



Rama Phosphates Limited

23RD ANNUAL REPORT

2007-2008

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

D. J. Ramsinghani

DIRECTORS

D. N. Singh

C. R. Malaviya

V. T. Khardekar (up to 07.08.2008)

Yashpal Gupta - Nominee Director of IDBI

R. C. Khurana - Nominee Director of BOI

Luke Fernandez - Nominee Director of UTI

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 AGENT

INTIME SPECTRUM REGISTRY LTD.

C-13, Pannalal Silk Mills Compound,

L. B. S. Marg, Bhandup (West),

Mumbai 400 078

Tel.: 2596 3838 Fax No. : 2594 6969

Email : isrl@intimespectrum.com

ADMINISTRATIVE OFFICE

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

106, 1st Floor, 4-A, Vinayak Complex,

Opp. St. Mary's Convent School,

New Fatehpura, Udaipur 313 004

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

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 Third Annual General Meeting of the Members of the Company will be held on Monday, the 29th day of September 2008 at 10.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001 to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2008 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. D. N. Singh 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.”

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

“RESOLVED THAT subject to such approvals, consents and sanctions as may be necessary and further subject to such terms, conditions, stipulations and restrictions as may be imposed by the authorities while granting such approvals, consents and sanctions, the consent of the Members be and it is hereby accorded pursuant to the provisions of Sections 198, 269, 309 Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 for the reappointment of Mr. D. J. Ramsinghani as the Managing Director of the Company for a period of three years from April 1, 2008 on the terms and conditions as set out in the draft agreement between the Company and Mr. D. J. Ramsinghani placed before the meeting and for the purpose of identification initialed by the Chairman hereof.”

“FURTHER RESOLVED THAT the Directors be and they are hereby authorised to execute the Agreement, in terms of the said draft with such alterations, changes and/or variations as may be agreed between the Directors and Mr. D. J. Ramsinghani .”

“FURTHER RESOLVED THAT the Board of Directors be and it is hereby authorised to take such steps as may be necessary to give effect to the above Resolutions.”

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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday the 22nd day of September 2008 to Monday the 29th day of September 2008 (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.

Rama Phosphates Ltd.

5. 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.
6. 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.

By Order of the Board
For RAMAPHOSPHATES LIMITED

Place : Mumbai
Date : August 14, 2008

J. K. PARAKH
COMPANY SECRETARY

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956 WITH REFERENCE TO THE SPECIAL BUSINESS SPECIFIED IN THE NOTICE CONVENING THE TWENTYTHIRD 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.

ITEM NO. 4

The Board of Directors of the Company, at their meeting held on April 29, 2008, have reappointed Mr D. J. Ramsinghani as the Managing Director of the Company for a period of three years from April 1, 2008 subject to such consents, approvals and sanctions as may be required.

The terms and conditions of the reappointment of Mr. D. J. Ramsinghani as the Managing Director of the Company are as follows :

1. Date of Reappointment : April 01, 2008
2. Period of Reappointment : Three years from April 01, 2008
3. Salary : Rs. 90,000/- per month in the grade of 90000 – 5000 – 100000 with annual increments on 1st April in each year.
4. Perquisites & Allowances :

In addition to the salary, Mr. D. J. Ramsinghani as the Managing Director shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings and repairs, servants allowance, contribution to Provident Fund and Superannuation or Annuity Fund as per the Rules of the Company, Gratuity as per the Rules of the Company, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance for self and family, life insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors and Mr. D. J. Ramsinghani, PROVIDED such perquisites and allowances will be subject to a maximum of his Annual basic salary.

Perquisites and allowances shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the

purpose of calculating the said ceiling. Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income-tax Act, gratuity payable as per the rules of the Company and encashment of leave at the end of his tenure shall also not be included in the computation of limits for the remuneration or perquisites aforesaid.

5. Commission :

1% of the Net Profit subject to a maximum of his Annual basic salary as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 198 and 309 of the Companies Act, 1956.

6. Minimum Remuneration

Notwithstanding anything herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, subject to the requisite approvals being obtained.

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

Mr. D. J. Ramsinghani may be deemed to be concerned or interested in the Resolution as it relates to his own appointment.

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

By Order of the Board
For RAMA PHOSPHATES LIMITED

Place : Mumbai
Date : August 14, 2008

J. K. PARAKH
COMPANY SECRETARY

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 are given below :

Mr. D. N. Singh is a Chemical Engineer from Banaras Hindu University and has over 42 years experience in the field of Chemicals and Petrochemicals. He has held senior positions in several companies viz. Synthetics and Chemicals Ltd., Cyanides and Chemicals Co., Alkyl Amines Chemicals Ltd. etc. Mr. D. N. Singh does not hold any Equity Shares of the Company.

He is a Director of the following companies :

- | | |
|---------------------------------|--|
| (1) Rama Petrochemicals Limited | (2) Rainbow Denim Limited |
| (3) Rama Industries Limited | (4) Rama Capital and Fiscal Services Pvt. Ltd. |

He is a Committee Member / Chairman in the following companies:

Rama Petrochemicals Limited

Audit Committee - Member
Shareholders Committee - Member
Share Transfer Committee - Chairman

Rainbow Denim Limited

Audit Committee - Member
Shareholders Committee - Chairman
Share Transfer Committee - Member
Remuneration Committee - Member

Rama Industries Limited

Share Transfer Committee - Member

DIRECTORS' REPORT

Your Directors present the Twenty Third Annual Report together with Audited Accounts for the year ended March 31, 2008.

FINANCIAL RESULTS	(Rs. in lacs)	
	YEARENDED 31/03/2008	YEARENDED 31/03/2007
Sales & Other Income	26725.88	18184.83
Profit before financial charges & Depreciation	1177.56	468.50
Less: Financial Charges	118.38	1428.63
Profit/(Loss) before Depreciation and amortization	1059.18	(960.13)
Less : Depreciation and other amortization	517.23	563.46
Net Profit/(Loss) for the year	541.95	(1523.60)
Prior year Adjustment (Net)	(36.60)	(11.56)
Waiver of interest as per modified CDR Package	5533.73	—
Excess Provision for depreciation written back	—	14.39
Sundry Debtors / Creditors Balance written off	0.28	(16.16)
Provision for doubtful advances	—	(665.52)
Excess provision written back	6.79	47.65
Fringe Benefit Tax	(13.31)	(12.63)
Profit/(Loss) after adjustments	6032.84	(2167.43)
Profit & Loss balance brought forward from the previous year	(11632.03)	(9464.60)
Balance carried to Balance Sheet	(5599.19)	(11632.02)

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

The company is engaged in manufacture of fertilizer namely, Single Super Phosphate (SSP), NPK, Sulphuric Acid and Soya oil. The capacity utilization during the year was 46.32% as compared to 63.51% in the previous year. The reduction in capacity utilization was mainly on account of scarcity of indigenous raw material namely, Rock Phosphate coupled with steep rise in cost of imported Rock Phosphate in international market. The year also witnessed steep rise in the cost of another raw material, Sulphuric Acid. Due to all around increase in the cost of raw material on one side and stagnant MRP of the fertilizers fixed by the Govt., the Company took a conscious decision to keep production at the optimum level so as to improve bottom line. The Company also decided to concentrate on other products like mixed fertilizers – NPK of various grades, Sulphuric acid, Oleum etc. The combined results of the activities undertaken ultimately helped the Company in improving the bottom line drastically. During the year, the Oil Division crushed 70316 MT Soya seed as compared to 33156 MT in previous year.

In view of constant increase in input costs in domestic as well as international market, fertilizer industry continued pressure on Central Govt. to upwardly revise MRP as also compensate increased cost by revising subsidy amount. After due persuasion, during the year, Central Govt. partially compensated increased cost on account of increase in freight. The revised subsidy scheme has since been announced by the Govt. for the year 2008-09.

During the year Corporate Debt Restructuring – Empowered Group (CDR-EG) approved company's proposal of debt restructuring which envisaged waiver of interest and other reliefs based on sustainable debt capacity of the Company. This has substantially reduced interest burden on the company and helped in improving its performance.

Your Directors are hopeful that all around efforts made by the Company in achieving production efficiency, improving brand image and thriving for higher capacity utilization, will help the Company to stay afloat in competitive market. Various reliefs and concessions approved by CDR-EG will further strengthen Company's position in future.

3. FUTURE PROSPECTS

Sincere efforts made by the company in optimizing its capacity utilization in spite of severe scarcity of basic raw material, has helped the company to keep an edge over its competitors. Various reliefs and concessions granted to the company by CDR-EG will further help the company in saving substantial interest costs and ultimately will help in easing liquidity position. Also, the recent announcement of subsidy revision by Central Govt. will further help the company to keep increased cost compensated fully and thereby achieve higher capacity utilization. Increase in top line will ultimately lead to improve profitability of the company. As a strategy, company is now concentrating on mixed fertilizers – NPK of various grades – to utilize its idle capacity. Similarly, Company is also concentrating in increasing capacity of Soya seed crushing and with the availability of seeds round the year, Company will be able to run the plant during off-season. Combined results of all these activities are helping the Company to slowly improve its performance which is evident from the results placed before the members.

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.

The Operating Agency has since submitted Debt Rehabilitation Scheme (DRS) in line with Corporate Debt Restructuring proposal already approved by CDR-EG. The Company is hopeful of getting the rehabilitation proposal approved by BIFR shortly.

5. CORPORATE DEBT RESTRUCTURING (CDR)

Your Directors are pleased to inform you that during the year CDR – EG has approved company's revised debt restructuring proposal. As per the revised debt restructuring package approved, the CDR members have sanctioned various reliefs / concessions envisaging revision in repayment schedule, waiver of entire overdue interest, FITL, deferred interest, accrued interest, penal interest, liquidity damage etc. This has brought down interest burden of the company substantially.

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, 2008 and of the Profit of the Company for the year ended March 31, 2008;
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

Your Directors deeply regret to inform you about the sad demise of Mr. V T Khardekar on 7th August, 2008. The Board places on record its appreciation of the valuable contribution made to the Company during his tenure and the company immensely benefited in marketing strategy suggested by him.

Shri Deonath Singh retires from the Board of Directors by rotation and is eligible for re-appointment.

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 and the company is hopeful of getting the same. In respect of ascertainment of dues with small scale industries, the Company is revising procedure for purchase so that relevant information can be easily made available. As regards interest free loan given to sick company and its subsidiary in earlier years, the company has made provision in the books of accounts and at the same time the Company is making full efforts for recovery of these dues. As regards defaults to secured lenders, the company liabilities are now restructured under CDR mechanism hence the company would be able to fulfill commitments as per committed schedule.

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. COSTAUDIT

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 2008-09.

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 : August 14, 2008

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, 2008.

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 proposal 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 proposal for further reduction in consumption of energy.

Rama Phosphates Ltd.

- 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 31.03.2008	12 months ended 31.03.2007
i) Electricity		
a) Purchased:		
Units (in thousands)	7484	5383
Total amount (Rs. in lacs)	367.98	267.79
Rate / Unit (Rs.)	4.91	4.97
b) Own Generation:		
i) Through diesel generator:		
Units (in thousand)	64.78	90.90
Units per litre of diesel oil	2.87	3.12
Cost / Unit (Rs.)	11.67	10.21
ii) Through steam turbine/generator :		
Units (in thousand)	5265	11656
Units per M.T of Steam	92.54	110.47
Cost / Unit (Rs.)	1.99	1.18
ii) Coal (Rs. in lacs)	227.55	172.93
iii) Furnace Oil (Rs. in lacs)	53.38	131.98

b) **CONSUMPTION PER UNIT OF PRODUCTION:**

SSP: Single Super Phosphate GSSP: Granulated SSP SA: Sulphuric Acid
SEP : Solvent Extraction Plant

	31.03.2008						31.03.2007					
	Refinery	SEP	SSP	GSSP	SA	NPK	Refinery	SEP	SSP	GSSP	SA	NPK
Electricity (Units) PMT	95.00	37.59	21.13	12.53	67.22	33.00	55.35	40.03	20.96	14.50	66.98	NIL
Furnace Oil Litre	NIL	NIL	1.10	NIL	NIL	NIL	NIL	NIL	1.15	10.55	NIL	NIL
Coal PMT	93.75	62.09	NIL	28.38	NIL	35.00	96.47	54.00	NIL	25.16	NIL	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 exported Soya De Oiled Cake. The Company is looking forward for increase in export volume in coming period.

b. Total foreign exchange used & earned :

	(Rs. in lacs)
Used:	1022.37
Earnings:	67.98

For and on behalf of the Board

Place : Mumbai
Dated : August 14, 2008

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 Six Directors. (One Executive and Five 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 Director-ships 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	Five	Yes	One	Nil	Nil
Mr. Deonath Singh Director	Non Executive Independent	Three	Yes	Four	One	Three
Mr. C. R. Malaviya Director	Non Executive Independent	Five	Yes	One	One	Nil
Mr. V. T. Khardekar Director (upto 07.08.2008)	Non Executive Independent	Four	Yes	One	Nil	One
Mr. R. C. Khurana Nominee Director – BOI	Non Executive Independent	Four	No	One	Nil	Nil
Mr. Yashpal Gupta Nominee Director – IDBI	Non Executive Independent	Five	No	Nil	Nil	Nil
Mr. Luke Fernandez Nominee Director – UTI	Non Executive Independent	Four	No	One	Nil	Nil

- c) During the year Five Board Meetings were held on the following dates :
May 22, 2007, June 29, 2007, July 31, 2007, October 29, 2007 and January 28, 2008.

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 and Managing Director 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 May 22, 2007, June 29, 2007, July 31, 2007, October 29, 2007 and January 28, 2008. The attendance at Audit Committee meetings of each of the Directors is as follows:

Name of the Director	Attendance at Audit Committee Meetings
Mr. C. R. Malaviya	Five
Mr. Yashpal Gupta	Five
Mr. Luke Fernandez	Four

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 and demat/remat of share certificates etc. at least once in a fortnight. The transfers etc. approved by the Registrars and Transfer Agent and the Share Transfer Committee are also noted at every meeting of the Board of Directors. The Board has designated 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 one meeting of the Committee was held during the year under review.

7. Shareholders/Investors Grievances Committee

The committee presently comprises of Mr. D. N. Singh – 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	5	5
Non-Receipt of Dividend Warrants.	2	2
Non-Receipt of Annual Report	5	5
Non-Receipt Demat Credit/Remat Cert.	5	5
Non-Receipt of rejected DRF	3	3
Non-Receipt of Exchange Certificate	1	1
Non-Receipt of Endorsement Stickers	1	1
Miscellaneous	6	6
Letters from Stock Exchanges, SEBI and Ministry of Corporate Affairs	NIL	N.A.

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	15.60	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. Details of sitting fees paid to Non Executive Directors are as follows :

Name of Director	Sitting Fees (Rs.)
Mr. D. N. Singh	3000/-
Mr. C. R. Malaviya	10000/-
Mr. V. T. Khardekar	4000/-
Mr. Yashpal Gupta *	10000/-
Mr. R. C. Khurana **	4000/-
Mr. Luke Fernandez***	8000/-

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

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

*** Sitting Fees paid to UTI for meetings attended by its Nominee Director Mr. Luke Fernandez.

9. General Body Meetings

Financial Year	Date	Time	Location
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
2006-07	18/09/2007	10.00 A.M.	Babasaheb Dahanukar Hall, Oricon House, 12, K Dubhash Marg, Fort, Mumbai 400 001

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	Particulars
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
18.09.2007	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 29, 2008 at 10.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, K Dubhash Marg, Fort, Mumbai 400001.
Dates of Book Closure	:	September 22, 2008 to September 29, 2008 (Both Days Inclusive)
Dividend payment date	:	Not Applicable
Listing on Stock Exchange	:	Mumbai, Madras, M P, Calcutta, Ahmedabad, Delhi
Stock Code	:	524037
International Securities Identification Number allotted By NSDL	:	INE809A01024

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

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 2007	6.10	4.76
May 2007	6.32	4.10
June 2007	5.89	4.90
July 2007	6.40	4.61
August 2007	6.93	5.31
September 2007	8.85	5.55
October 2007	7.05	5.71
November 2007	8.20	5.60
December 2007	12.45	7.30
January 2008	16.35	8.69
February 2008	9.12	7.41
March 2008	7.99	5.33

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, 2008 :

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	9301	92.96	952595	17.14
501 – 1000	346	3.46	265333	4.77
1001 – 2000	185	1.85	288718	5.20
2001 – 3000	57	0.57	146410	2.63
3001 – 4000	36	0.36	126422	2.28
4001 – 5000	19	0.19	86941	1.56
5001 – 10000	30	0.30	210476	3.79
10001 & above	31	0.31	3480131	62.63
Total	10005	100.00	5557026	100.00

17. Shareholders' Profile as on March 31, 2008 :

Sr. No.	Category of Shareholders	No. of Shares held	% to Total Capital
1.	Promoters	2277612	40.99
2.	Foreign Collaborators	NIL	N. A.
3.	Banks	467842	8.42
4.	Financial Institutions	83640	1.50
5.	Foreign Institutional Investors	NIL	N. A.
6.	Mutual Funds	5320	0.09
7.	Domestic Companies	303272	5.46
8.	Non Resident Indians	93359	1.68
9.	General Public	2325981	41.86
	Total	5557026	100.00

18. Dematerialization of shares as on March 31, 2008:

89.93% of the Company's total equity share capital representing 4997523 shares are held in dematerialised form.

19. Plant Location :

- (1) 20/6, KM Stone, Indore – Ujjain Road, (Dharamपुरi), 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 Registrars and Transfer Agent – 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 D. N. Singh is proposed to be reappointed at the forthcoming Annual General Meeting. The relevant information about Mr. D. N. Singh is given in the Notice convening the Annual General Meeting.

For and on behalf of the Board,

Place : Mumbai
Dated : August 14, 2008

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, 2008, 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.

Place : Mumbai
Dated : August 14, 2008

D. J. RAMSINGHANI
CHAIRMAN AND MANAGING DIRECTOR

CERTIFICATE

To the Members of
RAMAPHOSPHATES LIMITED

We have examined the compliance of conditions of corporate governance by **RAMA PHOSPHATES LIMITED**, for the year ended on 31st March, 2008, 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 : 14th August, 2008

(Anil Lohia)
Partner

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Fertilizer : Company is predominantly engaged in Single Super Phosphate (SSP) business which is the most popular fertilizer in farming community. SSP provides basic nutrients like Phosphorous, Calcium and Sulphur which enhances soil fertility. The year witnessed sharp decline in SSP production mainly due to limited availability of Rock Phosphate from indigenous sources, steep rise in rock phosphate prices in international market and manifold rise in prices of sulphur (over 10 times) in past one year. The industry, on the other side, continuously exerted pressure on central government to compensate the industry by fixing right concession (subsidy) to the fertilizer. While Govt. of India in-principle have agreed to switch on fertilizer subsidy scheme from the present system to nutrient basis, pending implementation of this decision, Govt. of India in the month of April-08 has announced revised concession policy linking SSP subsidy to cost of major inputs namely, Sulphur and Rock Phosphate and this decision will certainly help the industry in getting part compensation of increased input costs. Implementation of fresh policy as also fixing uniform MRP throughout the country will definitely help SSP industry as a whole. Due to steep increase in prices of fertilizers like DAP / Complex fertilizers, SSP is likely to emerge as best possible alternative to fertilizers like DAP. Govt. of India is also trying to help the industry which may ultimately help the SSP fertilizer for the years to come.

Soya Oil : India is a major consumer of edible oil in the world and major part of this requirements is met through import of Palm oil. However, due to steady improvement in standard of living and awareness of benefit of soya oil, soya based edible oil is becoming popular due to nutritional value on one hand and competitive prices on the other. As on date, majority of middle and upper-middle class population is shifting to Soya oil from the traditional consumption pattern. It is interesting to note that Soya seed growing pattern has been spreading from M.P. to neighbouring states like Maharashtra, Rajasthan, Karnataka etc., due to remunerative prices to farmers. It is worthwhile to note that consumption of soya is gradually increasing on account of the properties of oil it contains and also due to high protein content. Traditionally soya meal is used to provide low cost hi-protein feed to animals; but of late, soya meal is also slowly being used for human consumption due to high nutritional value. In the years to come, the pattern is likely to grow further and it will definitely help Soya industry to grow further. Due to this property, Soya meal demand is also growing steadily in domestic market for both human as well as animal consumption.

2. OPPORTUNITIES AND THREATS

The Company is in the field of manufacture and sale of Phosphatic Fertilizers and Soya Oil. Whilst the phosphatic fertilizer demand is growing up steadily, day-by-day it is extremely difficult to procure the basic raw material required for producing Phosphatic fertilizer namely, Rock Phosphate. On one hand domestic stock of Rock Phosphate at Udaipur is sharply depleting whereas on the other hand miners / suppliers of Rock Phosphate worldwide are capitalizing on the growing demand by charging exorbitant prices.

Whilst the cost of production of SSP has steeply gone up during last one year Govt. of India has fixed uniform MRP throughout the country without any significant increase and the difference is being compensated by way of subsidy. Delay on part of Govt. of India in releasing the subsidy is causing great strain on working capital requirement of SSP manufacturers which may affect in maintaining production level.

3. SEGMENTWISE PERFORMANCE

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

4. OUTLOOK

Though Govt. of India has helped the industry in compensating costs by revising subsidy payment policy, the delay in payment of subsidy by Central Govt. is definitely hitting the industry in improving production level. The Govt. on the other hand is also under pressure due to manifold increase in subsidy bills which is expected to exceed Rs. 100,000 crores as compared to Rs. 45,000 crores in the last year. Whilst the company is trying its level best to increase in capacity utilization of fertilizer division by tightening the belt all around, current year's production will greatly depend on timely release of subsidy by Central Govt. In order to combat this situation, your company has strategically concentrating on mixed fertilizers like NPK of various grades to utilize its idle capacity which will not only generate additional revenue but also improve cash flow. The company is also planning minor diversification in product lines for improving its top and bottom line.

Increased availability of soya seeds during the last year helped the company to continue its operations partially in off-season and company proposes to continue the same trend in the years to come. The company is optimistic that soya division will perform at its full capacity and bring in better results in the year to come.

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 period sales amounted to Rs.26544.99 lacs as compared to Rs. 18051.01 lacs for the year ended March 31, 2007. The profit for the year is Rs. 6032.84 lacs as compared to loss Rs. 2167.43 lacs in the previous year.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial during the period 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 : August 14, 2008

D J RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS REPORT

To The Members of
RAMAPHOSPHATES LIMITED,

We have audited the attached Balance Sheet of Rama Phosphates Limited as at 31st March, 2008 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, 2008 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 parties' accounts;*
 2. *Note – 10 regarding non-disclosure of amounts overdue to small-scale industries;*
 3. *Note – 14 regarding 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, 2008; and
 - ii. in the case of the Profit and Loss Account, of the profit 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: 14th August, 2008

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, 2008.)

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. (i) 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:
 - a) The company has granted interest free loan to a party amounting to Rs.305.27 lacs in earlier years which is outstanding as on 31st March, 2008.
 - b) 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.
- (ii) 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:
 - a) The company had taken interest free loan from a party amounting to Rs.60 lacs which is fully repaid during the year.
 - b) 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.
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.
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, 2008, 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
Excise Duty	55.30	The Asst Commissioner of Customs & Central Excise, Pune
Excise Duty	6.62	The Additional Commissioner of Customs & Central Excise, Indore
Excise Duty	161.72	The Additional Commissioner of Customs & Central Excise, Indore
Excise Duty	57.03	The Additional Commissioner of Customs & Central Excise, Indore
Excise Duty	4.05	The Additional Commissioner of Customs & Central Excise, Indore
VAT (2001-02)	3.58	M.P.Commissioner Appeal, Bhopal
Purchase Tax (05-06)	8.37	Assistant Commissioner of Commercial Tax, Indore
Custom Duty	251.16	Joint Director of Foreign Trade
Custom Duty	328.17	Superintendent Customs, Alibag
Service Tax (1997-98)	15.10	Asst Comm – Service Tax, Pune
Service Tax	44.41	The Additonal Commissioner - Service Tax, Indore
Sales Tax	6.47	M.P.High Court, Indore
Sales Tax/CST (1997 to 2005)	687.12	Deputy Commissioner, Udaipur
M.P.Commercial Tax (03-04)	36.74	Deputy Commissioner Appeal, Indore
M.P.Commercial Tax (04-05)	44.06	Deputy Commissioner Appeal, Indore
CST (03-04)	35.65	Deputy Commissioner Appeal, Indore
CST (04-05)	15.89	Deputy Commissioner Appeal, Indore
Entry Tax (95-96)	3.91	Assistant Commissioner of Commercial Tax, Indore
Entry Tax (04-05)	0.30	Deputy Commissioner Appeal, Indore

10. The company has accumulated losses amounting to Rs. 5599.18 lacs as on 31st March, 2008. During the year company has not incurred cash loss and in the immediately preceding financial year, it has incurred cash loss of Rs. 1618.34 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. 296 lacs as on 31st march, 2008.*
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.
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

(**Anil Lohia**)
Partner
M.No.: 31626

Place: Mumbai
Date: 14th August, 2008

BALANCE SHEET

	Schedule	As At 31-Mar-08 Rs.In Lacs	As At 31-Mar-07 Rs.In Lacs
I SOURCES OF FUNDS			
1. Shareholders Funds			
Share Capital	1	1,550.83	1,550.83
Share Application Money		1,848.39	1,048.39
Reserves & Surplus	2	1,721.66	1,721.66
2. Loan Funds :			
Secured	3	9,314.22	15,482.69
Unsecured	4	1,706.44	1,207.22
Total		16,141.54	21,010.79
II APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	11,592.40	11,469.76
Less: Depreciation		8,080.82	7,570.82
Net Block		3,511.58	3,898.94
Capital Work In Progress		28.76	-
		3,540.34	3,898.94
2. Investments	6	11.61	11.61
3. Deferred Tax Asset		400.00	400.00
4. Current Assets, Loans & Advances			
Inventories		4,562.09	3,360.00
Sundry Debtors		604.88	1,040.70
Subsidy Receivable		981.21	742.66
Cash & Bank Balances		1,947.91	420.44
Loans & Advances		1,616.15	1,439.13
		9,712.24	7,002.93
Current Liabilities & Provisions	8	3,121.84	1,934.70
		6,590.40	5,068.23
Profit & Loss Account		5,599.19	11,632.03
		5,599.19	11,632.03
Total		16,141.54	21,010.79
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: 14th August 2008

J K Parakh
Company Secretary

D N Singh
Director

PROFIT AND LOSS ACCOUNT

	Schedule	For the year ended 31-Mar-08 Rs.In Lacs	For the year ended 31-Mar-07 Rs.In Lacs
INCOME			
Sales & Other Income	9	26,725.88	18,184.83
Increase / (Decrease) in Stock	10	(181.29)	(133.82)
		26,544.59	18,051.01
EXPENDITURE			
Manufacturing and Other expenses	11	25,367.03	17,582.52
Profit before Financial charges and Depreciation		1,177.56	468.50
Financial Charges	12	118.38	1,428.63
Profit/(Loss) before Depreciation & Amortisation		1,059.18	(960.13)
Depreciation		517.23	563.46
Net Profit/(Loss) for the Year		541.95	(1,523.60)
Prior Period adjustments (Net)		(36.60)	(11.56)
Waiver of Interest as per modified CDR Package		5,533.73	-
Excess Provision for Depreciation w/back		-	14.39
Sundry Dr / Cr balances written off		0.28	(16.16)
Provision for doubtful advances		-	(665.52)
Excess Provision w/back		6.79	47.65
Fringe Benefit Tax		(13.31)	(12.63)
Profit / (Loss) after adjustments		6,032.84	(2,167.43)
Add: Balance brought from Previous year		(11,632.03)	(9,464.60)
		(5,599.19)	(11,632.03)
APPROPRIATIONS			
Balance carried to Balance Sheet		(5,599.19)	(11,632.03)
		(5,599.19)	(11,632.03)
Earning Per Share (In rupees) (Refer Note no 6)			
Basic		108.56	(39.00)
Diluted		54.48	(18.06)
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: 14th August 2008

J K Parakh

Company Secretary

D N Singh

Director

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-08 Rs. in Lacs	As At 31-Mar-07 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
	<u>4,100.00</u>	<u>4,100.00</u>
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	<u>1,550.83</u>	<u>1,550.83</u>
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
	<u>1,692.64</u>	<u>1,692.64</u>
Capital Reserve	0.02	0.02
Total	<u>1,721.66</u>	<u>1,721.66</u>

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	As At 31-Mar-08 Rs. in Lacs	As At 31-Mar-07 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	3,214.22	5,712.91
Interest accrued and due	-	741.44
II From Banks :		
Cash Credit, Working Capital Demand Loans & Funded Interest	4,600.00	7,528.34
Total	9,314.22	15,482.69

Notes :

- 1 Working Capital facilities 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 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 owned by a firm in which director is intersted and also property situated at mumbai

SCHEDULE 4

UNSECURED LOANS

Loans & Deposits	1,706.44	1,207.22
Total	1,706.44	1,207.22

SCHEDULE 5

FIXED ASSETS

Description of the Asset	Gross Block At cost				Depreciation		Net Block			
	As at 01.04.07	Additions	Deductions/transfers	As at 31.03.08	As at 01.04.07	For the year	Deductions/transfers/adjustments	Total upto 31.03.08	As at 31.03.2008	As at 31.3.2007
Freehold Land & Site Dev	255.66	-	-	255.66	-	-	-	-	255.66	255.66
Building	1,742.01	1.08	-	1,743.10	796.66	53.82	-	850.48	892.62	945.35
Plant & Machinery	8,945.12	85.49	-	9,030.60	6,444.01	428.97	-	6,872.98	2,157.62	2,501.11
Railway siding	156.24	-	-	156.24	58.33	7.42	-	65.75	90.49	97.91
Furniture & Fixtures	69.59	1.44	-	71.02	46.59	4.56	-	51.15	19.87	23.00
Vehicles	127.11	29.04	8.00	148.15	96.16	12.14	7.24	101.06	47.09	30.95
Office Equipment	174.03	13.59	-	187.63	129.07	10.33	-	139.40	48.23	44.96
Total	11,469.76	130.64	8.00	11,592.40	7,570.82	517.24	7.24	8,080.82	3,511.58	3,898.94
Previous year	11,443.70	70.26	44.20	11,469.76	7,030.76	563.47	22.68	7,570.82	3,898.94	4,413.67

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	As At 31-Mar-08 Rs. in Lacs	As At 31-Mar-07 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	<u>12.26</u>	<u>12.26</u>
	12.26	12.26
Less :Provision for dimution in the value of investments	<u>0.87</u>	<u>0.87</u>
Sub - Total	<u>11.39</u>	<u>11.39</u>
Unquoted:		
716 (Previous year 716) Equity shares of Bombay Mercantile Co-op Bank Ltd of Rs.30 each at par	<u>0.22</u>	<u>0.22</u>
Total	<u>11.61</u>	<u>11.61</u>
Aggregate value of quoted investments	11.39	11.39
Aggregate value of unquoted investments	0.22	0.22
Aggregate Market value of quoted investments	36.62	17.23

SCHEDULE 7
CURRENT ASSETS, LOANS AND ADVANCES

Inventories :

(As taken, valued and certified by the Management)

Raw Materials	1,699.81	410.28
Packing Materials	100.18	69.14
Stores and Spares	321.46	258.65
Finished Goods	<u>2,440.64</u>	<u>2,621.93</u>
Total	<u>4,562.09</u>	<u>3,360.00</u>

Sundry Debtors (Unsecured) :

Debts considered good ;

Outstanding for a period exceeding six months*	390.60	170.11
Others	<u>214.28</u>	<u>870.59</u>
Total	<u>604.88</u>	<u>1,040.70</u>

* Net of Provision for Doubtful Debts Rs.497.30 Lacs (P.Y. Rs.500.37 Lacs)

Rama Phosphates Ltd.

	As At 31-Mar-08 Rs. in Lacs	As At 31-Mar-07 Rs. in Lacs
Cash and Bank Balances :		
Cash and Cheques in hand*	58.32	35.43
Balances with Scheduled banks :		
In Current Accounts	971.13	269.97
In Deposit towards Margin Money	918.46	115.04
* Cheques in hand Rs. Nil (Previous year Rs. 10.80Lacs)		
Total	1,947.91	420.44
Loans and Advances (Unsecured) :		
a) Advances recoverable in cash or kind or for value to be received.		
i. Considered Good	1,284.45	1,193.04
ii. Considered doubtful	772.95	768.96
Less: Provision for doubtful	(772.95)	(768.96)
b) Deposits with Government departments and others	331.70	246.09
Total	1,616.15	1,439.13
 SCHEDULE 8		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities :		
Advance from customers	1,538.98	570.47
Sundry Creditors for goods, services and Capital goods	974.08	764.96
Other liabilities and provisions	561.30	388.19
Unclaimed dividend	-	2.39
Interest accrued but not due	-	174.52
Sub - Total	3,074.36	1,900.53
Provisions :		
Provision for Tax	21.54	21.54
Provision for FBT	25.94	12.63
Sub - Total	47.48	34.17
Total	3,121.84	1,934.70

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	Year ended 31-Mar-08 Rs. in Lacs	Year ended 31-Mar-07 Rs. in Lacs
SCHEDULE 9		
SALES AND OTHER INCOME		
Sales including Subsidy	26,362.33	18,132.45
Less : Excise Duty	302.00	125.16
Net Sales	26,060.33	18,007.29
Sales - Trading	498.02	30.75
Profit on sale of Assets	-	62.02
Exchange Fluctuation Gain	73.31	22.02
Miscellaneous Income	94.22	62.75
Total	26,725.88	18,184.83
 SCHEDULE 10		
INCREASE/(DECREASE) IN STOCK		
Closing stock of Finished goods	2,440.64	2,621.93
Less: Opening stock of Finished goods	2,621.93	2,755.75
Total	(181.29)	(133.82)
 SCHEDULE 11		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Cost:		
Opening stock	410.28	725.50
Add : Purchases	21,552.23	12,414.07
	21,962.51	13,139.57
Less : Closing stock	1,699.81	410.28
Raw Material Consumed	20,262.70	12,729.29
Packing Material consumed	595.62	648.17
Cost of traded goods	377.85	31.00
Sub - Total	21,236.17	13,408.46
 Salary, Wages & Benefits:		
Salaries, Wages, Allowances, Gratuity and Others	642.84	593.88
Contribution to Provident Fund and others	47.35	44.25
Welfare and Other Benefits	25.22	23.54
Sub - Total	715.41	661.67

Rama Phosphates Ltd.

	Year ended 31-Mar-08 Rs. in Lacs	Year ended 31-Mar-07 Rs. in Lacs
Manufacturing Expenses:		
Power and Fuel	701.30	580.54
Stores Consumed	328.96	453.20
Repairs & Maintenance Plant	91.14	124.88
Building	3.15	10.49
Others	4.57	2.89
Other manufacturing costs	160.61	158.38
Sub - Total	1,289.73	1,330.38
Selling and Distribution Expenses		
Freight Outward	1,568.83	1,479.55
Sales Promotion Expenses	34.47	54.14
Handling charges and godown rent	18.61	36.15
Discount and commission	13.78	4.70
Travelling	28.44	37.16
Others	2.32	8.80
Sub - Total	1,666.45	1,620.50
Other expenses:		
Legal and professional fees	80.56	65.71
Insurance	27.00	30.71
Travelling and conveyance	62.30	51.29
Vehicle maintenance	41.71	37.46
Directors sitting fees	0.39	0.37
Rent	1.46	1.19
Rates and Taxes	6.37	22.20
Provision for Doubtful debts, fertiliser subsidy and advances	24.49	201.59
Miscellaneous expenses	214.37	147.07
Exchange rate Loss	-	3.26
Loss on sale of Fixed assets	0.45	0.39
Donation	0.17	0.27
Sub - Total	459.27	561.51
Total	25,367.03	17,582.52
SCHEDULE 12		
FINANCIAL CHARGES		
Interest on Debentures and Fixed Loans	-	693.54
Other Finance charges	118.38	735.09
Total	118.38	1,428.63

SCHEDULE - 13

(Notes on the Accounts)

Year Ended 31st March 2008

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

None of the company's finished products are liable for Excise duty except Sulphuric Acid. This item is liable to excise duty in respect of the quantity sold to non-fertilisers producers or traders and not in respect of quantity used for producing fertilizers. Due to difficulty in estimating the quantity of closing stock of Sulphuric Acid held for selling to non-fertilisers producers or traders, excise duty liability on the same, which is required to be accounted as per AS-2-Valuation of Inventory, can not be ascertained.

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 are 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.

Exchange difference in respect of liabilities incurred to acquire fixed assets prior to April 1, 2007, are adjusted to the carrying amount of such fixed assets and in other cases, are recognised as income or expense in the period in which they arise.

I) PROVISION FOR RETIREMENT BENEFITS.

i) Short Term Employee Benefit

Short term employee benefits are recognised as an expenses at the amount disclosed in the profit and loss account of the year in which the related service is rendered.

Rama Phosphates Ltd.

ii) Post Employment benefits

Post employment benefits is determined using the projected unit credit method, with actuarial valuation being carried out at Balancesheet date. Actuarial gains and losses are recognised in full in the profit and loss account for the period in which they occur.

Asumptions	Gratuity	Leave encashment
Discount Rate	7.50%	7.50%
Rate of Increase in Compensation levels	4%	4%
Rate of return on plan assets	-	-
Withdrawl Rate	0.80%	0.80%
		Amt in Rs.
Change in present value of obligations	Gratuity	Leave encashment
Present value of obligation as at 1.4.2007	1,18,87,284	25,33,825
Interest cost for the period	8,42,413	1,55,705
Service cost for the period	13,12,750	6,43,368
Benefits paid during the period	(13,10,225)	(9,15,525)
Acturial (gain)/loss on obligation	12,32,522	2,44,393
Present value of obligation as on 31.3.2008	1,39,64,744	26,61,766
Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	-	-
Expected Retrun of Plant Assets	-	-
Contribution during the period	13,10,225	9,15,525
Benefit paid during the period	(13,10,225)	(9,15,525)
Acturial gain/(loss) on plan assets	-	-
Fair Value of Plan Assets at end of period	-	-
Liability recognised in Balance sheet		
Present value of obligation as on 31.3.2008	1,39,64,744	26,61,766
Fair Value of Plan Assets	-	-
Liability recognised in Balance sheet as on 31.3.2008	(1,39,64,744)	(26,61,766)
Expenses recognised in Profit and Loss Account		
Current Service Cost	13,12,750	6,43,368
Interest Cost	8,42,413	1,55,705
Expected return on Plant Assets	-	-
Net Acturial (Gain)/Loss recognised for the period	12,32,522	2,44,393
Total Expenses recognised in the statement of P & L A/c	33,87,685	10,43,466
Movement in the liability recognised in the Balance Sheet		
Liability as on 1.4.2007	1,18,87,284	25,33,825
Expenses as above	33,87,685	10,43,466
Contribution paid	(13,10,225)	(9,15,525)
Liability as on 31.3.2008	1,39,64,744	26,61,766

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. 77.91 Lacs (Previous Year. Rs.54.17 Lacs)
- b) Dividend on Optionally Convertible Preference shares Rs. 546.75 Lacs (Previous year Rs. 488.25 Lacs).
- c) Royalty on rock phosphates claimed by RSMML Rs. 116.08 Lacs (P.Y. Rs.Nil)
- d) Electricity duty Rs.57.37 Lacs (P.Y.Nil)
- e) **CLAIMS NOT ACKNOWLEDGED AS DEBT**
 - i) Custom Duty, Excise duty, Demurrage, Sales Tax and Others Rs. 1765.65 lacs (Previous year Rs 410.54 Lacs)
 - ii) Wages Rs. 24.40 lacs (Previous year Rs. 14.45 Lacs)
 - iii) Railway Claim Rs. 4.22 lacs (Previous year Rs. 4.22 Lacs)

- 3**
- (a) The company's liability to banks & institutions have been restructured under modified Corporate Debt Restructure Package (CDR) w.e.f 1.4.2008 subject to fulfilment of certain terms and conditions. The financial impact of such reliefs and concessions has been accounted during the year based on Company's own calculation.
 - (b) 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 installments at the end of 5th, 6th and 7th year. After giving effect to the modified CDR package, these are now redeemable in 36 quarterly installment commencing from April 2009.
 - (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 modified CDR package, dividend rate is reduced to 5.85% and these are now to be redeemed in 4 annual installment commencing from year 2019 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 is renegotiating its liability / obligations to Preference shareholders / Debenture holders and is expecting substantial relief. Based on the results of these negotiations, the obligation under para 2(b), 3 (c), 3 (d) & 3 (e) may undergo a change.
- 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. 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 account 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.

		(Rupees In Lacs)			
Segments		Fertilisers	Oil	Unallocable	Total
a	Segment Revenue	12,149.39	14,408.96	167.53	26,725.88
		<i>12853.08</i>	<i>5184.96</i>	<i>146.79</i>	<i>18184.83</i>
b	Segment Result	861.23	4.86	6.18	872.27
		<i>147.41</i>	<i>(59.63)</i>	<i>(602.93)</i>	<i>(515.14)</i>
c	Interest and financial cost - For the year	-	-	(118.38)	(118.38)
		-	-	<i>(1,428.63)</i>	<i>(1,428.63)</i>
d	Net Corporate Office Expenses	-	-	-	(5,789.10)
		-	-	-	<i>(898.61)</i>
e	Profit / (Loss) as per Profit & Loss Account	-	-	-	6,032.84
		-	-	-	<i>(2,167.41)</i>
f	Segment Assets	10,541.51	1,278.60	1,844.07	13,664.19
		<i>8,820.23</i>	<i>1,417.51</i>	<i>1,075.74</i>	<i>11,313.48</i>
g	Segment Liabilities	5,898.00	1,440.06	6,804.43	14,142.49
		<i>5,120.97</i>	<i>1,514.36</i>	<i>11,989.31</i>	<i>18,624.63</i>
h	Cost Incurred during the year to acquire				
	Segment Assets	115.98	1.13	26.63	143.74
		<i>55.86</i>	<i>1.31</i>	<i>13.09</i>	<i>70.26</i>
i	Segment Depreciation	446.99	64.88	5.36	517.23
		<i>489.44</i>	<i>69.53</i>	<i>4.49</i>	<i>563.46</i>
j	Non Cash Expenses other then Depreciation	-	-	-	-
		<i>2.33</i>	-	<i>665.52</i>	<i>667.85</i>

(Previous year figure shown in Italic)

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

	31.03.2008	31.03.2007
	Rs. In lacs	Rs. In lacs
a) Numerator- Net Profit / (Loss) after tax and extraordinary items	6032.84	(2167.42)
b) Denominator - number of Equity Shares outstanding	5557026	5557026
c) Nominal value of Shares (in Rs.)	10	10
d) Basic Earning per share (on reduced capital as per note 3 (b))	108.56	(39.00)
e) Numerator- Net Profit / (Loss) after tax and extraordinary items for basic EPS	6032.84	(2167.42)
f) Less : Arrears of preference dividend	575.31	488.25
Net profit attributable to equity share holders	5457.53	(1679.17)
g) Weighed Average number of equity share outstanding during the year	10,017,263	9,299,612
h) Nominal value of Shares (in Rs.)	10	10
i) Diluted Earning per share (on reduced capital as per note 3 (b))	54.48	(18.06)
7 Payments to Auditors	31.03.2008	31.03.2007
<i>Statutory Auditors:</i>	Rs. In lacs	Rs. In lacs
Audit fees	6.15	4.39
Out of pocket expenses	0.05	0.19
For tax audit	1.40	1.31
Certification	1.21	0.96
Management services (including Income Tax matters)	0.31	0.31
Total	9.12	7.15
8 Salaries, Wages & Benefits includes Remuneration to Managing Director	31.03.2008	31.03.2007
	Rs. In lacs	Rs. In lacs
Salaries and allowances	13.41	14.38
Contribution to provident fund	1.04	1.06
Perquisites	1.15	0.69
Total	15.61	16.14
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	31.03.2008	31.03.2007
	Rs. In lacs	Rs. In lacs
Others	-	0.38
Stores & spares Capitalised	93.04	10.53
12 Difference due to exchange rate fluctuation has been debited / credited as follows.	31.03.2008	31.03.2007
	Rs. In lacs	Rs. In lacs
Other expenses / (Miscellaneous income) including prior period items	(73.31)	(18.76)

13 Related party disclosure under Accounting Standard -18

- a) The list of the related parties as identified by the management are as under:
- I) Enterprises over which Key Management Personnel, with their relatives, is able to exercise significant influence.**
Blue Lagoon Investments Private Limited
Rama Enterprises
- II) Enterprises over which the same individual, is able to exercise significant influence.**
Rainbow Denim Limited
Rainbow Agri Industries Limited
Rama Petrochemicals Limited
Rama Industries Limited
Rama Capital and Fiscals Services Limited
- III) Key Management Personnel (KMP)**
D J Ramsinghani, Chairman & Managing Director

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

Sr. 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 31.3.2008		
	Receivable	-	888.17
		-	(1,083.56)
	Payable	-	-
		-	-
2	Balance outstanding as Investments as on 31.03.2008	-	11.39
		-	(11.39)
3	Payment made on their behalf	-	-
		-	(7.49)
4	Payment made on our behalf	-	-
		-	-
5	Loans & Advances given / repaid	-	80.00
		-	(152.00)
6	Loans & Advances received / recovered	-	140.00
		-	(129.74)
7	Share Application money received	-	800.00
		-	(269.93)
		-	-
8	Remuneration to KMP	15.61	-
		(16.14)	-
9	Purchases and other services	-	30.34

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

- 14** Loans and advances referred to in note 13 (b) above includes an interest free loan of Rs. 665.52 Lacs (Previous Year Rs 665.52 Lacs) due from a sick company and its subsidiary against which provision has already been made in earlier years.

- 15 (a) Subsidy receivable is netted off from provision for doubtful subsidy receivable aggregating Rs.57.91 lacs (Previous year Rs.37.46 Lacs)
 (b) Sales includes Subsidy Rs. 2548.24 Lacs (Previous Year Rs.2938.72 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. Qty (Mts.)	Production Qty (Mts.)
Single Super Phosphates ❶	462,000 (462,000)	214,020 (293,359)
Sulphuric acid	83,600 (183,600)	53,212 (99,415)
Granulated SSP	198,000 (198,000)	39,392 (76,105)
NPK	120,000 (60,000)	8,647 (2,043)
Solvent Extraction Plant, Seed Crushing	120,000 (120,000)	70,316 (33,156)
Refinery	30,000 (30,000)	3,648 (3,418)

❶ Includes 39,392 MT consumed for granulation (Previous year 76,105 MT)

Figures in the brackets are for the previous year.

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

B) Stock of Finished Goods

	31.3.2008		31.3.2007		31.3.2006	
	Qty. (Mts.)	Rs. In lacs	Qty. (Mts.)	Rs. In lacs	Qty. (Mts.)	Rs. In lacs
Single Super Phosphates (Powdered and granulated)	52,019	2,026.23	64,509	2,080.39	72,567	2,336.09
Sulphuric acid (98%)	3,817	145.97	3,601	74.03	3,949	86.05
NPK	2,258	150.62	1,686	109.07	184	11.36
Oil	210	105.01	962	347.76	954	315.92
De oiled cake	65	10.65	101	10.68	79	6.32

C) Turnover

	31.03.2008		31.03.2007	
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs
Single Super Phosphates (Including Subsidy) ❶	226,510	9,758.55	301,418	11,970.58
(Powdered and granulated)				
Sulphuric Acid 98%	❷ 52,995	1,641.87	100,288	816.20
Oil	12,929	6,234.88	5,908	2,404.81
De-oiled Cake	58,833	7,836.53	27,588	2,756.85
N P K	8,075	542.13	541	37.22
Traded goods	-	498.02	-	30.76
Others		46.37		21.63

❶ Includes 1,130 MT Captive consumption (P.Y. 500 MT)

❷ Includes 21,599 MT Captive consumption (P.Y. 58,996 MT)

Rama Phosphates Ltd.

D) Raw material Consumed	31.03.2008		31.03.2007					
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs				
Rock Phosphates	119,273	4,096.10	164,372	5,540.45				
● Sulphur	18,364	1,597.58	33,475	1,652.80				
Sulphuric acid 98%	28,702	512.98	28,388	401.13				
Oil Seeds	70,316	12,520.11	33,156	4,654.11				
Traded goods	-	377.85	-	31.00				
Others	-	1,535.94	-	480.80				
● Includes 835 MT For Trading (P.Y. Nil)								
E) Value of Imported and Indigenous Raw Material Consumed.								
	31.03.2008				31.03.2007			
	Raw Materials		Stores & Spare Parts		Raw Materials		Stores & Spare Parts	
	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%
Imported	1,566.80	7.59	-	-	2,117.37	16.59	-	-
Indigenous	19,073.75	92.41	328.96	100.00	10,642.92	83.41	453.20	100.00
Total	20,640.55	100.00	328.96	100.00	12,760.29	100.00	453.20	100.00
F) C.I.F. Value of Imports					31.03.2008	31.03.2007		
					Rs. In lacs	Rs. In lacs		
Raw Material					1,460.58	1,515.69		
G) Earnings in Foreign Exchange					31.03.2008	31.03.2007		
					Rs. In lacs	Rs. In lacs		
FOB value of Exports					67.98	-		

For and on behalf of the Board

D J Ramsinghani
Chairman & Managing Director

A N Manudhane
Chief Executive Officer

Place: Mumbai
Dated: 14th August 2008

J K Parakh
Company Secretary

D N Singh
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2008

	Year ended 31st March 2008 12 Months Rs. In lacs	Year ended 31st March 2007 12 Months Rs. In lacs
A. Cash flow from Operating activities		
Net Profit/(Loss) before taxation and extra ordinary items	541.95	(1,523.59)
Adjustments for -		
Depreciation	517.23	563.46
Foreign exchange (gain) / loss	(73.31)	(18.76)
Interest and financing charges	118.38	1,428.63
Profit on sale of assets	-	(62.02)
Loss on sale of Assets	0.45	0.39
	562.76	1,911.70
Operating profit before working capital changes	1,104.71	388.11
Decrease / (Increase) in trade and other receivables	20.25	84.12
Decrease / (Increase) in inventories	(1,202.09)	426.88
Increase / (Decrease) in Short term borrowings	(2,928.34)	607.24
Increase / (Decrease) in trade payables	1,187.12	(166.64)
	(2,923.05)	951.60
Cash generated from Operations	(1,818.35)	1,339.71
Interest	(118.38)	(1,428.63)
Cash flow before Extra-ordinary items	(1,936.73)	(88.91)
Prior period items	(36.60)	(11.56)
Foreign exchange gain / (loss)	73.31	18.76
Excess provision written back	7.07	45.88
Provision for doubtful debts	-	(665.52)
Reversal of Interest as per CDR	5,533.73	-
Fringe Benefit Tax	(13.31)	(12.63)
	(A) 3,627.47	(713.98)
Net Cash from Operating Activities		
B. Cash flow from investing activities		
Purchase of fixed assets	(159.40)	(69.82)
Sale of fixed assets	0.32	21.13
Profit on sale of Fixed assets	-	62.02
	(159.08)	13.33
Net cash used in Investing Activities	(B) (159.08)	13.33
C. Cash flows from financing activities		
Share Capital	800.00	269.93
Increase in long term borrowings	(3,240.14)	528.88
Increase in unsecured loan	499.22	(18.47)
	(1,940.92)	780.34
Net cash from Financing Activities	(C) (1,940.92)	780.34
Net increase in cash and cash equivalent (A+B+C)	1,527.47	79.68
Cash and cash equivalents (Opening balance)	420.44	341.44
Cash and cash equivalents (Closing balance)	1,947.91	420.44

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: 14th August 2008

J K Parakh
Company Secretary

D N Singh
Director

Rama Phosphates Ltd.

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

Schedule 1 to 13 annexed hereto form part of the Balance Sheet and Profit and 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: 14th August 2008

J K Parakh
Company Secretary

D N Singh
Director

RAMA PHOSPHATES LIMITED

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

PROXY FORM

For Dematted Shares

DPID	
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CLIENTID	
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For Physical Shares

REGD.FOLIONO.	
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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 Third Annual General Meeting of the
Company to be held on Monday the 29th day of September, 2008 at 10.00 a.m. at M. C. Ghia Hall, Bhogilal
Hargovindas Bldg., 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001 and at any adjournment thereof.

Signed this _____ day of _____, 2008

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

DPID	
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CLIENTID	
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For Physical Shares

REGD.FOLIONO.	
---------------	--

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 Third Annual General Meeting of the Company held on Monday the
29th day of September, 2008 at 10.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, Kaikhushru
Dubhash Marg, 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 Ltd.
Unit : Rama Phosphates Limited
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai 400 078.