



# Rama Phosphates Limited

24<sup>th</sup> ANNUAL REPORT

2008 - 2009



**Rama Phosphates Limited**

**24<sup>TH</sup> ANNUAL REPORT**

**2008-2009**

**BOARD OF DIRECTORS**

**CHAIRMAN & MANAGING DIRECTOR**

D.J. Ramsinghani

**DIRECTORS**

H D Ramsinghani

D N Singh

C R Malaviya

Yashpal Gupta - Nominee Director of IDBI Bank Ltd.

A.P. Mohanty - Nominee Director of Bank of India

K. Raghuraman - Special Director of BIFR

**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

**REGISTERED OFFICE**

812, Raheja Chambers, Nariman Point,

Mumbai 400 021

**REGISTRARS & TRANSFER AGENT**

LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup West, Mumbai 400078

Tel.No. 25963838 Fax No.:25946969

Email : rnt.helpdesk@linktime.co.in

Website : www.linktime.com

**ADMINISTRATIVE OFFICES**

**Indore**

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

Indore 452 001, M.P.

**Pune**

P.O. Loni Kalbhori,

Tal. Haveli, Dist. Pune - 412 201

**Udaipur**

204-B, Circle View Sukhadia Circle,

Dist. Udaipur 313 001 (Rajasthan)

**WORKS**

**Indore**

20/6 KM Stone, Indore - Ujjain Road (Dharamपुरi),

Dist. Indore, Madhya Pradesh - 453 557.

**Pune**

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

Tal. Haveli, Dist. Pune 412 201

**Udaipur**

4807/11, Umra Village,

Jamarkotra Road, Teh. Girwa,

Dist. Udaipur (Rajasthan) 313 901

## NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of the Company will be held on Monday the 30<sup>th</sup> day of November, 2009 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 period ended 30<sup>th</sup> June 2009 and the Balance Sheet as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. C. R. Malaviya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS :

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

“RESOLVED THAT Mr. H. D. Ramsinghani be and he is hereby appointed as a Director of the Company whose office shall be liable to determination by retirement of Directors by rotation,”

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

“RESOLVED THAT subject to the provisions of Sections 16(1), 94 and other applicable provisions, if any, of the Companies Act, 1956 and in terms of the Articles of Association of the Company and subject to such approvals, consents and sanctions as may be required 1,10,00,000 (One crore Ten lacs) Preference Shares of Rs 10/- each forming part of the existing un issued Authorised Share Capital of the Company be and are hereby reclassified into 1,10,00,000 (One crore Ten Lacs) Equity Shares of Rs 10/- each and on such reclassification the Authorised Share Capital of the Company be and is hereby reclassified as Rs. 41,00,00,000/- (Rupees Forty one Crore Only) divided into 3,10,00,000 (Three Crore Ten Lacs) Equity Shares of Rs. 10/- each and 1,00,00,000 Preference Shares of Rs 10/- each.”

“FURTHER RESOLVED THAT consequent upon reclassification as above the Authorised Share Capital of the Company shall stand altered and accordingly the Memorandum of Association of the Company be and is hereby altered by deleting there from the existing Clause V and substituting in its place and stead the following as new Clause V :

- V. The Authorised Share Capital of the Company is Rs 41,00,00,000/- (Rupees Forty one Crore Only ) divided into 3,10,00,000 (Three Crore Ten Lacs ) Equity Shares of Rs 10/- (Rupees Ten Only) each and 1,00,00,000 Preference Shares of Rs 10/- each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide and/or subdivide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, guaranteed, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company but subject always to the provisions of the Companies Act, 1956 (1 of 1956) including amendments thereto from time to time.

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*Rama Phosphates Ltd.*

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“FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and is hereby altered by deleting there from the existing Article 2 and substituting in its place and stead the following as new Article 2 :

2. The Authorised Share Capital of the Company is Rs. 41,00,00,000/- (Rupees Forty one Crore Only) divided into 3,10,00,000 (Three Crore ten Lacs) Equity shares of Rs. 10/- (Rupees Ten only) each and 1,00,00,000 Preference Shares of Rs 10/- each .

**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 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 23rd day of November 2009 to Monday the 30th day of November 2009 (both days inclusive).
4. Information required to be furnished as per the Listing Agreement about Director proposed to be reappointed at the forthcoming Annual General Meeting is annexed hereto.
5. 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 RAMA PHOSPHATES LIMITED**

Place : Mumbai  
Date : September 30, 2009

**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 TWENTY FOURTH ANNUAL GENERAL MEETING OF THE COMPANY.**

**ITEM NO. 4**

Mr. H. D. Ramsinghani was appointed as an Additional Director by the Board of Directors at their meeting held on October 31, 2008 pursuant to the Provisions of Section 260 of the Companies Act, 1956. Mr. H. D. Ramsinghani will hold office of Additional Director up to the date of the forthcoming Annual General Meeting. The Company has received a Notice from a Member pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying the intention to propose the name of Mr. H. D. Ramsinghani as a Director of the Company. Mr. H. D. Ramsinghani has filed his consent to act as a Director.

Except Mr. H. D. Ramsinghani and Mr. D. J. Ramsinghani, who is related to Mr. H. D. Ramsinghani, none of the Directors are in any way concerned or interested in the Resolution.

**ITEM NO. 5 and 6**

The Resolutions vide Item Nos. 5 and 6 relate to changes in the Authorised Share Capital of the Company by way of reclassification of the existing un issued Preference share Capital into Equity share Capital with a view to accommodate fresh issue of Equity Shares, as and when required, and the consequential amendments to the Capital Clause (Clause V) of the Memorandum of Association and relevant article (Article 2) of the Articles of Association of the Company.

A copy of the Memorandum and Articles of Association together with the proposed changes is open for inspection of the Members at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 10.00 a.m and 1.00 p.m

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

By Order of the Board  
**For RAMA PHOSPHATES LIMITED**

Place : Mumbai  
Date : September 30, 2009

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

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

Mr. Malaviya is an eminent technologist and has a rich and varied experience in the field of chemicals and fertilizers spanning over 42 years. He is a design and process consultant for various companies and has commissioned several SSP and Sulphuric Acid projects for various companies. Mr. Malaviya is also a Director and Chairman of the Audit Committee of Rama Industries Limited.

## DIRECTORS' REPORT

Your Directors present the Twenty Fourth Annual Report together with Audited Accounts for the period ended June 30, 2009.

<b>FINANCIAL RESULTS</b>	<b>(Rs. in lacs)</b>	
	<b>PERIOD ENDED 30/06/2009 (15 months)</b>	<b>YEAR ENDED 31/03/2008 (12 months)</b>
Sales & Other Income	<b>44,204.29</b>	26725.88
Profit before financial charges & Depreciation	<b>1,870.35</b>	1184.62
Less: Financial Charges	<b>856.21</b>	118.38
Profit before Depreciation	<b>1,014.14</b>	1066.24
Less : Depreciation	<b>586.18</b>	517.23
Net Profit for the period	<b>427.96</b>	549.01
Prior year Adjustment (Net)	<b>20.81</b>	(36.60)
Waiver of interest as per modified CDR Package	—	5533.73
Capital surplus arised on waiver of principal liabilities by Banks and Institutions	<b>1,110.63</b>	—
Capital surplus arised on waiver of right to redeem Preference capital	<b>940.00</b>	—
Fringe Benefit Tax	<b>(18.28)</b>	(13.31)
Profit/(Loss) after adjustments	<b>2,481.12</b>	6032.84
Transfer to Capital Reserve	<b>(2,050.63)</b>	—
Transfer to Capital Redemption Reserve	<b>(60.00)</b>	—
Profit / Loss for the period	<b>370.49</b>	6032.84
Profit & Loss balance brought forward from the previous year	<b>(5,599.19)</b>	(11632.03)
<b>Balance carried to Balance Sheet</b>	<b>(5,228.70)</b>	(5599.19)

### 1. CHANGE OF ACCOUNTING YEAR

The Accounting Year of the Company was from 1<sup>st</sup> day of April 2008 to 31<sup>st</sup> March 2009. The Board of Directors of the Company has decided to extend the period by 3 more months and accordingly the Current Accounting period is for 15 months commencing from 1<sup>st</sup> April 2008 to 30<sup>th</sup> June 2009.

### 2. RESERVE AND DIVIDEND

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

During the period under review, the company has created capital reserve of Rs.2050.63 Lacs being capital surplus arising out of waiver of principal liability of debenture, preference capital and principal portion of working capital loans on account of settlement approval from banks and institutions.

During the period under review, the company has transferred Rs. 60.00 lacs to capital redemption reserve due to redemption of preference capital.



### **3. REVIEW OF OPERATIONS**

The company is engaged in manufacture of fertilizer namely, Single Super Phosphate (SSP) and Soya oil. During the period, Government of India has announced new concession policy for SSP fertilizer with effect from 1<sup>st</sup> May 2008. In this policy government has decided to revise amount of concession Per Ton on SSP on monthly basis after taking due consideration of escalation-de escalation in the prices of major raw materials i.e. rock phosphate and sulphur. The period has also witnessed sky rocketing prices of rock phosphate and sulphur. In spite of extraordinary fluctuations in the prices, the company has been able to increase capacity utilization. The capacity utilization during the period was 58.79%, which is one of the best in the industry as compared to 46.32% in the previous year. Thus, the company during the period of operation has achieved the highest production in terms of single entity company. The increase in capacity utilization was mainly due to availability of imported rock phosphate in adequate quantity and better management of working capital and favorable Government policies.

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.

Soyabean season has started with the global turmoil and economic recession which has resulted into disparity of soya business. Therefore, the company has taken cautious view in soya business so as to protect major losses. During the period, the Oil Division crushed 34805 MT Soya seed as compared to 70136 MT in previous year.

In spite of above odds beyond the control of the company, the company has achieved significant turnover of Rs. 442 Crores during the period.

During the year the company has implemented Corporate Debt Restructuring package approved by CDR – Empowered Group which envisaged infusion of promoter contribution and servicing of interest at concessional rate with effect from 1<sup>st</sup> April 2008 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.

During the period under review, the company has entered into settlement with some of the secured lenders.

Your Directors are hopeful that all round 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.

### **4. FUTURE PROSPECTS**

The Management is hopeful to achieve optimum production in the ensuing “Rabi” season. The company would be in a position to maintain leadership in its area of operation, i.e. M.P., Rajasthan, Maharashtra for Single Super Phosphate fertilizer. The demand for mixed fertilizer is also increasing in the country and that company is fully equipped to encash this opportunity. As a long term strategy keeping this trend in mind, the company has increased its production capacity for Granulated fertilizers at its Indore plant. The company is also introducing Boronated Single Super Phosphate, which is a value-added product in the M.P. market during this “Rabi” season and thus improve its margin.

Cultivation of Soyaseed is marginally increased in M.P. and Maharashtra and that it is forecasted that quality seeds would be available in adequate quantity. The Management hopes to encash this opportunity by crushing optimum quantity of Soyaseed in our plant.

Your Directors are glad to inform you that for the first time, Govt. of India has decided to move SSP Fertilizer to de-controlled regime w.e.f. 1<sup>st</sup> Oct. 2009. As such, the SSP companies are free to fix their own MRP and simultaneously Govt. has announced Fixed subsidy of Rs. 2000/- pmt. This decision is welcome move on the part of Govt. of India and it is hoped that it will benefit the company in better realization and improvement in capacity utilization.

With better financial management within the existing available limits and also reduction in overall debts, the Management is hopeful to improve its operations and achieve better results in coming years.

**5. SANCTION OF SCHEME BY BIFR**

Your Directors are glad to put on record that the Debt Rehabilitation Scheme (DRS) submitted by the Operating Agency has been approved by Hon.' BIFR vide their Order dated 6<sup>th</sup> August, 2009 confirming the reliefs and concessions granted by CDR – EG. In addition to the same, reliefs and concessions sought from various State Governments and other agencies has been incorporated in the scheme with cut-off date of 1<sup>st</sup> April, 2008.

**6. CORPORATE DEBT RESTRUCTURING (CDR)**

In line with the CDR package approved by CDR – EG, the promoter has complied with the prime requirement of infusion of promoter's contribution. With the implementation of this package, the company is servicing of interest at concessional rate with effect from 1<sup>st</sup> April 2008 waiver of interest and other reliefs based on sustainable debt capacity of the Company as per the schedule. This has substantially reduced interest burden on the company and helped in improving its performance.

**7. 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.

**8. 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 June 30, 2009 and of the Profit of the Company for the period ended June 30, 2009;
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.

**9. 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, Mr. Deonath Singh, Mr. H.D. Ramsinghani and K Raghuraman, Special Director appointed by Hon.' BIFR. Audit Committee acts in accordance with the terms of reference specified from time to time by the Board.

**10. 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.

**11. 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.

**12. 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.

**13. DIRECTORS**

During the period under review, Bank of India has withdrawn the nomination of Mr. R C Khurana from the Board of Directors and nominated Mr. A P Mohanty w.e.f. 17<sup>th</sup> July, 2009. The Board places on record its sincere appreciation of the valuable contribution made by Mr. R C Khurana during his association with the company.

During the period under review, UTI has withdrawn its nominee director, Mr. Luke Fernandez w.e.f. 18<sup>th</sup> June, 2009. The Board places on record its sincere appreciation of the valuable contribution made by Mr. Luke Fernandez during his association with the company.

During the period under review, Mr. H.D. Ramsinghani has been appointed as an Additional Director of the company w.e.f. 31<sup>st</sup> Oct. 2008 and hold office upto the date of the forthcoming Annual General Meeting. The Company has received Notice pursuant to the provisions of Section 257 of the Companies Act, 1956 from a member of the Company signifying the intention to propose the name of Mr. H D Ramsinghani as Director of the Company.

Mr. K Raghuraman was nominated as Special Director appointed by Hon.' BIFR w.e.f. 10<sup>th</sup> August, 2009.

Shri C R Malaviya retires from the Board of Directors by rotation and is eligible for re-appointment.

**14. 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 micro small and medium

enterprises, 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.

**15. 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.

**16. COST AUDIT**

The Cost Accounts Records maintained by the Company for “Fertilizers” and “Sulphuric Acid” are subject to yearly audit by qualified Cost Auditors. The Company has appointed Mr R S Raghavan, a qualified Cost Auditor for conducting the Cost Audit of such records for the financial year 2008-09.

**17. INDUSTRIAL RELATIONS**

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

**18. 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 and Creditors. The Directors place on record their appreciation for continued support of shareholders of the company. 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 : September 30, 2009

**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 PERIOD ENDED JUNE 30, 2009.**

**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. The Company has several investment proposals such as installation of pulsating grating furnace, variable frequency drives, additional economizer in Sulphuric Acid plant which will increase steam generation resulting in additional power generation. The company is also exploring the possibility of fuel change over from coal to alternate fuel. Accordingly, the Company is actively considering various investment proposal for further reduction in consumption of energy.

**C. Impact of measures at (A) and (B) above for reduction of Energy Consumption and consequent impact on the cost of production of goods :**

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

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

**a) POWER AND FUEL CONSUMPTION:**

	15 months ended 30.06.2009	12 months ended 31.03.2008
<b>i) Electricity</b>		
a) Purchased:		
Units (in thousands)	<b>9954.78</b>	7484
Total amount (Rs. in lacs)	<b>498.54</b>	367.98
Rate / Unit (Rs.)	<b>5.01</b>	4.91
b) Own Generation:		
i) Through diesel generator:		
Units (in thousand)	<b>60.19</b>	64.78
Units per litre of diesel oil	<b>2.84</b>	2.87
Cost / Unit (Rs.)	<b>12.73</b>	11.67
ii) Through steam turbine/generator :		
Units (in thousand)	<b>6769</b>	5265
Units per M.T of Steam	<b>80.00</b>	92.54
Cost / Unit (Rs.)	<b>2.06</b>	1.99
<b>ii) Coal (Rs. in lacs)</b>	<b>364.61</b>	227.55
<b>iii) Furnace Oil (Rs. in lacs)</b>	<b>79.71</b>	53.38

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

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

	30.06.2009						31.03.2008					
	Refinery	SEP	SSP	GSSP	SA	NPK	Refinery	SEP	SSP	GSSP	SA	NPK
Electricity (Units) PMT	63.49	41.09	19.51	12.70	65.29	27.32	95.00	37.59	21.13	12.53	67.22	33.00
Furnace Oil Litre / PMT	NIL	NIL	0.76	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Coal Kg / PMT	96.59	63.15	NIL	34.93	NIL	59.86	93.75	62.09	NIL	28.38	NIL	35.00

**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 period 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 :**

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

During the period, the Company has exported Granulated Single Super Phosphate. The Company is looking forward for increase in export volume in coming period.

II. Total foreign exchange used & earned :

	(Rs. in lacs)
Used:	7733.96
Earnings:	249.52

For and on behalf of the Board

Place : Mumbai

Dated : September 30, 2009

**D J RAMSINGHANI**  
**CHAIRMAN & MANAGING DIRECTOR**

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy on Corporate Governance

As required by the Listing Agreement with various Stock Exchanges, the Company has fully implemented the code of Corporate Governance and it is committed to the Philosophy of good Corporate Governance in letter and in spirit.

### 2. Board of Directors

- a) The present strength of the Board consists of Seven Directors. (One Executive and six Non Executive of whom five Directors are Independent Directors.)
- b) The attendance at Board Meetings and last Annual General Meeting of each of the Directors during the financial period of the Company was as under:

Name of Director	Category Executive, Non- Executive Independent	Attendance at		Director- ship of other Board (including alternate Director- ships and Private Companies	Memebrship/ 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	Six	Yes	Three	One	Three
Mr. H.D. Ramsinghani Director (From 31/10/2008)	Non Executive	Two	N.A.	Four	Nil	Two
Mr. C. R. Malaviya Director	Non Executive Independent	Six	Yes	One	One	Nil
Mr. R. C. Khurana Nominee Director- Bank of India (Upto 17/07/2009)	Non Executive Independent	Six	No	One	Nil	Nil
Mr. A.P. Mohanty Nominee Director- Bank of India (From 17/07/2009)	Non Executive Independent	Nil	N.A.	Nil	Nil	Nil
Mr. Yashpal Gupta Nominee Director- IDBI Bank Ltd.	Non Executive Independent	Six	No	Nil	Nil	Nil
Mr. Luke Fernandez Nominee Director-UTI (Upto 18/06/2009)	Non Executive Independent	Nil	No	One	Nil	Nil
Mr. K. Raghuraman Special Director-BIFR From 10/08/2009)	Non Executive Independent	Nil	N.A.	Eight	Nil	Nil

(c) During the period Six Board Meetings were held on the following dates :

April 29, 2008, July 31, 2008, August 14, 2008, October 31, 2008, January 31, 2009, April 29, 2009.

**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. D. N. Singh, Mr. H. D. Ramsinghani, Mr. Yashpal Gupta and Mr. K Raghuraman.

During the period Six meetings of the Audit Committee were held on April 29, 2008, July 31, 2008, August 14, 2008, October 31, 2008, January 31, 2009, April 29, 2009. The attendance at Audit committee meetings of each of the Directors is as under:

Name of the Director	Attendance at Audit Committee Meetings
Mr. C. R. Malaviya	Six
Mr. D. N. Singh	One
Mr. H. D. Ramsinghani	Two
Mr. Yashpal Gupta	Six
Mr. K. Raghuraman	NA

**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 Agent of the Company who attend to the Share Transfer formalities, transmission of shares, issue of duplicate certificates and issue of certificates on split/ consolidation/renewal etc. at least once in a fortnight. The transfers etc. approved by the Registrars and Transfer 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. D N Singh and one meeting of the Committee was held during the period under review on April 29,2008.

**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](mailto:jparakh@ramagroup.co.in)



## *Rama Phosphates Ltd.*

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

	Received	Cleared
Non receipt of shares duly transferred	9	9
Non-Receipt of Dividend Warrants.	5	5
Non-Receipt of Annual Report	2	2
Non-Receipt Demat Credit/Remat Cert.	13	13
Non-Receipt of rejected DRF	14	14
Miscellaneous	5	5
Letters from Stock Exchanges, SEBI and Department of Corporate Affairs	NIL	N.A.

### 8. Remuneration of Directors

#### (a) Managing Director

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

Name	Designation	Remuneration (Rs. in lacs)	Sitting Fees (Rs.)
Mr. D. J. Ramsinghani	Managing Director	19.44	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 the Non-Executive Directors are as follows :

Name of Director	Sitting Fees (Rs.)
Mr. H. D. Ramsinghani	4,000/-
Mr. V. T. Khardekar*	2,000/-
Mr. D. N. Singh	7,000/-
Mr. C. R. Malaviya	13,000/-
Mr. Yashpal Gupta **	13,000/-
Mr. R. C. Khurana ***	6,000/-
Mr. Luke Fernandez	NIL

\* Sitting Fees paid up to 07/08/2008

\*\* 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.

### 9. General Body Meetings

Financial Year	Date	Time	Location
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
2007-08	29/09/2008	10.00 A.M.	M C Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, Kaikhushru Dubhash Marg, 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
29.09.2006	Appointment of Auditors
18.09.2007	Appointment of Auditors
29.09.2008	Appointment of Auditors
	Appointment of Mr. D.J. Ramsinghani as Managing Director for a period of three years w.e.f. April 01, 2008

**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.
- d) Apart from Mr D. J. Ramsinghani, Chairman and Managing Director who is related to Mr H. D. Ramsinghani, there are no other relationships between the Directors inter se.

**12. Means of communication**

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

**13. General Shareholder Information :**

Annual General Meeting : November 30, 2009 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 : November 23, 2009 to November 30, 2009  
(Both Days Inclusive)

Dividend payment date : Not Applicable

Listing on Stock Exchange : Bombay, Madras, M P, Calcutta,  
Ahmedabad, Delhi

Stock Code : 524037

International Securities : INE809A01024

Identification Number allotted  
By NSDL

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

*Rama Phosphates Ltd.*

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

<b>Month</b>	<b>High</b>	<b>Low</b>
April 2008	7.68	5.24
May 2008	9.59	7.22
June 2008	13.53	6.93
July 2008	14.20	9.00
August 2008	16.43	11.92
September 2008	12.70	9.60
October 2008	10.47	7.13
November 2008	7.45	6.59
December 2008	6.91	5.25
January 2009	6.65	5.50
February 2009	6.47	5.50
March 2009	7.71	5.71
April 2009	10.06	7.35
May 2009	15.44	8.63
June 2009	16.25	11.35

**15. Registrars & Transfer Agent**

Link Intime India Private Limited  
 C - 13, Pannalal Silk Mills Compound, L. B. S Marg,  
 Bhandup (West), Mumbai 400078  
 Tel : 25963838; Fax : 25946969;  
 Email : [rnt.helpdesk@linktime.co.in](mailto:rnt.helpdesk@linktime.co.in)  
 Website : [www.linktime.com](http://www.linktime.com)

**16. Distribution of Shareholding as on 30th June 2009 :**

<b>Number of Equity Share Holdings</b>	<b>Number of Shareholders</b>	<b>Percentage of Shareholders</b>	<b>Number of Shares</b>	<b>Percentage of Shareholding</b>
<b>1 - 500</b>	9136	93.29	939785	16.91
<b>501 - 1000</b>	320	3.27	247944	4.46
<b>1001 - 2000</b>	167	1.71	254302	4.58
<b>2001 - 3000</b>	46	0.47	117154	2.11
<b>3001 - 4000</b>	38	0.39	133085	2.39
<b>4001 - 5000</b>	17	0.17	76287	1.37
<b>5001 - 10000</b>	34	0.35	225981	4.07
<b>10001 &amp; above</b>	35	0.35	3562488	64.10
<b>Total</b>	<b>9793</b>	<b>100.00</b>	<b>5557026</b>	<b>100.00</b>

**17. Shareholders' Profile as on June 30, 2009 :**

Sl.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	48336	0.87
5.	Foreign Institutional Investors	NIL	N.A.
6.	Mutual Funds	5320	0.10
7.	Domestic Companies	308125	5.54
8.	Non Resident Indians	92230	1.66
9.	General Public	2357561	42.42
<b>Total</b>		<b>5557026</b>	<b>100.00</b>

**18. Dematerialization of shares as on June 30, 2009:**

90.17% of the Company's total equity share capital representing 5010710 shares are held in dematerialised form.

**19. Plant Location :**

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

**20. Address for Correspondence :**

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

**21. Non Mandatory Items :**

- a) At present there is no policy for fixing the tenure of independent Directors.
- b) The Company has constituted a Remuneration Committee.
- c) Half yearly financial results including summary of significant events in the past six months are presently not being sent to the Shareholders.
- d) There is no formal policy at present for training of the Board members as all the Board members are eminent and experienced professionals.
- e) There is no formal mechanism at present for evaluation of non executive Directors.
- f) The Company has not established at present any formal Whistle Blower Policy.
- g) The replies to the Qualifications in Auditors Report on the financial statement are given in the Directors Report.

**22. Appointment / Reappointment of Directors :**

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

**For and on behalf of the Board,**

Place : Mumbai  
Dated : September 30, 2009

**D. J. RAMSINGHANI  
CHAIRMAN & MANAGING DIRECTOR**

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*Rama Phosphates Ltd.*

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**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 30/06/2009, 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 : September 30, 2009

**D. J. RAMSINGHANI**  
**CHAIRMAN AND MANAGING DIRECTOR**

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**CERTIFICATE**

To the Members of  
**RAMA PHOSPHATES LIMITED.**

We have examined the compliance of conditions of corporate governance by **RAMA PHOSPHATES LIMITED**, for the period ended on 30th June, 2009, 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 : 30th September,2009

**(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 period under consideration witnessed sharp fluctuation in fertilizer prices in the international market due to fluctuations in petroleum prices. SSP industry was also not an exception to the fluctuation. The prices of basic raw materials for manufacturing SSP viz. Rock Phosphate and Sulphur witnessed manifold increase in the international market followed by steep fall resulting in uncertainty. Whilst fertilizer industry in India was partially insulated as Govt. of India bears major impact of price fluctuation by reimbursing the industry in the form of subsidy, the industry also has to bear the shock of fluctuations in the raw material prices.

On the positive side, revised concession policy was announced by the Govt. of India in the month of April, 2008 linking SSP subsidy to cost of major inputs viz. Rock Phosphate and Sulphur. However, initial start up was slow due to litigation; but the correction took place in the subsequent part of the year causing steady improvement in the production of the company as well as the industry. Govt. of India has also recognized importance of SSP as one of the best phosphatic fertilizers and in order to give boost to SSP industry, excluded SSP from Govt. controlled MRP regime. As such SSP industry is free to fix its own MRP w.e.f. 1st October, 2009. This move will definitely give substantial boost to SSP industry in improving its production and better capacity utilization.

**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 business of manufacture and sale of Phosphatic Fertilizers and Soya Oil. Though SSP industry has not shown any significant increase in production during past few years, it is expected that the production and consumption of SSP will go up in the years to come due to changes in the Govt. policies. The recent announcement of free pricing of SSP will certainly give boost to production. Moreover, raw material prices has also now stabilized in International market which has given an opportunity for SSP industry to increase its production and improve capacity utilization which remained stagnant in past few years.

Hitherto, SSP industry was mainly dependent on domestic raw material (Rock Phosphate) which was in limited supply from single source. Due to change in Govt. policy, industry can explore the possibilities of importing Rock Phosphate at the competitive prices which can supplement domestic raw material.

**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 announced revised policy in compensating costs based on International prices of basic raw material viz. Rock Phosphate and Sulphur, implementation thereof was delayed resulting into delay in release of subsidy to SSP industry. This caused restricted production in the first two quarters.

Govt. support in timely release of subsidy is extremely essential for maintaining and improving production level. All out efforts are being made to increase capacity utilization and it is expected that free pricing regime will usher in better production in the years to come.

In order to widen business opportunities, your company is 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.

As regards oil division, company took strategic decision of restricting oil seed crushing due to lack of parity in the last season. It is expected that in the present season, company will be able to encash opportunity of optimizing crushing due to better crop situation. It is also expected that the company will be able to continue its operation partially in off-season also and optimize performance of soya division at its optimal capacity in the current year.

**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. 44204.29 lacs as compared to Rs.26725.88 lacs for the year ended March 31, 2008. The profit for the period is Rs.2481.12 lacs as compared to Rs. 6032.83 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 : September 30, 2009

**D. J. RAMSINGHANI  
CHAIRMAN & MANAGING DIRECTOR**

## AUDITORS REPORT

To The Members of  
**RAMA PHOSPHATES LIMITED,**

We have audited the attached Balance Sheet of Rama Phosphates Limited as at 30th June, 2009 and the Profit and Loss Account for the period ended on that date, and also the cash flow statement for the period 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 30th June, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) Without qualifying our report, we draw your attention to note number 5 with regard to recognition of deferred tax asset.

Further 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 - 12 regarding non-disclosure of amounts overdue to micro, small and medium enterprises.*
3. *Note - 15 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 30th June, 2009; and
- ii. in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For **Dayal and Lohia**  
Chartered Accountants

Place: Mumbai  
Date: 30th September, 2009

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



## **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 period ended 30th June, 2009.)

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 period. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) No material discrepancies have been noticed on physical verification of stocks as compared to book records in so far as it appears from our examination of the books.
3.
  - a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to the companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Accordingly sub clause (b), (c) and (d) are not applicable.
  - b) The company had taken interest free loans from one party covered under register required to be maintained under section 301 of the Companies Act, 1956, amounting to Rs.40 lacs which was repaid during the period.
  - c) 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 systems 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.
  - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of Companies Act, 1956 have been entered in register required to be maintained under section 301 of the Companies Act, 1956.
  - b) In our opinion and according to the information and explanations given to us, these contracts or arrangements have been made at prices which are reasonable having regard to 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 period.
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 30th June, 2009, for a period of more than six months from the date they became payable, except entry tax demand of Rs 135.78 lacs outstanding since 2007 - 2008, Central sales tax demand of Rs 12.29 lacs outstanding since 1995 - 96.

## 24TH ANNUAL REPORT 2008-2009

- 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	238.30	CESTAT - New Delhi
Service Tax	44.41	Additional Commissioner - Central Excise, Indore
Service Tax	17.41	Commissioner - Central Excise, Udaipur
MP Commercial Tax	3.58	M.P Commissioner Appeal, Bhopal
MP Commercial Tax	6.47	M.P. High Court, Indore
MP Commercial Tax	86.18	Appellate Board, Bhopal
Central Sales Tax	55.61	Appellate Board, Bhopal
Rajasthan Sales Tax	704.23	Rajasthan High Court, Jodhpur
Entry Tax	0.30	Appellate Board, Bhopal
Entry Tax	0.31	Dy. Commissioner of Appeal, Indore

10. The accumulated losses of the Company are more than fifty percent of its Net worth and the company has not incurred cash losses in the current and immediately preceding financial year.
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 interest to financial institutions and banks aggregating to Rs. 331.09 lacs pertaining to April, 2008 to June, 2009.
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 and therefore the provisions of clause 4 (xiii) of the order are not applicable.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
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 period 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 period no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register required to be maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures during the period.
20. The Company has not raised any money by public issue during the period.
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 period.

For **Dayal and Lohia**  
Chartered Accountants

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

Place: Mumbai  
Date: 30th September, 2009

*Rama Phosphates Ltd.*

**BALANCE SHEET**

		As At 30-Jun-09 Rs.In Lacs	As At 31-Mar-08 Rs.In Lacs
<b>I SOURCES OF FUNDS</b>	<b>Schedule</b>		
<b>1. Shareholders Funds</b>			
Share Capital	1	550.83	1,550.83
Reserves & Surplus	2	3,819.79	1,721.66
<b>2. Loan Funds :</b>			
Secured	3	6,544.67	9,314.22
Unsecured	4	862.44	1,706.44
<b>Total</b>		11,777.73	14,293.15
<b>II APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	5		
Gross Block		11,722.04	11,592.39
Less: Depreciation		8,657.64	8,080.82
Net Block		3,064.40	3,511.58
Capital Work In Progress		2.58	28.76
		3,066.98	3,540.34
<b>2. Investments</b>	6	11.61	11.61
<b>3. Deferred Tax Asset</b>		400.00	400.00
<b>4. Current Assets, Loans &amp; Advances</b>	7		
Inventories		2,413.98	4,562.09
Sundry Debtors		1,836.94	604.88
Subsidy Receivable		4,640.51	981.21
Cash & Bank Balances		473.99	1,947.91
Loans & Advances		819.66	1,616.15
		10,185.08	9,712.23
Current Liabilities & Provisions	8	7,114.64	4,970.22
		3,070.44	4,742.01
Profit & Loss Account		5,228.70	5,599.19
		5,228.70	5,599.19
<b>Total</b>		11,777.73	14,293.15

**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

**D.J. Ramsinghani**  
Chairman & Managing Director

**A N Manudhane**  
Chief Executive Officer

**Anil Lohia**  
Partner

Place: **Mumbai**  
Dated: **30th September, 2009**

**J K Parakh**  
Company Secretary

**D N Singh**  
Director

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**PROFIT AND LOSS ACCOUNT**

		<b>For the period ended 30-Jun-09 Rs.In Lacs 15 Months</b>	<b>For the year ended 31-Mar-08 Rs.In Lacs 12 Months</b>
	<b>Schedule</b>		
<b>INCOME</b>			
Sales & Other Income	9	<b>44,204.29</b>	26,725.88
Increase / (Decrease) in Stock	10	<b>(1,405.21)</b>	(181.29)
		<u><b>42,799.08</b></u>	<u>26,544.59</u>
<b>EXPENDITURE</b>			
Manufacturing and Other expenses	11	<b>40,928.73</b>	25,359.96
<b>Profit before Financial charges and Depreciation</b>		<u><b>1,870.35</b></u>	<u>1,184.62</u>
Financial Charges	12	<b>856.21</b>	118.38
<b>Profit before Depreciation</b>		<u><b>1,014.14</b></u>	<u>1,066.24</u>
Depreciation		<b>586.18</b>	517.23
<b>Profit before Tax</b>		<u><b>427.96</b></u>	<u>549.01</u>
Prior Period adjustments (Net)		<b>20.81</b>	(36.60)
Waiver of Interest as per modified CDR Package		—	5,533.73
Capital surplus arising out of Waiver of Principal liability by Banks & Institution (Refer note 3 (iii) & 3 (v))		<b>1,110.63</b>	—
Capital surplus arising upon waiver of right to redeem Preference Capital (Refer note 3 (iv))		<b>940.00</b>	—
Fringe Benefit Tax		<b>(18.28)</b>	(13.31)
<b>Profit after adjustments</b>		<u><b>2,481.12</b></u>	<u>6,032.84</u>
Transfer to Capital Reserve being Capital Surplus (Refer note 3 (iii) & 3 (v))		<b>(2,050.63)</b>	—
Transfer to Capital Redemption Reserve (Refer note 3 (iv))		<b>(60.00)</b>	—
<b>Net Profit for the period/ year</b>		<u><b>370.49</b></u>	<u>6,032.84</u>
Add: Balance brought from Previous year		<b>(5,599.19)</b>	(11,632.03)
<b>Balance carried to Balance Sheet</b>		<u><b>(5,228.70)</b></u>	<u>(5,599.19)</u>
Earning Per Share (in rupees) (Refer Note no 8)			
Basic before extra-ordinary item		<b>7.75</b>	8.98
Basic after extra-ordinary item		<b>44.65</b>	118.92
Diluted before extra-ordinary item		<b>2.99</b>	5.37
Diluted after extra-ordinary item		<b>17.26</b>	64.87

**Notes on Accounts** 13  
**Schedule 1 to 13 annexed hereto form part of the Balance Sheet and Profit & Loss Account.**

**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**

**D.J. Ramsinghani**  
Chairman & Managing Director

**A N Manudhane**  
Chief Executive Officer

**Anil Lohia**  
Partner

**Place: Mumbai**  
**Dated: 30th September, 2009**

**J K Parakh**  
Company Secretary

**D N Singh**  
Director

*Rama Phosphates Ltd.*

**SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>As At 30-Jun-09 Rs. in Lacs</b>	<b>As At 31-Mar-08 Rs. in Lacs</b>
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
2,00,00,000 (Previous year 2,00,00,000)		
Equity Shares of Rs.10 each	<b>2,000.00</b>	2,000.00
2,10,00,000 (Previous year 2,10,00,000)		
Preference Shares of Rs.10 each	<b>2,100.00</b>	2,100.00
	<u><b>4,100.00</b></u>	<u>4,100.00</u>
<b>Issued, Subscribed and paid up</b>		
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.	<b>555.70</b>	555.70
Less: Calls in arrears	<b>4.87</b>	4.87
NIL Optionally Convertible 5.85% Cumulative Preference Shares of Rs. 10 each (Previous year 1,00,00,000 shares) Refer Note 3 (iv)	—	1,000.00
<b>Total</b>	<u><b>550.83</b></u>	<u>1,550.83</u>
<b>SCHEDULE 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Investment Allowance Reserve</b>	<b>16.50</b>	16.50
<b>Debenture Redemption Reserve</b>		
As per last Balance sheet	<b>12.50</b>	
Less: Utilised for Redemption of Debentures	<b>12.50</b>	12.50
Share Premium Account	<b>1,699.95</b>	1,699.95
Less: Share Premium relating to calls in arrears	<b>7.31</b>	7.31
	<u><b>1,692.64</b></u>	<u>1,692.64</u>
<b>Capital Redemption Reserve</b>		
As per last Balance sheet	—	
Add: Transfer from Profit & Loss account	<b>60.00</b>	—
<b>Capital Reserve</b>		
As per last Balance sheet	<b>0.02</b>	
Add: Transfer from Profit & Loss account	<b>2,050.63</b>	
	<u><b>2,050.65</b></u>	0.02
<b>Total</b>	<u><b>3,819.79</b></u>	<u>1,721.66</u>

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	As At 30-Jun-09 Rs. in Lacs	As At 31-Mar-08 Rs. in Lacs
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
NIL (Previous year 15,00,000) 15% Non Convertible Debentures of Rs 100 /- each	—	1,500.00
Term Loans	2,844.22	3,214.22
Interest accrued and due	276.22	—
Cash Credit, Working Capital Demand Loans	3,424.23	4,600.00
<b>Total</b>	<b>6,544.67</b>	<b>9,314.21</b>

**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 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 and further secured by personal guarantee of a Director.
- 3 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 & Trade Deposits	862.44	1,706.44
<b>Total</b>	<b>862.44</b>	<b>1,706.44</b>

**SCHEDULE 5**  
**FIXED ASSETS**

Rs. in Lacs

Description of the Asset	Gross Blocks at Cost				Depreciation			Net Block		
	As at 01.04.08	Additions	Deductions/Transfers	As at 30.06.09	As at 01.04.08	For the Period	Deductions/Transfers Adjustments	Total upto 30.06.09	As at 30.06.09	As at 31.03.08
Freehold Land & Site Dev	255.66	–	–	255.66	–	–	–	–	255.66	255.66
Building	1,743.10	4.48	–	1,747.58	850.48	66.53	–	917.01	830.56	892.62
Plant & Machinery	9,030.60	65.76	–	9,096.36	6,872.98	474.02	–	7,347.01	1,749.36	2,157.63
Railway siding	156.24	–	–	156.24	65.75	9.28	–	75.03	81.21	90.49
Furniture & Fixtures	71.02	0.95	–	71.97	51.15	5.63	–	56.78	15.19	19.87
Vehicles	148.15	47.91	9.37	186.69	101.06	15.19	9.36	106.89	79.80	47.09
Office Equipment	187.63	19.91	–	207.54	139.40	15.52	–	154.92	52.62	48.22
<b>Total</b>	<b>11,592.40</b>	<b>139.01</b>	<b>9.37</b>	<b>11,722.04</b>	<b>8,080.82</b>	<b>586.18</b>	<b>9.36</b>	<b>8,657.64</b>	<b>3,064.40</b>	<b>3,511.58</b>
Previous year	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

Ramana Phosphates Ltd.

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	<b>As At 30-Jun-09 Rs. in Lacs</b>	<b>As At 31-Mar-08 Rs. in Lacs</b>
<b>SCHEDULE 6</b>		
<b>INVESTMENTS</b>		
<b>(Long term - Non Trade)</b>		
<b>Quoted:</b>		
3,03,900 (Previous year 3,03,900) Equity shares of	<b>12.26</b>	12.26
Rama Petrochemicals Ltd of Rs.10 each	<b>12.26</b>	12.26
Less :Provision for dimunition in the value of investments	<b>0.87</b>	0.87
<b>Sub - Total</b>	<b>11.39</b>	11.39
<b>Unquoted:</b>		
716 (Previous year 716) Equity shares of		
Bombay Mercantile Co-op Bank Ltd of Rs.30 each at par	<b>0.22</b>	0.22
<b>Total</b>	<b>11.61</b>	11.61
Aggregate value of quoted investments	<b>11.39</b>	11.39
Aggregate value of unquoted investments	<b>0.22</b>	0.22
Aggregate Market value of quoted investments	<b>20.96</b>	36.62

**SCHEDULE 7**  
**CURRENT ASSETS, LOANS AND ADVANCES**

**Inventories :**

(As taken, valued and certified by the Management)

Raw Materials	<b>820.63</b>	1,699.81
Packing Materials	<b>127.23</b>	100.18
Stores and Spares	<b>430.70</b>	321.46
Finished Goods	<b>1,035.42</b>	2,440.64
<b>Total</b>	<b>2,413.98</b>	4,562.09

**Sundry Debtors (Unsecured) :**

Debts considered good ;

Outstanding for a period exceeding six months *	<b>430.57</b>	390.60
Others	<b>1,406.37</b>	214.28
<b>Total</b>	<b>1,836.94</b>	604.88

\* Net of Provision for Doubtful Debts Rs.398.03 Lacs (P.Y. Rs.497.30 Lacs)



*Rama Phosphates Ltd.*

	<b>As At 30-Jun-09 Rs. in Laacs</b>	<b>As At 31-Mar-08 Rs. in Laacs</b>
<b>Cash and Bank Balances :</b>		
Cash in hand	43.41	58.32
Balances with Scheduled banks :		
In Current Accounts	293.20	971.13
In Deposit towards Margin Money	137.38	918.46
<b>Total</b>	<b>473.99</b>	<b>1,947.91</b>
<b>Loans and Advances (Unsecured) :</b>		
a) Advances recoverable in cash or kind or for value to be received		
i. Considered Good	511.17	1,284.45
ii. Considered doubtful	734.18	772.95
Less: Provision for doubtful	(734.18)	(772.95)
b) Deposits with Government departments and others	308.49	331.70
<b>Total</b>	<b>819.66</b>	<b>1,616.15</b>

**SCHEDULE 8**

***CURRENT LIABILITIES AND PROVISIONS***

**Current Liabilities :**

Advance from customers	1,220.39	1,538.98
Sundry Creditors for goods, services and Capital goods	2,070.34	974.08
Other liabilities and provisions	589.16	388.19
Share application Money	3,188.85	1,848.39
<b>Sub - Total</b>	<b>7,068.74</b>	<b>4,749.63</b>

**Provisions :**

Provision for Tax	21.54	21.54
Provision for FBT	24.36	25.94
<b>Sub - Total</b>	<b>45.90</b>	<b>47.47</b>

**Total**

<b>Period ended 30-Jun-09 Rs. in Laacs 15 months</b>	<b>Year ended 31-Mar-08 Rs. in Laacs 12 months</b>
<b>7,114.64</b>	<b>4,797.10</b>

**SCHEDULE 9**

***SALES AND OTHER INCOME***

Sales including Subsidy	44,116.73	26,860.35
Less : Excise Duty	621.57	302.00
Net Sales	43,495.16	26,558.35
Profit on sale of Assets	0.81	-
Exchange Fluctuation Gain	-	73.31
Recovery of Doubtful debts provided in earlier years	142.02	-
Provision no longer required	432.99	5.07
Miscellaneous Income	133.31	89.15
<b>Total</b>	<b>44,204.29</b>	<b>26,725.88</b>

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	<b>Period ended 30-Jun-09 Rs. in Lacs 15 months</b>	<b>Year ended 31-Mar-08 Rs. in Lacs 12 months</b>
<b>SCHEDULE 10</b>		
<b><i>INCREASE / (DECREASE) IN STOCK</i></b>		
Closing stock of Finished goods	1,035.42	2,440.64
Less: Opening stock of Finished goods	<u>2,440.64</u>	<u>2,621.93</u>
<b>Total</b>	<u><u>(1,405.21)</u></u>	<u><u>(181.29)</u></u>

**SCHEDULE 11**  
***MANUFACTURING AND OTHER EXPENSES***

**Raw Material Cost:**

Opening stock	1,699.81	54.37
Add : Purchases	<u>30,571.66</u>	<u>21,908.14</u>
	<u>32,271.47</u>	<u>21,962.51</u>
Less : Closing stock	<u>820.63</u>	<u>1,699.81</u>
Raw Material Consumed	<u><u>31,450.84</u></u>	<u><u>20,262.70</u></u>
Packing Material consumed	911.83	595.62
Cost of traded goods	<u>2,298.94</u>	<u>377.85</u>
<b>Sub - Total</b>	<u><u>34,661.61</u></u>	<u><u>21,236.17</u></u>

**Salary, Wages & Benefits:**

Salaries, Wages, Allowances, Gratuity and Others	882.44	642.84
Contribution to Provident Fund and others	57.22	47.35
Welfare and Other Benefits	<u>40.13</u>	<u>25.22</u>
<b>Sub - Total</b>	<u><u>979.79</u></u>	<u><u>715.41</u></u>

**Manufacturing Expenses:**

Power and Fuel	966.58	701.30
Stores Consumed	790.42	328.96
Repairs & Maintenance		
Plant	232.39	91.14
Building	21.41	3.15
Others	25.94	4.57
Other manufacturing costs	<u>332.16</u>	<u>160.61</u>
<b>Sub - Total</b>	<u><u>2,368.90</u></u>	<u><u>1,289.73</u></u>

*Rama Phosphates Ltd.*

	<b>Period ended 30-Jun-09 Rs. in Lacs 15 months</b>	Year ended 31-Mar-08 Rs. in Lacs 12 months
<b>Selling and Distribution Expenses</b>		
Freight Outward	1,957.80	1,568.83
Sales Promotion Expenses	52.74	34.47
Handling charges and godown rent	13.26	18.61
Discount and commission	66.91	13.78
Travelling	33.09	28.44
Others	9.47	2.32
<b>Sub - Total</b>	<b>2,133.27</b>	<b>1,666.45</b>
<b>Other expenses:</b>		
Legal and professional fees	101.81	80.56
Insurance	38.98	27.00
Travelling and conveyance	97.89	62.30
Vehicle maintenance	72.27	41.71
Directors sitting fees	0.45	0.39
Rent	2.19	1.46
Rates and Taxes	10.01	6.37
Provision for Doubtful debts, fertiliser subsidy and advances	42.11	24.49
Miscellaneous expenses	273.51	207.30
Exchange rate Loss (net)	141.98	-
Loss on sale of Fixed assets	-	0.45
Donation	3.95	0.17
<b>Sub - Total</b>	<b>785.16</b>	<b>452.21</b>
<b>Total</b>	<b>40,928.73</b>	<b>25,359.96</b>

**SCHEDULE 12**  
**FINANCIAL CHARGES**

Interest on Debentures and Fixed Loans	348.22	-
Other Finance charges	507.99	118.38
<b>Total</b>	<b>856.21</b>	<b>118.38</b>

**SCHEDULE - 13**

**(Notes on the Accounts)**

**Period Ended 30th June 2009 (15 months)**

**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**

- (a) 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.
- (b) Impairment of Assets :  
The carrying amount of assets are reviewed at each Balance sheet date if there is any indication of impairment based on internal / external factors.  
If the carrying amount of the asset exceeds its estimated recoverable amount, an impairment loss is recognised in the Profit & Loss account to the extent the carrying amount exceeds recoverable amount.  
Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the assets, no longer exists or have decreased.

**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) INVESTMENTS**

Investments are stated at cost less any diminution in their value, which is other than temporary.

**F) INVENTORIES**

Inventories are valued as under :

- |                                    |   |  |
|------------------------------------|---|--|
| Raw materials                      | : | at cost or net realisable value whichever is lower   |
|                                    | : | Raw material are not written down below cost if the finished product in which they will be incorporated are expected at or above cost. |
| 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 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) 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.

**I) REVENUE RECOGNITION**

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

**J) 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, 2008, 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.

**K) PROVISION FOR RETIREMENT BENEFITS**

i) 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.

ii) **Post employment benefits**

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

**L) TAXES ON INCOME**

Tax Expenses comprise both current and deferred tax at the applicable enacted/substantively enacted rates. Current tax represents the amount of income tax payable/recoverable in respect of the taxable income/loss for the reporting period. Deferred tax represents the effect of timing differences between taxable income and accounting income for the reporting period that originate in one period and are capable of reversal in one or more subsequent periods.

**2 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

- a) Amount of Letters of Credit and Bank Guarantee issued by banks Rs. 21.32 Lacs (Previous Year. Rs.77.91Lacs)
- b) Service tax demand raised by excise authorities and disputed by the company Rs. 2.26Lacs (P.Y. Rs.2.26Lacs)
- c) Royalty & Environment Cess on rock phosphates claimed by RSMML Rs.522.60 Lacs (P.Y. Rs.116.08 Lacs)
- d) Electricity duty Rs.57.37 Lacs (P.Y.57.37Lacs)
- e) **CLAIMS NOT ACKNOWLEDGED AS DEBT**
  - i) Custom Duty, Excise duty, Demurrage, Sales Tax and Others Rs. 1147.72 lacs ( Previous year Rs 1765.65 Lacs)
  - ii) Wages Rs. 26.69 lacs (Previous year Rs. 24.40 Lacs)
  - iii) Railway Claim Rs. 4.22 lacs (Previous year Rs. 4.22 Lacs)

- 3 Honourable BIFR has sanctioned debt rehabilitation scheme submitted by operating agency (IDBI) in consultation with Company on 6th August 2009 in line with the financial package approved by CDR on 29th May 2008. Based on these sanction order, the company has given following effects:
- (i) 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. During the current period based on its own calculation, Company has provided interest as per CDR package.
  - (ii) 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/-
  - (iii) 15% Non-Convertible Debentures aggregating to Rs.1500 lacs had been issued during the last quarter of 1999. In accordance with the consent letter dated 30th July 2008 received from the Debenture holder, the Company has redeemed the Debenture and surplus arising out of the redemption is transferred to Capital Reserve account.
  - (iv) 12% Optionally Convertible Cumulative Preference Shares amounting to Rs. 1000 Lacs had been issued during last quarter of 2000. In accordance with the consent letter dated 30th July 2008 received from the share holder, the right to redeem the share capital has been waived to the extent of Rs.940 Lacs. This amount has been transferred to Capital Reserve Account. The balance Share Capital has been redeemed during the period and an equivalent amount has been transferred to Capital Redemption Reserve.
  - (v) Two of working capital Lenders have approved one time settlement / compromise Proposal for the outstanding loan. Accordingly, the payment is being made as per schedule specified in the approval letters. Surplus arising out of waiver of principal amount has been transferred to Capital Reserve Account.
- 4 In accordance to provision of Accounting Standard - 2 "Valuation of inventories issued by the Institute of Chartered Accountant of India & due to unprecedented wide fluctuations in the prices of Raw material and consequent diminution in the value of finished goods, the Company has changed the method of valuation of inventories of raw materials from landed cost on FIFO basis to lower of cost or net realisation value in order to make more appropriate presentation of financial statements.
- Had the old policy of valuation being continued, the profit & raw material inventories would have been higher by Rs.189.54 Lacs.
- 5 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 in the past years. Considering the past and current year performance, no further adjustment is considered necessary.

**6 The disclosure required under Accounting Standard 15 “Employee Benefits”**

The obligation for Gratuity & Leave encashment is a unprovided defined contribution plan.

<b>Assumptions</b>	<b>Gratuity</b>	<b>Leave encashment</b>
Discount Rate	7.50%	7.50%
Rate of Increase in Compensation levels	4%	4%
Rate of return on plan assets	–	–
Withdrawal Rate	0.80%	0.80%
		<b>Amt in Rs.</b>
	<b>Gratuity</b>	<b>Leave encashment</b>
<b>Change in present value of obligations</b>		
Present value of obligation as at 1.4.2008	13,964,744	2,661,766
Interest cost for the period	1,225,177	223,976
Service cost for the period	1,653,125	576,580
Benefits paid during the period	(1,792,379)	(545,379)
Actuarial (gain)/loss on obligation	(120,580)	(316,667)
Present value of obligation as on 30.6.2009	14,930,087	2,600,276
<b>Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return of Plant Assets	–	–
Contribution during the period	1,792,379	545,379
Benefit paid during the period	(1,792,379)	(545,379)
Actuarial gain/(loss) on plan assets	–	–
Fair Value of Plan Assets at end of period	–	–
<b>Liability recognised in Balance sheet</b>		
Present value of obligation as on 30.6.2009	14,930,087	2,600,276
Fair Value of Plan Assets	–	–
Liability recognised in Balance sheet as on 30.6.2009	(14,930,087)	(2,600,276)
<b>Expenses recognised in Profit and Loss Account</b>		
Current Service Cost	1,653,125	576,580
Interest Cost	1,225,177	223,976
Expected return on Plant Assets	–	–
Net Actuarial (Gain)/Loss recognised for the period	(120,580)	(316,667)
Total Expenses recognised in the statement of P & L A/c	2,757,722	483,889
<b>Movement in the liability recognised in the Balance Sheet</b>		
Liability as on 1.4.2008	13,964,744	2,661,766
Expenses as above	2757722	483,889
Contribution paid	(1,792,379)	(545,379)
Liability as on 30.6.2009	14,930,087	2,600,276

**7 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 period. 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	<b>35,694.78</b>	<b>7,850.78</b>	<b>658.73</b>	<b>44,204.29</b>
		<i>12,149.45</i>	<i>14,408.96</i>	<i>162.46</i>	<i>26,725.88</i>
b	Segment Result	<b>1,722.18</b>	<b>(435.41)</b>	<b>427.88</b>	<b>1,714.65</b>
		<i>861.23</i>	<i>4.86</i>	<i>6.18</i>	<i>872.27</i>
c	Interest and financial cost - For the period	-	-	<b>(856.21)</b>	<b>(856.21)</b>
		-	-	<i>(118.38)</i>	<i>(118.38)</i>
d	Net Corporate Office Expenses	-	-	-	<b>1,622.70</b>
		-	-	-	<i>5,278.96</i>
e	Profit / (Loss) as per Profit & Loss Account	-	-	-	<b>2,481.14</b>
		-	-	-	<i>6,032.84</i>
f	Segment Assets	<b>11,861.73</b>	<b>682.39</b>	<b>1,119.55</b>	<b>13,663.68</b>
		<i>10,541.51</i>	<i>1,278.60</i>	<i>1,844.07</i>	<i>13,664.19</i>
g	Segment Liabilities	<b>4,638.55</b>	<b>2,104.29</b>	<b>7,778.90</b>	<b>14,521.74</b>
		<i>5,898.00</i>	<i>1,440.06</i>	<i>8,652.82</i>	<i>15,990.88</i>
h	Cost Incurred during the period to acquire Segment Assets	<b>80.50</b>	<b>16.37</b>	<b>44.73</b>	<b>141.59</b>
		<i>115.98</i>	<i>1.13</i>	<i>26.63</i>	<i>143.74</i>
i	Segment Depreciation	<b>511.91</b>	<b>63.77</b>	<b>10.50</b>	<b>586.18</b>
		<i>446.99</i>	<i>64.88</i>	<i>5.36</i>	<i>517.23</i>

(Previous year figure shown in Italic)



*Rama Phosphates Ltd.*

**8 Earnings per share (EPS) is calculated as under :**

	<b>30.06.2009</b>	31.03.2008
	<b>Rs. In lacs</b>	Rs. In lacs
<b>(i) Basic earning per share before extra-ordinary items</b>		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	<b>430.49</b>	499.11
b) Denominator - number of Equity Shares outstanding	<b>5557026</b>	5557026
c) Nominal value of Shares ( in Rs. )	<b>10</b>	10
d) Basic Earning per share (on reduced capital as per note 3 (ii))	<b>7.75</b>	8.98
<b>(ii) Basic earning per share after extra-ordinary items</b>		
a) Numerator- Net Profit / (Loss) after tax and extraordinary items for basic EPS	<b>2481.12</b>	6032.84
b) Less : Arrears of preference dividend	<b>0.00</b>	575.31
Net profit attributable to equity share holders	<b>2481.12</b>	6608.15
c) Denominator - number of Equity Shares outstanding	<b>5557026</b>	5557026
d) Nominal value of Shares ( in Rs. )	<b>10</b>	10
e) Basic Earning per share ( on reduced capital as per note 3 (ii))	<b>44.65</b>	118.92
<b>(iii) Diluted earning per share before extra-ordinary items</b>		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	<b>430.49</b>	499.11
b) Weighted Average number of equity share outstanding during the period	<b>14,377,723</b>	9,299,612
c) Nominal value of Shares ( in Rs. )	<b>10</b>	10
d) Diluted Earning per share	<b>2.99</b>	5.37
<b>(iv) Diluted earning per share after extra-ordinary items</b>		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	<b>2481.12</b>	6032.84
b) Weighed Average number of equity share outstanding during the period	<b>14,377,723</b>	9,299,612
c) Nominal value of Shares ( in Rs. )	<b>10</b>	10
d) Diluted Earning per share	<b>17.26</b>	64.87
<b>9 Payments to Auditors</b>	<b>30.06.2009</b>	31.03.2008
	<b>Rs. In lacs</b>	Rs. In lacs
<i>Statutory Auditors:</i>		
Audit fees	<b>5.90</b>	5.28
Out of pocket expenses	<b>0.04</b>	0.05
For tax audit	<b>1.50</b>	1.40
Certification	<b>1.81</b>	1.21
Management services ( including Income Tax matters)	<b>0.87</b>	1.18
<b>Total</b>	<b>10.12</b>	9.12

<b>10 Salaries, Wages &amp; Benefits includes Remuneration to Chairman &amp; Managing Director</b>	<b>30.06.2009</b>	31.03.2008
<b>Subject to approval of Central Govt.</b>	<b>Rs. In lacs</b>	Rs. In lacs
Salaries and allowances	<b>16.67</b>	13.41
Contribution to provident fund	<b>1.30</b>	1.04
Perquisites	<b>1.47</b>	1.15
<b>Total</b>	<b>19.44</b>	15.61

**11** The computation of net profit under Section 349 of the Companies Act, 1956, has not been given in view of the fact that no commission is proposed to be paid.

**12** In the absence of information from suppliers of their status being micro, small and medium enterprise, amount overdue and interest payable thereon, if any, cannot be quantified.

**13** **Difference due to exchange rate fluctuation has been debited / credited as follows.**

	<b>30.06.2009</b>	31.03.2008
	<b>Rs. In lacs</b>	Rs. In lacs
Other expenses / (Miscellaneous income) including prior period items	<b>141.98</b>	(73.31)

**14** **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 Pvt.Limited

**III) Key Management Personnel (KMP)**

D J Ramsinghani, Chairman & Managing Director

H D Ramsinghani (Director)

**IV) Relative of key management personnel**

Pooja D Ramsinghani

*Rama Phosphates Ltd.*

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 30.6.2009		
Receivable	–	<b>668.30</b>
	–	(888.17)
Payable	–	<b>1,073.17</b>
	–	–
2 Balance outstanding as Investments as on 30.06.2009	–	<b>11.39</b>
	–	(11.39)
3 Payment made on their behalf	–	–
	–	–
4 Payment made on our behalf	–	–
	–	–
5 Loans & Advances given / repaid	–	<b>119.00</b>
	–	(80.00)
6 Loans & Advances received / recovered	–	<b>182.00</b>
	–	(140.00)
7 Share Application money received	–	–
	–	(300.00)
8 Remuneration to KMP	<b>19.44</b>	–
	(15.61)	–
9 Sale of finished goods	–	<b>1,411.02</b>
	–	–
10 Purchases and other services	–	<b>1,593.87</b>
	–	(30.34)

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

- 15** Loans and advances referred to in note 14 (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.
- 16 (a)** Subsidy receivable is netted off from provision for doubtful subsidy receivable aggregating Rs.96.28 lacs (Previous year Rs.57.91 Lacs)
- (b)** Sales includes fertiliser subsidy of Rs.17856.50 Lacs (Previous Year Rs.2548.24 Lacs)
- 17** Previous year's figures have been regrouped / rearranged, wherever necessary.
- 18** Current period figures consists of 15 months and hence are not comparable with the previous year figures.

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### 19 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	339,650
	(462,000)	(214,020)
Sulphuric Acid	183,600	80,393
	(183,600)	(53,212)
Granulated SSP	258,000	111,023
	(198,000)	(39,392)
NPK	120,000	18,826
	(120,000)	(8,647)
Solvent Extraction Plant, Seed Crushing	120,000	34,805
	(120,000)	(70,316)
Refinery	30,000	3,147
	(30,000)	(3,648)

❶ Includes 111,023 MT consumed for granulation (Previous year 39,392 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

	30.06.2009		31.03.2008		31.3.2007	
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs
Single Super Phosphates (Powdered and granulated)	17,246	798.65	52,019	2,026.23	64,509	2,080.39
Sulphuric acid (98%)	1,561	28.82	3,817	145.97	3,601	74.03
NPK	2,407	149.97	2,258	150.62	1,686	109.07
Oil	74	30.13	210	105.01	962	347.76
De oiled cake	123	26.81	65	10.65	101	10.68

#### C) Turnover

	30.06.2009		31.03.2008	
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs
Single Super Phosphates (Including Subsidy) (Powdered and granulated)	374,423	30,402.26	226,510	9,758.55
Sulphuric Acid 98% ❶	82,649	2,780.82	41,587	1,641.87
Oil	6,079	2,987.25	12,929	6,234.88
De-oiled Cake	28,909	4,618.58	58,833	7,836.53
N P K	18,677	1,321.00	8,075	542.13
Traded goods	-	1,344.08	-	498.02
Others		690.72		44.02

❶ Includes 46,806 MT Captive consumption (P.Y. 21,599 MT)

*Rama Phosphates Ltd.*

D) Raw material Consumed	30.06.2009		31.03.2008					
	Qty ( Mts.)	Rs. In lacs	Qty ( Mts.)	Rs. In lacs				
Rock Phosphates	187,840	13,811.48	119,273	4,096.10				
❶ Sulphur	34,742	5,126.56	18,364	1,597.58				
Oil Seeds	34,805	7,074.45	70,316	12,520.11				
Traded goods	–	2,298.94	–	377.85				
Others	–	5,438.35	–	2,048.92				
❶ Includes 7,948 MT For Trading (P.Y. 835 MT)								
E) Value of Imported and Indigenous Raw Material Consumed.								
	30.06.2009				31.03.2008			
	Raw Materials		Stores & Spare Parts		Raw Materials		Stores & Spare Parts	
	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%
Imported	9,441.90	27.98	–	–	1,566.80	7.59	–	–
Indigenous	24,307.88	72.02	790.42	100.00	19,073.75	92.41	328.96	100.00
Total	33,749.78	100.00	790.42	100.00	20,640.55	100.00	328.96	100.00
F) C.I.F. Value of Imports					30.06.2009		31.03.2008	
					Rs. In lacs		Rs. In lacs	
Raw Material					8,300.99		1,460.58	
G) Earnings in Foreign Exchange					30.06.2009		31.03.2008	
					Rs. In lacs		Rs. In lacs	
FOB value of Exports					332.28		67.98	

For and on behalf of the Board

D.J. Ramsinghani  
Chairman & Managing Director

A N Manudhane  
Chief Executive Officer

Place: Mumbai  
Dated: 30th September, 2009

J K Parakh  
Company Secretary

D N Singh  
Director

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30th June 2009**

	Period ended 30th June 2009 15 Months Rs. In lacs	Year ended 31st March 2008 12 Months Rs. In lacs
<b>A. Cash flow from Operating activities</b>		
Net Profit before taxation and extra ordinary items	427.96	541.95
Adjustments for -		
Depreciation	586.18	517.23
Interest and financing charges	856.21	118.38
Profit on sale of assets	(0.81)	-
Loss on sale of Assets	-	0.45
Prior period items (Net)	20.81	(36.60)
Excess provision written back	-	7.07
Fringe Benefit Tax	(18.28)	(13.31)
	1,444.11	593.23
<b>Operating profit before working capital changes</b>	1,872.07	1,135.18
Decrease / (Increase) in trade and other receivables	(4,094.87)	20.25
Decrease / (Increase) in inventories	2,148.11	(1,202.09)
Increase / (Decrease) in Short term borrowings	(1,175.77)	(2,928.34)
Increase / (Decrease) in trade payables	803.95	1,187.12
	(2,318.59)	(2,923.05)
<b>Cash generated from Operations</b>	(446.52)	(1,787.88)
Interest & Financial charges	(856.21)	(118.38)
<b>Cash flow before Extra-ordinary items</b>	(1,302.73)	(1,906.26)
<b>Extra-ordinary items</b>		
Reversal of Differential Interest as per CDR	-	5,533.73
Waiver of Liabilities on account of OTS	2,050.63	-
<b>Net Cash from Operating Activities (A)</b>	747.91	3,627.47
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(112.83)	(159.40)
Sale of fixed assets	0.01	0.32
Profit on Sale of Fixed Assets	0.81	-
	-	(159.08)
<b>Net cash used in Investing Activities (B)</b>	(112.01)	(159.08)
<b>C. Cash flows from financing activities</b>		
Redemption of Preference Share Capital	(1,000.00)	-
Increase in Share Application Money	1,340.46	800.00
Increase in long term borrowings	(1,593.77)	(3,240.14)
Increase in unsecured loan	(844.00)	499.22
Reduction of Debentures Reserve	(12.50)	-
	(2,109.81)	(1,940.92)
<b>Net cash from Financing Activities (C)</b>	(2,109.81)	(1,940.92)
<b>Net increase in cash and cash equivalent (A+B+C)</b>	(1,473.92)	1,527.47
<b>Cash and cash equivalents (Opening balance)</b>	1,947.91	420.44
<b>Cash and cash equivalents (Closing balance)</b>	473.99	1,947.91

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: 30th September, 2009

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 0 0 6 0 9		
II	Capital Raised during the period (Amount in Rs. Lacs)			
	Public Issue	0 . 0 0	Right 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 1 7 7 7 . 7 3	Total assets	1 1 7 7 7 . 7 3
	<b>Sources of funds</b>			
	Paid up capital	5 5 0 . 8 3	Reserves and surplus	3 8 1 9 . 7 9
	Secured loans	6 5 4 4 . 6 7	Unsecured loans	8 6 2 . 4 4
	<b>Application of funds</b>			
	Net fixed assets	0 3 0 6 6 . 9 8	Investments	1 1 . 6 1
	Deferred Tax Assets	0 0 4 0 0 . 0 0		
	Net current assets	0 3 0 7 0 . 4 4		
	Accumulated losses	5 2 2 8 . 7 0	Misc. expenditure	2 7 3 . 5 1
IV	Performance of the company (Amount Rs. in Lacs)			
	Turnover	4 2 7 9 9 . 0 8	Total expenditure	4 0 3 1 7 . 9 6
	Profit/loss before tax	2 4 9 9 . 4 0	Profit/loss after tax	2 4 8 1 . 1 2
	Earnings Per Share	4 4 . 6 5	Dividend rate%	NIL
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 oiled cake		
	III) Item Code No.	1 5 0 7 1 0 0 0		
	(ITC Code)			
	Product description:	Soya bean Oil		

Schedule 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

**Anil Lohia**  
Partner

**Place: Mumbai**  
**Dated: 30th September, 2009**

**For and on behalf of the Board**

**D.J. Ramsinghani**  
**Chairman & Managing Director**

**J K Parakh**  
**Company Secretary**

**A N Manudhane**  
**Chief Executive Officer**

**D N Singh**  
**Director**

## RAMA PHOSPHATES LIMITED

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

### PROXY FORM

For Dematted Shares

DP ID	
CLIENT ID	

For Physical Shares

REGD. FOLIO NO.	
NO. OF SHARES HELD	

I/We \_\_\_\_\_ s/o, w/o, d/o \_\_\_\_\_  
residing at \_\_\_\_\_

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

appoint Mr./Ms. \_\_\_\_\_ residing at \_\_\_\_\_

\_\_\_\_\_ or failing him/her Mr./Ms \_\_\_\_\_

residing at \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on Monday the 30th day of November, 2009 at 10.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, Kaikhushru Dubhash Marg, Mumbai 400 001

Signed this \_\_\_\_ day of \_\_\_\_\_, 2009

Affix  
Revenue  
Stamp of  
Rs. 0.15

Signature

(Please sign across the Stamp)

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

## RAMA PHOSPHATES LIMITED

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

### ATTENDANCE SLIP

For Dematted Shares

DP ID	
CLIENT ID	

For Physical Shares

REGD. FOLIO NO.	
NO. OF SHARES HELD	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Twenty Fourth Annual General Meeting of the Company held on Monday the 30th day of November, 2009 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 :*

**Link Intime India Private Limited**

**Unit : Rama Phosphates Limited**

C-13, Pannalal Silk Mills Compound,

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

Mumbai 400 078.