



Rama Phosphates Limited

25TH ANNUAL REPORT

2009 - 2010

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.
(Upto April 5, 2010)

K.D. Ailani – Nominee Director of IDBI Bank Ltd.
(From April 5, 2010 to August 13, 2010)

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

K. Raghuraman – Special Director of BIFR

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 - Madhya Pradesh

100, Chetak Centre, R.N.T. Marg, Indore 452 001, M.P.

Pune - Maharashtra

P.O. Loni Kalbhori, Tal. Haveli, Dist. Pune – 412 201

Udaipur - Rajasthan

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

New Fatehpura, Udaipur-313 004

COMPANY SECRETARY

J K Parakh

BANKERS

Bank of India

State Bank of Indore

Central Bank of India

Syndicate Bank

State Bank of Hyderabad

WORKS : Fertilizer

Indore - Madhya Pradesh (Both Fertilizer and Oil)

20/6 KM Stone, Indore – Ujjain Road (Dharampuri),

Dist. Indore, Madhya Pradesh – 453 557.

AUDITORS

M/s. Dayal & Lohia

Chartered Accountants

Mumbai

Rama Krishi Rasayan

(Division of Rama Phosphates Limited)

Pune - Maharashtra

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

Dist. Pune 412 201

REGISTERED OFFICE

812, Raheja Chambers, Nariman Point,

Mumbai 400 021

Udaipur - Rajasthan

4807/11, Umra Village,

Jamarkotra Road, Teh. Girwa,

Dist. Udaipur 313 901

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of the Company will be held on Thursday the 30th day of September, 2010 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001 to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the Nine Months period ended March 31, 2010 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. H. D. Ramsinghani who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass with or without modifications, the following Resolution, as an Ordinary Resolution :

“RESOLVED THAT the retiring Statutory Auditors M/s. Dayal and Lohia (Registration No 102200W) be and they are hereby reappointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting on remuneration to be fixed by the Board of Directors.”

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 Thursday the 23rd day of September 2010 to Thursday the 30th day of September 2010 (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

J. K. PARAKH
COMPANY SECRETARY

Place : Mumbai
Date : August 13, 2010

Rama Phosphates Ltd.

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 as follows ;

Mr. H.D. Ramsinghani retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Mr. H. D. Ramsinghani has done his Post Graduation in Management from U. S. A. and has over 25 years of rich and varied experience in the field of Textiles, Petrochemicals, Fertilizers, etc..

He is the Chairman and Managing Director of Rainbow Denim Limited and also Chairman & Director of Rama Petrochemicals Limited and Rainbow Agri Industries Limited. He is also Director in Rama Industries Ltd. and Nova Gelicon Private Limited.

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

Rama Industries Limited

Audit Committee – Member

Rainbow Denim Limited

Shareholders Committee – Member

Share Transfer Committee – Chairman

Rama Petrochemicals Limited

Share Transfer Committee - Member

Rainbow Agri Industries Limited

Audit Committee – Chairman

DIRECTORS' REPORT

Your Directors present the Twenty Fifth Annual Report together with Audited Accounts for the nine months period ended March 31, 2010.

FINANCIAL RESULTS	PERIOD ENDED 31/03/2010 (9 MONTHS)	(Rs. in lacs) PERIOD ENDED 30/06/2009 (15 months)
Sales & Other Income	13406.96	44,204.29
Profit before financial charges & Depreciation	754.81	1,870.35
Less: Financial Charges	301.65	856.21
Profit before Depreciation	453.16	1,014.14
Less : Depreciation	367.90	586.18
Net Profit for the period	85.26	427.96
Prior period Adjustment (Net)	7.69	20.81
Capital surplus on waiver of principal liabilities by Banks and Institutions	758.22	1,110.63
Waiver of Interest	276.22	NIL
Capital surplus on waiver of right to redeem Preference capital	NIL	940.00
Fringe Benefit Tax	NIL	(18.28)
Profit/(Loss) after adjustments	1127.39	2,481.12
Transfer to Capital Reserve	(758.22)	(2,050.63)
Transfer to Capital Redemption Reserve	NIL	(60.00)
Profit / Loss for the period	369.17	370.49
Profit & Loss balance brought forward from the previous period	(5228.70)	(5,599.19)
Balance carried to Balance Sheet	(4859.53)	(5,228.70)

1. CHANGE IN ACCOUNTING YEAR

The previous Accounting year of the Company was for a period of 15 months from 1st April 2008 to 30th June 2009. The Board of Directors have decided to change the Accounting year so as to align the same with the Financial Year under the Income Tax Act, 1961 and hence the current Accounting Year is for a period of nine months commencing from 1st July 2009 and ending on 31st March, 2010.

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. 758.22 Lac being capital surplus arising out of waiver of principal liability in respect of term loan from lender .

During the period under review, an amount of Rs. 16.50 Lacs has been transferred from Investment Allowance Reserve to General Reserve.

3. REVIEW OF OPERATIONS

The company manufactures phosphatic fertilizers viz., Single Super Phosphate (SSP) in both Powder and Granular form along with Mixed Fertilizers, Sulphuric Acid and Soya oil. The concession scheme announced by the Govt. w.e.f. 1ST May 2008 envisaged uniform MRP @ Rs. 3400/- per MT with differential concession payment based on prevailing rate of Rock Phosphate and Sulphur and this scheme was revised w.e.f. 1ST Oct. 2009 by implementing fixed ad-hoc subsidy of Rs. 2000/- per MT with open selling price of SSP.

It may be pertinent to note that Govt. of India thankfully finalized the revised Nutrient Based Subsidy (NBS) Policy effective from 1ST May, 2010 and this placed SSP industry at par with other complex manufacturers. Moreover, the main objective of shifting from product-based subsidy (PBS) to nutrient-based subsidy (NBS) regime was to restore soil health by addressing the nutrient imbalances since sulphur has also been considered as one of the nutrients, which was neglected till now.

The capacity utilization during the period was 70.22% as against 58.79% reported for 15 months period ended 30th June, 2009 which is considered to be highest in the industry of our size and operations. This increase in increased capacity utilization was mainly due to availability of Rock Phosphate and better management of working capital with support from consortium member banks.

The Company also decided to concentrate on other products like mixed fertilizers – NPK of various grades, Sulphuric acid, Oleum and Sulphur Trading activities etc. The company was granted permission to manufacture value-added product viz. Boronated SSP at our Indore unit. The combined results of the activities undertaken ultimately helped the Company in improving the bottom line.

During the period under review Soya industry underwent huge speculative business resulted into mismatch between seed procurement price and oil & de-oiled cake price. This led to unviable operations during the entire season and thus there was lack lustre performance in the industry. During the period, your company took cautious move and decided to go slow by under-utilising the facility. However, this approach ultimately helped in incurring avoidable losses.

Due to implementation of CDR package and with the infusion of promoters contribution commensurating with reduction of debt burden, your company could able to substantially reduce interest burden of the company which has helped in improving financials.

Due to proposed allotment of 1,21,36,190 equity shares of Rs. 10/- each at a premium of Rs. 20/-, equity base will go up from present level to Rs. 17.69 Crores.

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

With the establishment of its brand leadership in M.P. and Maharashtra states, company would be in a position to reap benefits in the days to come. The Management is also planning to plunge in a big way in Uttar Pradesh, Karnataka and Andhra Pradesh markets.

The company also proposes to import and trade in P&K Fertilizers viz. MOP, DAP etc., which would also be consumed for various grades of NPK fertilizers. In view of increasing trend in consumption of Mixed fertilizers, company is increasing its production at Indore and Pune plants which remained under utilised as of now. Company is also introducing Boronated SSP in Indore market to take advantage of better realization and also to improve its capacity utilization.

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The management is hopeful to encash the opportunity of increased soya sowing subsequent to good monsoon in the year and thus will revive its soya seed crushing and refining activities at its Indore plant.

Your Directors are glad to inform you that with the implementation of Nutrient Based Subsidy (NBS) policy, which envisages at-par treatment with other complex fertilizers, will help in improving capacity utilization and performance of the company in the years to come.

With better financial management within the existing available limits and also reduction in overall debts and timely support from bankers, 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 6th August, 2009 confirming the reliefs and concessions granted by CDR – EG. The same is under implementation as per the Scheme.

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. The entire equity contribution has been infused in phased manner by promoter subsequent to direction by CDR and H'ble BIFR. Promoter has brought stipulated contributions equity shown as share application money account and allotment of 1,21,36,190 equity shares of Rs. 10/- each would be made shortly at premium of Rs. 20/- per share in accordance with DRS sanctioned scheme. With the implementation of this package, the company is regularly servicing its obligation with banks and institutions.

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 March 31, 2010 and of the Profit of the Company for the period ended March 31, 2010;
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. Deonath Singh, Mr. H. D. Ramsinghani and K. Raghuraman. 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 period 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

IDBI Bank Limited has withdrawn the nomination of Mr. Yashpal Gupta from the Board of Directors and has nominated Mr. K.D. Ailani w.e.f. 05th April, 2010, whose nomination was also withdrawn w.e.f. 13th August, 2010. The Board places on record its sincere appreciation of the valuable contribution made by Mr. Yashpal Gupta and Mr. K. D. Ailani during their association with the company.

Shri H D Ramsinghani 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:

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.

15. AUDITORS

M/s. Dayal & Lohia, the Auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible to 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 Account 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 2010-11.

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 : August 13, 2010

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 MARCH 31, 2010.

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, pulsating grating furnace, 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, which are in operation. The Company has several investment proposals such as installation of variable frequency drives, additional economizer in Sulphuric Acid plant which will increase steam generation resulting in 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 efforts, 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:

	9 months period ended31.03.2010	15 months period ended30.06.2009
i) Electricity		
a) Purchased:		
Units (in thousands)	7081	9954.78
Total amount (Rs. in lacs)	370.63	498.54
Rate / Unit (Rs.)	5.23	5.01
b) Own Generation:		
i) Through diesel generator:		
Units (in thousand)	33.44	60.19
Units per litre of diesel oil	2.29	2.84
Cost / Unit (Rs.)	15.37	12.73
ii) Through steam turbine/generator :		
Units (in thousand)	3304.33	6769
Units per M.T of Steam	308.19	80.00
Cost / Unit (Rs.)	1.23	2.06
ii) Coal (Rs. in lacs)	159.92	364.61
iii) Furnace Oil (Rs. in lacs)	46.46	79.71

b) CONSUMPTION PER UNIT OF PRODUCTION:

SSP: Single Super Phosphate GSSP: Granulated SSP SA: Sulphuric Acid

SEP : Solvent Extraction Plant

	31.03.2010						30.06.2009					
	Refinery	SEP	SSP	GSSP	SA	NPK	Refinery	SEP	SSP	GSSP	SA	NPK
Electricity (Units) / PMT	73.82	46.57	21.82	13.01	69.06	16.00	63.49	41.09	19.51	12.70	65.29	27.32
Furnace Oil Litre / PMT	NIL	NIL	0.65	0.21	0.40	NIL	NIL	NIL	0.76	NIL	NIL	NIL
Coal Kg / PMT	128.43	70.17	NIL	32.47	NIL	27.78	96.59	63.15	NIL	34.93	NIL	59.86

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 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, there is NIL export. The company is looking forward for increase in exports in its Soya business.

II. Total foreign exchange used & earned :

	(Rs. in lacs)
Used:	4192.56
Earnings:	NIL

For and on behalf of the Board

Place : Mumbai

Dated : August 13, 2010

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 spirit.

2. Board of Directors

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

Name of Director	Category Executive, Non-executive/ Independent	Attendance at		Director- ship of other Board (including alternate Director-ships and Private Companies)	Membership/ Chairmanship of other Board Committees	
		Board Meetings	Last Annual general meeting		Chairman	Member
Mr. D. J. Ramsinghani* Chairman & Managing Director	Executive	Four	Yes	One	Nil	Nil
Mr. Deonath Singh Director	Non Executive Independent	Five	Yes	Three	One	Three
Mr. H.D. Ramsinghani* Director	Non Executive	Five	No	Five	Nil	Two
Mr. C. R. Malaviya Director	Non Executive Independent	Four	Yes	One	One	Nil
Mr. Yashpal Gupta Nominee Director – IDBI Bank Limited (Upto 05/04/2010)	Non Executive Independent	Two	No	Nil	Nil	Nil
Mr. K. D. Ailani Nominee Director – IDBI Bank Limited (From 05/04/2010 to August 13, 2010)	Non Executive Independent	Nil	N.A.	Nil	Nil	Nil
Mr. A.P. Mohanty Nominee Director – Bank of India	Non Executive Independent	Two	No	Nil	Nil	Nil
Mr. K. Raghuraman Special Director – BIFR (From 10/08/2009)	Non Executive Independent	Two	No	Seven	Nil	Nil

- Except Mr D. J. Ramsinghani, Chairman and Managing Director, and Mr H. D. Ramsinghani, Non Executive Director, who are relatives, none of the other Director are related to each other.

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

July 23, 2009, September 30, 2009, October 31, 2009, December 19, 2009, January 30, 2010

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, and Mr K Raghuraman.

During the period Four meetings of the Audit Committee were held on July 23, 2009, September 30, 2009, October 31, 2009 and January 30, 2010. 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	Three
Mr. D.N. Singh	Four
Mr. H.D. Ramsinghani	Four
Mr. Yashpal Gupta	Two
Mr. K.D. Ailani	N.A.
Mr. K. Raghuraman	Two

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 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, and Mr. D. N. Singh and no meeting of the Remuneration Committee was held during the period under review.

7. Shareholders/Investors Grievances Committee

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

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

	Received	Cleared
Non receipt of shares duly transferred	8	8
Non-Receipt of Dividend Warrants	1	1
Non-Receipt of Annual Report	1	1
Non-Receipt Redemption Amount	3	3
Non-Receipt of Exchange Certificate	5	5
Miscellaneous	—	—
Letters from Stock Exchanges, SEBI and Department of Corporate Affairs	NIL	N.A.

8. Remuneration of Directors

(a) Director

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

Name	Designation	Remuneration (Rs. In lacs)	Sitting Fees (Rs. In lacs)
Mr. D. J. Ramsinghani	Chairman & Managing Director	11.39	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	9,000/-
Mr. D. N. Singh	9,000/-
Mr. C. R. Malaviya	7,000/-
Mr. Yashpal Gupta*	4,000/-
Mr. A.P. Mohanty **	2,000/-
Mr. K. Raghuraman	4,000/-

* 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. A. P. Mohanty.

(c) General Body Meetings

Financial Year	Date	Time	Location
2006-07	18/09/2007	10.00 A.M.	Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001
2007-08	29/09/2008	10.00 A.M.	M C Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, K Dubhash Marg, Mumbai 400 001
2008-09	30/11/2009	10.00 A.M.	M C Ghia Hall, Bhogilal Hargovindas Bldg., 18/20, K 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
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
30.11.2009	Reclassification of Authorised Share Capital of the Company Alteration of the Capital Clause of Articles of Association

11. Disclosures

- a) There were no transactions of material nature with the Directors or the management or relatives of the Directors during the financial period, 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	: 30 th September, 2010 at 10.00 a.m. at Babasaheb Dahanukar Hall, Oricon House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400001.
Dates of Book Closure	: 23 rd September, 2010 to 30 th September, 2010 (Both Days Inclusive)
Dividend payment date	: Not Applicable
Listing on Stock Exchange	: Bombay, Madras, M P, Calcutta, Ahmedabad, Delhi
Stock Code	: 524037
International Securities Identification Number allotted By NSDL	: INE809A01024

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

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

Month	High	Low
July 2009	15.05	11.45
August 2009	17.20	12.10
September 2009	21.65	12.79
October 2009	30.10	20.75
November 2009	22.00	17.50
December 2009	28.60	20.00
January 2010	31.85	22.65
February 2010	27.80	23.30
March 2010	31.10	21.60

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
 Website : www.linktime.com

16. Distribution of Shareholding as on 31st March 2010 :

Number of Equity Share Holdings	Number of Shareholders	Percentage of Shareholders	Number of Shares	Percentage of Shareholding
1 – 500	8842	93.57	895666	16.12
501 – 1000	307	3.25	239563	4.31
1001 – 2000	131	1.39	201803	3.63
2001 – 3000	39	0.41	101727	1.83
3001 – 4000	29	0.30	105942	1.91
4001 – 5000	30	0.32	138813	2.50
5001 – 10000	36	0.38	268986	4.84
10001 & above	36	0.38	3604526	64.86
Total	9450	100.00	5557026	100.00

17. Shareholders' Profile as on March 31, 2010 :

Sr.No.	Category of Shareholders	No. of Shares held	% to Total Capital
1.	Promoters	2277037	40.98
2.	Foreign Collaborators	NIL	N.A.
3.	Banks	467842	8.42
4.	Financial Institutions	3640	0.07
5.	Foreign Institutional Investors	NIL	N.A.
6.	Mutual Funds	5320	0.10
7.	Domestic Companies	389837	7.01
8.	Non Resident Indians	86519	1.56
9.	General Public	2326831	41.86
Total		5557026	100.00

18. Dematerialization of shares as on March 31, 2010:

90.44% of the Company's total equity share capital representing 5025790 Equity Shares are held in dematerialized 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 H. D. Ramsinghani is proposed to be reappointed at the forthcoming Annual General Meeting. The relevant information about Mr. H. D. Ramsinghani is given in the Notice convening the Annual General Meeting.

For and on behalf of the Board

Place : Mumbai
Dated : August 13, 2010

D. J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement.

The Company has, in respect of the financial period ended 31/03/2010, received from the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Place : Mumbai

Dated : August 13, 2010

D. J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

CERTIFICATE

To the Members of
RAMA PHOSPHATES LIMITED.

We have examined the compliance of conditions of Corporate Governance by **RAMA PHOSPHATES LIMITED** for the period ended on 31st March, 2010, 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.

Based on the representation received from Company's Share Transfer Agents we state that complaint letters received from shareholders during the period 01/07/2009 to 31/03/2010, have been attended.

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
(Firm Registration No. 102200W)

Place : Mumbai.

Date : 13th August, 2010

(Anil Lohia)
Partner
(Membership No. 31626)

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 production of SSP remained almost stagnant during the current decade with intermittent troughs and peaks in the trend. The production of SSP showed significant increase to the tune of 53% during Kharif 2009 over Kharif 2008. However, the production of SSP did not show any perceptible change during Rabi 2009-10 and increased marginally by 2% and thus overall production of SSP increased by 22.1% during the full year 2009-10 over 2008-09.

All India capacity utilization of SSP improved from 36.2% during 2008-09 to 40.4% during 2009-10

Followed by a good increase in production during Kharif 2009, the total dispatch of SSP increased by 36.4% during Kharif 2009 over Kharif 2008. However, as a result of change in policy w.e.f. 1-10-2009, the dispatch of SSP declined by 16% during Rabi 2009-10 over Rabi 2008-09. In nutshell, with higher quantum of dispatch during Kharif'09 and lower quantum during Rabi 2009-10, overall despatches of SSP increased by 6.5% only during the full year 2009-10 as it touched 2.784 million tones during 2009-10 as against 2.615 million tones during 2008-09.

It may be pertinent to note that Govt. of India thankfully finalized the revised Nutrient Based Subsidy (NBS) Policy effective from 1st May, 2010 and this placed SSP industry at par with other complex manufacturers. Moreover, the main objective of shifting from product-based subsidy (PBS) to nutrient-based subsidy (NBS) regime was to restore soil health by addressing the nutrient imbalances since sulphur has also been considered as one of the nutrients, which was neglected till now. This policy hopefully would popularize SSP fertilizer in the market and boost its consumption.

The all India installed capacity of SSP increased from 7.459 million tonnes during 2008-09 to 7.939 million tonnes at the end of 2009-10 with effective capacity utilization of 7.660 million tonnes during the year 2009-10.

However, during the period between 1st May 2008 and 30th Sept. 2009 when the concession payment was linked with international prices of Rock Phosphate and Sulphur, there was marginal increase in capacity utilisation with overall production of SSP 3.093 million tonnes with industry average of 40.4% capacity utilisation.

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.

Soya oil in its crude form is the most traded oil in international market after palm oil. Soybean accounts for more than 50% of the world oilseeds production and around 35% of the beans production is traded in world market. USA is the biggest producer of soybeans at 38% followed by Brazil at 25% and Argentina at 19%.

Moreover, Soybean oil is the second leading vegetable oil traded in international market after palm. Palm and Soybean oils together constitute around 68% global oil trade volume and Soybean oil alone constitutes 22.85% on the whole. India is the sixth largest producer of Soya oil which account of 4% of world production. In India, Madhya Pradesh produces estimated 53% of the country's soybean followed by Maharashtra at 34% and Rajasthan at 8%. It is sown during June-July period and harvested bt October. The domestic production of Soyabean is around 1.4 million tonne in 2009-10. Almost 70 to 80% of total oilseed production is crushed for oil while the balance quantity goes for food, feed and seed use in the country. So, total soya oil production is around 0.7 – 0.8 million tonne in 2009-10 while annual consumption is around 2.0 to 2.2 million tonne.

2. OPPORTUNITIES AND THREATS

The Company is in the business of manufacture and sale Phosphatic Fertilizers and Soya Oil. The newly announced Nutrient Based Policy (NBS) by the Government of India brings in huge hope to the company in view of better realization on sale of our SSP fertilizer. The Company would also cash in on the location advantages being situated in the heart of Rock Phosphate mines at Udaipur. The company is planning to continue import the basic raw material viz. Rock Phosphate and Sulphur at a better negotiated prices from the international market as an alternate source. The company's brand viz. "Girnar" and "Suryaphool" is well entrenched in the market and most popular amongst the farming community. The introduction of Mixed fertilizers at our Pune and Indore plant is well accepted in the market and the company would continue its production and marketing to bring in additional income. At Indore, the company is shortly introducing Boronated SSP, a value-added product to cater the local demands. The Company is also venturing into import of P&K Fertilizer viz. MOP and DAP for trading as well as home consumption purposes. Taking advantage of volatile price movements in Sulphur, the company lapped the opportunity and indulged in Sulphur trading which brought in additional income. This trading activity put the company in better situation since we can decide about our Sulphuric Acid plant operations whether to run our plant or trade-in Sulphur. Similarly, Soya division is also planning to crush substantial quantity during this season since the plant is situated in the main soya cultivation belt at Indore in Madhya Pradesh. The company is also introducing value added product Hi-Pro at our Soya oil division which will bring in substantial revenue to the company. To bring in additional extra income, Company entered into annual contract with a leading cement manufacturing company for renting out railway siding at Pune so as to utilize idle hours.

SSP industry is at the mercy of monsoon and vagaries of monsoon affect its fortune. The uncertainty in timely release of concession payment from the Government of India poses a great threat to capacity utilization. Industry is fully dependent on single source of supplier in the country which at times put restrictions on the availability of raw material. A large crushing capacity with lower availability of seeds in the country makes the soya business as speculative and volatile. Moreover, price of De-oiled cake and Soy oil is largely dependent on international market, which at times not favourable to the Indian industry.

3. SEGMENTWISE PERFORMANCE

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

4. OUTLOOK

With the introduction of Nutrient Based Subsidy (NBS) policy, company is hopeful to perform at its optimum level considering basic strength, brand image and strategic location advantage of plants.

The company is hopeful to continue to maintain its leadership in the states of operation viz. Maharashtra and Madhya Pradesh.

Sensing the opportunity, company plans to crush soya at optimum level.

Hopefully with the above initiatives, company would be in a position to deliver superior returns to the stake holders.

5. INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal control and conducts audit on quarterly basis at all plants and the salient points are discussed and corrective actions are taken. It also 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 nine months period sales amounted to Rs. 13683.18 Lac as compared to Rs.44204.29 Lac for fifteen months period ended June 30, 2009. The profit for the period is Rs. 1127.41 Lac as compared to Rs. 2481.12 Lac in the previous period.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial during the year under review.

8. CAUTIONARY STATEMENT

Statements in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that make a difference to the Company's operations include poor monsoon, changes in Government regulations relating to fertilizer subsidy, economic conditions affecting demand/supply, price conditions in the markets in which the company operates, competition from small scale manufacturers, litigations and industrial relations. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

For and on behalf of the Board

Place : Mumbai
Dated : August 13, 2010

D. J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

AUDITORS REPORT

To The Members of
RAMA PHOSPHATES LIMITED

We have audited the attached Balance Sheet of Rama Phosphates Limited as at 31st March, 2010 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 31st March, 2010 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 4 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. *Note – 13 regarding non-disclosure of amounts overdue to micro, small and medium enterprises.*
2. *Note –16 regarding certain interest free advances made to related parties;*
 - give a true and fair view:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; 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
(Firm Registration No.102200W)

Place : Mumbai
Date : 13th August, 2010

(**Anil Lohia**)
Partner
(Membership 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 31st March, 2010.)

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 temporary interest free loans from one party covered under register required to be maintained under section 301 of the Companies Act, 1956, amounting to Rs.10 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. In respect of transactions covered under section 301 of the Companies Act, 1956, according to the information and explanations given to us, there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanation given to us, the company has not accepted any 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 31st March, 2010, 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.

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- 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: -

Statute	Rs. In lacs	Forum where dispute is Pending
Excise Duty	238.3	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
Entry Tax	0.66	Dy. Commissioner of Appeal, Indore
Central Sales Tax	144.39	M.P.High Court

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, as a consequence there of, there is no default.
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. 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 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
(Firm Registration No.102200W)

Place : Mumbai
Date : 13th August, 2010

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

BALANCE SHEET

		As At 31-Mar-10 Rs.In Lacs	As At 30-Jun-09 Rs.In Lacs
I SOURCES OF FUNDS			
1. Shareholders Funds			
Share Capital	1	550.83	550.83
Reserves & Surplus	2	4,578.01	3,819.79
2. Loan Funds :			
Secured	3	5,481.07	6,544.67
Unsecured	4	823.20	862.44
Total		11,433.11	11,777.73
II APPLICATION OF FUNDS			
1. Fixed Assets	5		
Gross Block		11,719.65	11,722.04
Less: Depreciation		9,011.36	8,657.64
Net Block		2,708.29	3,064.40
Capital Work In Progress		33.46	2.58
Total		2,741.75	3,066.98
2. Investments	6	12.48	11.61
3. Deferred Tax Asset		400.00	400.00
4. Current Assets, Loans & Advances	7		
Inventories		8,347.01	2,413.98
Sundry Debtors		766.18	1,836.94
Subsidy Receivable		1,156.48	4,640.51
Cash & Bank Balances		562.27	473.99
Loans & Advances		752.31	819.66
Total		11,584.25	10,185.08
Current Liabilities & Provisions	8	8,164.90	7,114.64
Total		3,419.35	3,070.44
Profit & Loss Account		4,859.53	5,228.70
Total		4,859.53	5,228.70
Total		11,433.11	11,777.73
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
(Firm Registration No.102200W)

Anil Lohia

Partner

Membership No.31626

Place : Mumbai

Dated : 13th August, 2010

For and on behalf of the Board

D.J. Ramsinghani

Chairman & Managing Director

D. N. Singh

Director

J. K. Parakh

Company Secretary

PROFIT AND LOSS ACCOUNT

	Schedule		For the period ended 31-Mar-10 Rs.In Lacs 9 Months		For the period ended 30-Jun-09 Rs.In Lacs 15 Months
INCOME					
Sales	9	13,187.96		44,116.73	
Less: Excise duty		<u>93.46</u>	13,094.50	<u>621.57</u>	43,495.16
Other Income			312.46		709.13
Increase / (Decrease) in Stock	10		<u>5,060.77</u>		<u>(1,405.21)</u>
			<u>18,467.73</u>		<u>42,799.08</u>
EXPENDITURE					
Manufacturing and Other expenses	11		<u>17,712.92</u>		<u>40,928.73</u>
Profit before Financial charges and Depreciation			754.81		1,870.35
Financial Charges	12		<u>301.65</u>		<u>856.21</u>
Profit before Depreciation			453.16		1,014.14
Depreciation			<u>367.90</u>		<u>586.18</u>
Profit before Tax			85.26		427.96
Prior Period adjustments (Net)			11.24		20.81
Depreciation of earlier years			(0.45)		-
Provision for subsidy			(5.82)		-
Excess Provision w/back			0.42		-
Capital surplus arising out of Waiver of Principal liability by Banks & Institutions (refer note 3(iii), 3(v) & 3(vi))			758.22		1,110.63
Capital surplus arising upon waiver of right to redeem Preference Capital (refer note 3(iv))			-		940.00
Waiver of Interest			276.22		-
Excess Provision for FBT reversed			2.30		-
Fringe Benefit Tax			-		(18.28)
Profit after adjustments			1,127.39		2,481.12
Transfer to Capital Reserve being Capital Surplus (refer note 3(iii), 3(v) & 3(vi))			(758.22)		(2,050.63)
Transfer to Capital Redemption Reserve (refer note 3(iv))			-		(60.00)
Net Profit for the period			369.17		370.49
Add: Balance brought from Previous Period			<u>(5,228.70)</u>		<u>(5,599.19)</u>
Balance carried to Balance Sheet			(4,859.53)		(5,228.70)
Earning Per Share (In rupees) (Refer Note no 7)					
Basic before extra-ordinary item			1.67		7.75
Basic after extra-ordinary item			20.29		44.65
Diluted before extra-ordinary item			0.57		2.99
Diluted after extra-ordinary item			6.97		17.26

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**

For and on behalf of the Board

Chartered Accountants
(Firm Registration No.102200W)

Anil Lohia

D.J. Ramsinghani

D. N. Singh

Partner

Chairman & Managing Director

Director

Membership No.31626

Place : Mumbai

J. K. Parakh

Dated : 13th August, 2010

Company Secretary

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-10 Rs.In Lacs	As At 30-Jun-09 Rs.In Lacs
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
3,10,00,000 (Previous Period 2,00,00,000) Equity Shares of Rs.10 each	3,100.00	2,000.00
1,00,00,000 (Previous Period 2,10,00,000) Preference Shares of Rs.10 each	1,000.00	2,100.00
	4,100.00	4,100.00
Issued, Subscribed and paid up		
55,57,026 (Previous period 55,57,026) Equity Shares of Rs.10 each fully paid up. Of these, 3830 (Previous period 3830) shares were issued for consideration other than cash	555.70	555.70
Less: Calls in arrears	4.87	4.87
Total	550.83	550.83
SCHEDULE 2		
RESERVES AND SURPLUS		
Investment Allowance Reserve	16.50	-
Less: Transferred to General Reserve	16.50	
General Reserve		
Add: Transfer from Investment Allowance Reserve since utilised	16.50	16.50
Share Premium Account		
Less: Share Premium relating to calls in arrears	1,699.95	1,699.95
	7.31	7.31
	1,692.64	1,692.64
Capital Redemption Reserve		
As per last Balance sheet	60.00	60.00
	60.00	60.00
Capital Reserve		
As per last Balance sheet	2,050.65	
Add: Transfer from Profit & Loss account	758.22	
	2,808.87	2,050.65
Total	4,578.01	3,819.79

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-10 Rs.In Lacs	As At 30-Jun-09 Rs.In Lacs
SCHEDULE 3		
SECURED LOANS		
Term Loans		
Institution	926.00	2,844.22
Interest accrued and due	-	276.22
Others	1,150.00	-
Banks		
Cash Credit, Working Capital Demand Loans	3,405.07	3,424.23
Total	5,481.07	6,544.67

Notes :

- 1 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.
- 2 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.
- 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	823.20	862.44
Total	823.20	862.44

SCHEDULE 5**FIXED ASSETS**

Description of the Asset	Rs in Lacs									
	Gross Block At cost				Depreciation				Net Block	
	As at 01.07.09	Additions	Deductions/ transfers	As at 31.03.2010	As at 01.07.09	For the period	Deductions/ transfers/ adjustments	Total upto 31.03.2010	As at 31.03.2010	As at 30.6.2009
Freehold Land & Site Dev	255.66	-	0.58	255.08	-	-	-	-	255.08	255.66
Building	1,747.58	0.40	-	1,747.98	917.01	39.06	-	956.07	791.90	830.57
Plant & Machinery	9,096.36	1.79	14.16	9,084.99	7,347.01	300.44	12.17	7,635.27	1,448.73	1,749.36
Railway siding	156.24	-	-	156.24	75.03	5.57	-	80.59	75.65	81.22
Furniture & Fixtures	71.97	3.14	-	75.11	56.78	3.05	(0.04)	59.88	15.23	15.19
Vehicles	186.69	0.38	2.76	184.31	106.89	10.95	-	117.84	66.46	79.78
Office Equipment	207.54	9.41	-	216.94	154.92	9.28	2.50	161.70	55.24	52.62
Total	11,722.04	15.11	17.50	11,719.65	8,657.64	368.35	14.63	9,011.36	2,708.29	3,064.40
Previous Period	11,592.40	139.01	9.37	11,722.04	8,080.82	586.18	9.36	8,657.64	3,064.40	3,511.58

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-10 Rs.In Lacs	As At 30-Jun-09 Rs.In Lacs
SCHEDULE 6		
INVESTMENTS		
(Long term - Non Trade)		
Quoted:		
3,03,900 (Previous period 3,03,900) Equity shares of Rama Petrochemicals Ltd of Rs.10 each	12.26	12.26
Less :Provision for dimution in the value of investments	-	0.87
Sub - Total	12.26	11.39
Unquoted:		
716 (Previous period 716) Equity shares of Bombay Mercantile Co-op Bank Ltd of Rs.30 each at par	0.22	0.22
Total	12.48	11.61
Aggregate value of quoted investments	12.26	11.39
Aggregate value of unquoted investments	0.22	0.22
Aggregate Market value of quoted investments	27.35	20.96
SCHEDULE 7		
CURRENT ASSETS, LOANS AND ADVANCES		
Inventories :		
(As taken, Valued and Certified by the Management)		
Raw Materials	1,785.09	820.63
Packing Materials	107.08	127.23
Stores and Spares	358.65	430.70
Finished Goods	6,096.19	1,035.42
Sub - Total	8,347.01	2,413.98
Sundry Debtors (Unsecured) :		
Debts considered good :		
Outstanding for a period exceeding six months •	293.53	430.57
Others	472.65	1,406.37
Sub - Total	766.18	1,836.94
• Net of Provision for Doubtful Debts Rs.296.94 Lacs (P. Period. Rs.398.03 Lacs)		

SCHEDULES 1 TO 13 FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31-Mar-10 Rs.In Lacs	As At 30-Jun-09 Rs.In Lacs
Cash and Bank Balances :		
Cash in hand	25.58	43.41
Balances with Scheduled banks :		
In Current Accounts	217.63	293.20
In Deposit towards Margin Money	319.06	137.38
Sub - Total	562.27	473.99
Loans and Advances (Unsecured) :		
a) Advances recoverable in cash or kind or for value to be received		
i. Considered Good	450.13	511.17
ii. Considered doubtful	729.00	734.18
Less: Provision for doubtful	(729.00)	(734.18)
b) Deposits with Government departments and others	302.18	308.49
Sub - Total	752.31	819.66

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

Current Liabilities :

Advance from customers	1,372.90	1,220.39
Sundry Creditors for goods, services and Capital goods	2,392.71	2,070.34
Other liabilities and provisions	703.17	589.16
Share application Money	3,683.74	3,188.85
Sub - Total	8,152.52	7,068.74

Provisions :

Provision for Tax	12.38	21.54
Provision for FBT	-	24.36
Sub - Total	12.38	45.90

Total

8,164.90 7,114.64

Period ended 31-Mar-10 Rs. in Lacs 9 months	Period ended 30-Jun-09 Rs. in Lacs 15 months
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SCHEDULE 9

SALES AND OTHER INCOME

Sales including Subsidy	13,187.96	44,116.73
Less : Excise Duty	93.46	621.57
Net Sales	13,094.50	43,495.16
Profit on Transfer / Sale of Assets	24.62	0.81
Exchange Fluctuation Gain	81.12	-
Recovery of Doubtful debts / Finished goods provided in earlier years	101.44	142.02
Provision no longer required	22.39	432.99
Miscellaneous Income	82.89	133.31
Total	13,406.96	44,204.29

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	Period ended 31-Mar-10 Rs. in Lacs 9 months	Period ended 30-Jun-09 Rs. in Lacs 15 months
SCHEDULE 10		
INCREASE / (DECREASE) IN STOCK		
Closing stock of Finished goods	6,096.19	1,035.42
Less: Opening stock of Finished goods	1,035.42	2,440.64
Total	5,060.77	(1,405.21)
SCHEDULE 11		
MANUFACTURING AND OTHER EXPENSES		
Raw Material Cost:		
Opening stock	820.63	1,699.81
Add : Purchases	14,202.32	30,571.66
	15,022.95	32,271.47
Less : Closing stock	1,785.09	820.63
Raw Material Consumed	13,237.86	31,450.84
Packing Material consumed	523.05	911.83
Purchase of traded goods	379.65	2,298.94
Sub - Total (a)	14,140.56	34,661.61
Salary, Wages & Benefits:		
Salaries, Wages, Allowances, Gratuity and Others	578.33	882.44
Contribution to Provident Fund and others	36.47	57.22
Welfare and Other Benefits	24.50	40.13
Sub - Total (b)	639.30	979.79
Manufacturing Expenses:		
Excise Duty	0.39	-
Power and Fuel	591.68	966.58
Stores Consumed	450.62	790.42
Repairs & Maintenance		
Machinery	128.45	232.39
Building	11.28	21.41
Others	3.59	25.94
Other manufacturing costs	178.76	332.16
Sub - Total (c)	1,364.77	2,368.90

Rama Phosphates Ltd.

	Period ended 31-Mar-10 Rs. in Lacs 9 months	Period ended 30-Jun-09 Rs. in Lacs 15 months
Selling and Distribution Expenses		
Freight Outward	1,091.76	1,957.80
Sales Promotion Expenses	29.13	52.74
Handling charges and godown rent	13.81	13.26
Discount and commission	9.46	66.91
Travelling	25.33	33.09
Others	<u>1.32</u>	<u>9.47</u>
Sub - Total (d)	<u><u>1,170.81</u></u>	<u><u>2,133.27</u></u>
Other expenses:		
Legal and professional fees	70.29	101.81
Insurance	28.02	38.98
Travelling and conveyance	69.66	97.89
Vehicle maintenance	45.00	72.27
Directors sitting fees	0.35	0.45
Rent	1.38	2.19
Rates and Taxes	7.87	10.01
Provision for Doubtful debts, fertiliser subsidy and advances	1.07	42.11
Miscellaneous expenses	173.26	273.51
Exchange rate Loss (net)	-	141.98
Donation	<u>0.58</u>	<u>3.95</u>
Sub - Total (e)	<u><u>397.48</u></u>	<u><u>785.16</u></u>
Total (a+b+c+d+e)	<u><u>17,712.92</u></u>	<u><u>40,928.73</u></u>
SCHEDULE 12		
FINANCIAL CHARGES		
Interest on Debentures and Fixed Loans	-	348.22
Other	<u>301.65</u>	<u>507.99</u>
Total	<u><u>301.65</u></u>	<u><u>856.21</u></u>

SCHEDULE - 13

(Notes on the Accounts)

Period Ended 31st March 2010 (9 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.

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-fertiliser 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-fertiliser 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 on First in First out (FIFO) basis 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 : at cost on a First in First out (FIFO) basis

& spares

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

1. Sales are recognised, net off returns and trade discounts, on despatch of goods to customers.
2. Sales includes sale of bye-products and are net off sales tax if any and includes subsidy.
3. 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, 2007, are adjusted to the carrying amount of such fixed assets and in other cases, are recognised as income or expense in the period in which they arise.

K) PROVISION FOR RETIREMENT BENEFITS

i) Short term Employee benefits

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

ii) Post employment benefits

Defined benefit plans : The Government provident fund scheme is funded defined benefits scheme and the employee gratuity fund scheme is an unfunded defined benefit scheme.

iii) Long Term Employee benefits

The obligation for Long Term benefits such as Long Term Compensated absence, is defined benefit which is unfunded.

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. 475.43 Lacs (Previous Period Rs. 21.32 Lacs)
- b) Service tax demand raised by excise authorities and disputed by the company Rs. 2.26 Lacs (Previous

- Period Rs. 2.26 Lacs)
- c) Royalty & Environment Cess on rock phosphate claimed by RSMML Rs. 522.60 Lacs (Previous Period Rs. 522.60 Lacs)
- d) Amount to be paid to CWIP GSSP Creditor Rs.0.45lacs (Previous period Rs. Nil)
- e) **CLAIMS NOT ACKNOWLEDGED AS DEBT**
- i) Custom Duty, Excise duty, Demurrage, Sales Tax and Others Rs. 1147.72 lacs (Previous Period Rs 1147.72 Lacs)
- ii) Wages Rs. 29.59 lacs (Previous Period Rs. 26.69 Lacs)
- iii) Railway Claim Rs. 4.22 lacs (Previous Period Rs. 4.22 Lacs)
- iv) Electricity duty Rs.117.1 Lacs (Previous Period Rs.57.37Lacs)
- 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 holders, 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 holders, 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 past 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 in past .
- (vi) During the period, the Company has also given effect to the settlement of debt due to some of the Term Lenders. Accordingly, the surplus arising from waiver of principle amount has been transferred to Capital Reserve Account and interest waived on such loan has been transferred to Profit & Loss Account.
- 4** In accordance with the provisions of Accounting Standard 22 (AS-22) issued by the Institute of Chartered Accountants of India pertaining to Accounting for Taxes on Income, the Company had recognised deferred tax income of Rs. 400 lacs, by crediting the Profit and Loss Account in the past years.Considering the past and current year's performance and frequent changes in subsidy policies, no further adjustment is considered necessary.

5 The disclosure required under Accounting Standard 15 "Employee Benefits"

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

Assumptions	Gratuity	Leave encashment
Discount Rate	8.00%	8.00%
Rate of Increase in Compensation levels	4%	4%
Rate of return on plan assets	-	-
Withdrawl Rate	0.80%	0.80%
		Amt in Rs.
	Gratuity	Leave encashment
Change in present value of obligations		
Present value of obligation as at 1.7.2009	14,930,087	2,600,276
Interest cost for the period	798,858	135,648
Service cost for the period	1,092,689	512,144
Benefits paid during the period	(1,456,337)	(377,505)
Acturial (gain)/loss on obligation	300,236	17,543
Present value of obligation as on 31.3.2010	15,665,533	2,888,106
Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	-	-
Expected Retrun of Plant Assets	-	-
Contribution during the period	1,456,337	377,505
Benefit paid during the period	(1,456,337)	(377,505)
Acturial gain/(loss) on plan assets	-	-
Fair Value of Plan Assets at end of period	-	-
Liability recognised in Balance sheet		
Present value of obligation as on 31.3.2010	15,665,533	2,888,106
Fair Value of Plan Assets	-	-
Liability recognised in Balance sheet as on 31.3.2010	(15,665,533)	(2,888,106)
Expenses recognised in Profit and Loss Account		
Current Service Cost	1,092,689	512,144
Interest Cost	798,858	135,648
Expected return on Plant Assets	-	-
Net Acturial (Gain)/Loss recognised for the period	300,236	17,543
Total Expenses recognised in the statement of P & L A/c	2,191,783	665,335
Movement in the liability recognised in the		
Balance Sheet		
Liability as on 1.7.2009	14,930,087	2,600,276
Expenses as above	2,191,783	665,335
Contribution paid	(1,456,337)	(377,505)
Liability as on 31.3.2010	15,665,533	2,888,106

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6 REPORTING OF SEGMENT WISE REVENUE, RESULT AND OTHER DETAILS

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 Nil 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	10,456.94	2,674.97	275.05	13,406.96
	<i>35,694.78</i>	<i>7,850.78</i>	<i>658.73</i>	<i>44,204.29</i>
b Segment Result	897.42	(214.24)	18.58	701.76
	<i>1,722.18</i>	<i>(435.41)</i>	<i>427.88</i>	<i>1,714.65</i>
c Interest and financial cost - For the period	-	-	(301.65)	(301.65)
	-	-	<i>(856.21)</i>	<i>(856.21)</i>
d Net Corporate Office Expenses	-	-	-	727.28
	-	-	-	<i>1,622.71</i>
e Profit / (Loss) as per Profit & Loss Account	-	-	-	1,127.39
	-	-	-	<i>2,481.14</i>
f Segment Assets	12,972.28	934.25	831.98	14,738.52
	<i>11,861.73</i>	<i>682.39</i>	<i>1,119.55</i>	<i>13,663.68</i>
g Segment Liabilities	6,654.29	1,258.33	6,556.54	14,469.17
	<i>4,638.55</i>	<i>2,104.29</i>	<i>7,778.90</i>	<i>14,521.74</i>
h Cost Incurred during the period to acquire Segment Assets	42.85	0.46	5.27	48.57
	<i>80.50</i>	<i>16.37</i>	<i>44.73</i>	<i>141.59</i>
i Segment Depreciation	328.83	30.24	8.83	367.90
	<i>511.91</i>	<i>63.77</i>	<i>10.50</i>	<i>586.18</i>
	-	-	-	-

(Previous period figure shown in Italic)

Rama Phosphates Ltd.

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

	31.03.2010	30.06.2009
	Rs. In lacs	Rs. In lacs
(i) Basic earning per share before extra-ordinary items		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	92.97	430.49
b) Denominator - number of Equity Shares outstanding	5557026	5557026
c) Nominal value of Shares (in Rs.)	10	10
d) Basic Earning per share (on reduced capital as per note 3 (ii))	1.67	7.75
(ii) Basic earning per share after extra-ordinary items		
a) Numerator- Net Profit / (Loss) after tax and extraordinary items for basic EPS	1127.39	2481.12
b) Less : Arrears of preference dividend	0.00	0.00
Net profit attributable to equity share holders	1127.39	2481.12
c) Denominator - number of Equity Shares outstanding	5557026	5557026
d) Nominal value of Shares (in Rs.)	10	10
e) Basic Earning per share (on reduced capital as per note 3 (ii))	20.29	44.65
(iii) Diluted earning per share before extra-ordinary items		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	92.97	430.49
b) Weighed Average number of equity share outstanding during the period	16,186,526	14,377,723
c) Nominal value of Shares (in Rs.)	10	10
d) Diluted Earning per share	0.57	2.99
(iv) Diluted earning per share after extra-ordinary items		
a) Numerator- Net Profit / (Loss) after tax and before extraordinary items	1127.39	2481.12
b) Weighed Average number of equity share outstanding during the period	16,186,526	14,377,723
c) Nominal value of Shares (in Rs.)	10	10
d) Diluted Earning per share	6.97	17.26
8 Payments to Auditors	31.03.2010	30.06.2009
	Rs. In lacs	Rs. In lacs
<i>Statutory Auditors:</i>		
Audit fees	3.89	5.90
Out of pocket expenses	0.13	0.04
For tax audit	0.99	1.50
Certification	1.64	1.81
Management services (including Income Tax matters)	0.87	0.87
Total	7.52	10.12

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9 Salaries, Wages & Benefits includes Remuneration to Chairman & Managing Director subject to approval of Central Govt.	31.03.2010 Rs. In lacs	30.06.2009 Rs. In lacs
Salaries and allowances	9.97	16.67
Contribution to provident fund	0.78	1.30
Perquisites	0.65	1.47
Total	11.40	19.44

10 Details of Expenditure allocated & debited to Fixed assets during the period	31.03.2010 Rs. In lacs	30.06.2009 Rs. In lacs
Manufacturing Expenses	33.17	-
Other Expenses	0.24	-
Total	33.41	-

- 11 Excise duty charged to Profit & Loss account includes Excise duty on closing stock. **0.39** -
- 12 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.
- 13 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.

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

	31.03.2010 Rs. In lacs	30.06.2009 Rs. In lacs
Other expenses / (Miscellaneous income) including prior period items	(81.12)	141.98
Total	(81.12)	141.98

15 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)

Rama Phosphates Ltd.

IV) Relative of key management personnel

Pooja D Ramsinghani

Vashu J Ramsinghani

V) Enterprises over which any person described in III & IV is able exercise significant influence

R C Fertilisers Pvt Ltd

Rama Cylinders Pvt 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 31.03.2010		
	Receivable	-	698.54
			(668.30)
	Payable	-	520.72
			(1,073.17)
2	Balance outstanding as Investments as on 31.03.2010	-	12.26
			(11.39)
3	Payment made on their behalf	-	0.07
			-
4	Payment made on our behalf	-	10.18
			-
5	Loans & Advances given / repaid	-	-
			(119.00)
6	Loans & Advances received / recovered	-	-
			(182.00)
7	Sitting fees to KMP	0.09	-
			-
8	Remuneration to KMP	11.39	-
		(19.44)	-
9	Sale of finished goods	-	1,232.79
			(1,411.02)
10	Purchases and other services	-	314.12
			(1,593.87)

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

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

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- 17 (a) Subsidy receivable is netted off from provision for doubtful subsidy receivable aggregating Rs.102.10Lacs (Previous period Rs.96.28 Lacs)
- (b) Sales includes fertiliser subsidy of Rs.3003.37 Lacs (Previous period Rs.17856.50 Lacs)
- 18 Previous period's figures have been regrouped / rearranged, wherever necessary.
- 19 Current period figures consists of 9 months and hence are not comparable with the previous period figures of 15 months.
- 20 **ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARAGRAPHS 3, 4C and 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT**

A) Capacity And Production

	Installed Capacity P.A.	Production
	Qty (Mts.)	(9 Months) Qty (Mts.)
Single Super Phosphate ❶	462,000 <i>(462,000)</i>	243,334 <i>(339,650)</i>
Sulphuric acid	183,600 <i>(183,600)</i>	38,644 <i>(80,393)</i>
Granulated SSP	258,000 <i>(258,000)</i>	76,841 <i>(111,023)</i>
NPK	120,000 <i>(120,000)</i>	6,215 <i>(18,826)</i>
Solvent Extraction Plant, Seed Crushing	120,000 <i>(120,000)</i>	12,542 <i>(34,805)</i>
Refinery	30,000 <i>(30,000)</i>	1,059 <i>(3,147)</i>

❶ Includes 76,841 MT consumed for granulation (Previous Period 111,023 MT)

Figures in the brackets are for the previous Period (15 Months).

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

B) Stock of Finished Goods

	31.03.2010		30.06.2009		31.3.2008	
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs
Single Super Phosphate (Powdered and granulated)	111,562	5,581.03	17,246	798.65	52,019	2,026.23
Sulphuric acid (98%)	1,095	29.19	1,561	28.82	3,817	145.97
NPK	1,426	99.00	2,407	149.97	2,258	150.62
Oil	793	325.34	74	30.13	210	105.01
De oiled cake	362	58.22	123	26.81	65	10.65

Rama Phosphates Ltd.

C) Turnover	31.03.2010		30.06.2009					
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs				
Single Super Phosphate (Including Subsidy) (Powdered and granulated)	149,019	8,767.49	374,423	30,402.26				
Sulphuric Acid 98% ①	39,110	685.39	82,649	2,780.82				
N P K	7,195	493.94	18,677	1,321.00				
Oil	1,480	621.08	6,079	2,987.25				
De-oiled Cake	10,488	2,036.46	28,909	4,618.58				
Others		490.14		1,385.26				
① Includes 14,830 MT Captive consumption (Previous Period. 46,806 MT)								
D) Raw material Consumed	31.03.2010		30.06.2009					
	Qty (Mts.)	Rs. In lacs	Qty (Mts.)	Rs. In lacs				
Rock Phosphate	133,749	8,121.71	187,840	13,811.48				
① Sulphur	22,207	607.71	34,742	5,126.56				
Oil Seeds	12,542	2,791.31	34,805	7,074.45				
Traded goods	-	379.65	-	2,298.94				
Others	-	1,717.14	-	5,438.35				
① Includes 9,823MT For Trading (Previous Period. 7948 MT)								
E) Value of Imported and Indigenous Raw Material Consumed	31.03.2010				30.06.2009			
	Raw Materials		Stores & Spare Parts		Raw Materials		Stores & Spare Parts	
	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%	Rs. In lacs	%
Imported	5,593.01	41.07	-	-	9,441.90	27.98	-	-
Indigenous	8,024.50	58.93	450.62	100.00	24,307.88	72.02	790.42	100.00
Total	13,617.51	100.00	450.62	100.00	33,749.78	100.00	790.42	100.00
F) C.I.F. Value of Imports	31.03.2010				30.06.2009			
	Rs. In lacs				Rs. In lacs			
Raw Material	5,100.48				8,300.99			
G) Earnings in Foreign Exchange	31.03.2010				30.06.2009			
	Rs. In lacs				Rs. In lacs			
FOB value of Exports	-				332.28			

For and on behalf of the Board

D.J. Ramsinghani
Chairman & Managing Director

D. N. Singh
Director

Place : Mumbai
Dated : 13th August, 2010

J. K. Parakh
Company Secretary

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2010

	period ended 31-Mar-10 9 Months Rs.In Lacs	period ended 30-Jun-09 15 Months Rs.In Lacs
A. Cash flow from Operating activities		
Net Profit before taxation and extra ordinary items	85.26	427.96
Adjustments for -		
Depreciation	367.90	586.18
Provision for subsidy	(5.82)	-
Interest and financing charges	301.65	856.21
Profit on sale of assets	(24.62)	(0.81)
Prior period items (Net)	11.24	20.81
Excess provision written back	0.42	-
Waiver of Interest	276.22	-
Excess provision of FBT w/off	2.30	-
Fringe Benefit Tax	-	(18.28)
	<u>929.30</u>	<u>1,444.11</u>
Operating profit before working capital changes	1,014.56	1,872.07
Decrease / (Increase) in trade and other receivables	4,622.14	(4,094.87)
Decrease / (Increase) in inventories	(5,933.03)	2,148.11
Increase / (Decrease) in Short term borrowings	(19.16)	(1,175.77)
Increase / (Decrease) in trade payables	555.38	803.95
	<u>(774.67)</u>	<u>(2,318.59)</u>
Cash generated from Operations	239.89	(446.52)
Interest & Financial charges	(301.65)	(856.21)
Cash flow before Extra-ordinary items	(61.76)	(1,302.73)
Extra-ordinary items		
Waiver of Liabilities on account of OTS	758.22	2,050.63
Net Cash from Operating Activities (A)	696.46	747.91
B. Cash flow from investing activities		
Purchase of fixed assets	(45.99)	(112.83)
Sale of fixed assets	2.87	0.01
Profit on sale of Fixed assets	24.62	0.81
Provision for demunition of shares	(0.87)	-
	<u>(19.37)</u>	<u>(112.01)</u>
Net cash used in Investing Activities (B)	(19.37)	(112.01)
C. Cash flows from financing activities		
Redemption of Preference Share Capital	-	(1,000.00)
Increase in Share Application Money	494.89	1,340.46
Increase in long term borrowings	(1,044.44)	(1,593.77)
Increase in unsecured loan	(39.24)	(844.00)
Reduction of debentures Reserve	-	(12.50)
	<u>(588.80)</u>	<u>(2,109.81)</u>
Net cash from Financing Activities (C)	(588.80)	(2,109.81)
Net increase in cash and cash equivalent (A+B+C)	88.29	(1,473.92)
Cash and cash equivalents (Opening balance)	473.99	1,947.91
Cash and cash equivalents (Closing balance)	562.27	473.99

As per our Audit report of even date attached.

For **Dayal and Lohia**
Chartered Accountants
(Firm Registration No.102200W)

For and on behalf of the Board

D.J. Ramsinghani
Chairman & Managing Director

D. N. Singh
Director

Anil Lohia
Partner
Membership No.31626

Place : Mumbai
Dated : 13th August, 2010

J. K. Parakh
Company Secretary

Rama Phosphates Ltd.

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

I	Registration details	
	Registration no.:	3 3 9 1 7 State code 1 1
	Balance sheet date	3 1 0 3 1 0
II	Capital Raised during the period (Amount in Rs. Lacs)	
	Public Issue	0 . 0 0 Rights issue 0 . 0 0
	Bonus issue	0 . 0 0 Private placement 0 . 0 0
III	Position of mobilization and deployment of funds (Amount Rs. In Lacs)	
	Total liabilities	1 1 4 3 3 . 1 1 Total assets 1 1 4 3 3 . 1 1
	Sources of funds	
	Paid up capital	5 5 0 . 8 3 Reserves and surplus 4 5 7 8 . 0 1
	Secured loans	5 4 8 1 . 0 7 Unsecured loans 8 2 3 . 2 0
	Application of funds	
	Net fixed assets	0 2 7 4 1 . 7 5 Investments 1 2 . 4 8
	Deferred Tax Assets	0 0 4 0 0 . 0 0
	Net current assets	0 3 4 1 9 . 3 5
	Accumulated losses	0 4 8 5 9 . 5 3 Misc. expenditure Nil
IV	Performance of the company (Amount Rs. In Lacs)	
	Total Income	1 8 4 6 7 . 7 3 Total expenditure 1 7 3 4 0 . 3 4
	Profit/loss before tax	1 1 2 7 . 3 9 Profit/loss after tax 1 1 2 7 . 3 9
	Earnings Per Share (Rs.)	2 0 . 2 9 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.	1 5 0 7 9 0 1 0
	(ITC Code)	
	Product description:	Soyabean Oil - Edible Grade
	III) Item code No.	2 3 0 4 0 0 3 0
	(ITC Code)	
	Product description:	Meal of Soyabean, Solvent extracted
	IV) Item code No.	2 8 0 7 0 0 1 0
	(ITC Code)	
	Product description:	Sulphuric Acid

Schedule I 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
(Firm Registration No.102200W)

For and on behalf of the Board

D.J. Ramsinghani
Chairman & Managing Director

D. N. Singh
Director

Anil Lohia
Partner
Membership No.31626

Place : Mumbai
Dated : 13th August, 2010

J. K. Parakh
Company Secretary

RAMA PHOSPHATES LIMITED

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

PROXY FORM

For Demat 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 Fifth Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2010 at 10.00 a.m at Babasaheb Dahanukar Hall, Orion House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001 and at any adjournment thereof.

Signed this _____ day of _____, 2010

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 Demat 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 Fifth Annual General Meeting of the Company to be held on Thursday, the 30th day of September, 2010 at 10.00 a.m at Babasaheb Dahanukar Hall, Orion House, Maharashtra Chamber of Commerce Path, Fort, Mumbai 400 001.

Member's/Proxy's name in BLOCK letters

Member's / Proxy's Signature

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

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Unit : Rama Phosphates Limited

C-13, Pannalal Silk Mills Compound,

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

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