4"/>	Investments	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="6"/>
Deferred Tax Assets	<input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>		
Net current assets	<input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="3"/>		
Accumulated losses	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="3"/>	Misc. expenditure	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>
IV Performance of the company (Amount Rs. In Lacs)			
Turnover	<input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="1"/>	Total expenditure	<input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="3"/> <input type="text" value="8"/>
Profit/loss before tax	<input type="text" value="-"/> <input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="8"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="6"/>	Profit/loss after tax	<input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="5"/>
Earnings Per Share	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="-"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="0"/>	Dividend rate %	<input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/>
V Generic names of three principal products of the company (as per monetary terms)			
i) Item code No.	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>		
(ITC Code)			
Product description:	Single Super Phosphate		
ii) Item code No.	<input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="7"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/>		
(ITC Code)			
Product description:	Soya bean oil		
iii) Item code No.	<input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="0"/> <input type="text" value="2"/>		
(ITC Code)			
Product description:	Soya bean De oiled cake		

Schedule 1 to 13 annexed hereto form part of the Balance Sheet and Profit & Loss Account.
As per our Audit report of even date attached.

For **DAYAL AND LOHIA**
Chartered Accountants

ANIL LOHIA
Partner

Place: Mumbai
Dated: 29th June 2007

For and on behalf of the Board

D.J. RAMSINGHANI
Chairman & Managing Director

J.K. PARAKH
Company Secretary

A.N. MANUDHANE
CEO

D.N. SINGH
Director

RAMA PHOSPHATES LIMITED

Regd. Office : 812, Raheja Chambers, Nariman Point, Mumbai 400 021.

PROXY FORM

For Dematted Shares

DP ID	
-------	--

CLIENT ID	
-----------	--

For Physical Shares

REGD. FOLIO NO.	
-----------------	--

NO. OF SHARES HELD	
--------------------	--

I/We _____ s/o, w/o, d/o _____

residing at _____

_____ being member/member(s) of the above named company hereby

appoint Mr./Ms. _____ residing at _____

_____ or failing him/her Mr./Ms _____

residing at _____

as my/our proxy to vote for me/us and on my/our behalf at the Twenty-second Annual General Meeting of the Company to be held on Tuesday the 18th day of September, 2007 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, 12, K Dubhash Marg, Fort, Mumbai 400 001.

Signed this ____ day of _____, 2007

Affix
Revenue
Stamp of
Rs. 0.15

Signature

(Please sign across the Stamp)

Note : This form in order to be valid should be duly stamped, completed and signed and must reach the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

RAMA PHOSPHATES LIMITED

Regd. Office : 812, Raheja Chambers, Nariman Point, Mumbai 400 021.

ATTENDANCE SLIP

For Dematted Shares

DP ID	
-------	--

CLIENT ID	
-----------	--

For Physical Shares

REGD. FOLIO NO.	
-----------------	--

NO. OF SHARES HELD	
--------------------	--

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty-second Annual General Meeting of the Company held on Tuesday the 18th day of September, 2007 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, 12, K Dubhash Marg, Fort, Mumbai 400 001

Member's/Proxy's name in BLOCK letters

Member's / Proxy's Signature

(Shareholders attending the meeting in person or by proxy are requested to complete the Attendance Slip and hand over the same at the entrance of the meeting Hall.)

BOOK-POST

If undelivered please return to:
Intime Spectrum Registry Limited,
Unit: Rama Phosphates Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W)
Mumbai 400 078