



RAMA PAPER MILLS LIMITED

BOARD OF DIRECTORS

Shri Pramod Agarwal	-	Chairman & Managing Director
Shri Arun Goel	-	Executive Director
Shri Amar Mittal	-	Director
Shri Prabhat Agarwal	-	Director
Shri H. S. Bhim Rao	-	Director

COMPANY SECRETARY

Shri Pankaj Misra

BANKERS

Bank of Baroda

AUDITORS

Shiam & Co.
Chartered Accountant
Muzaffarnagar (U.P.)

COST AUDITORS

Aseem Jain & Asso.
Cost Accountant
New Delhi

REGISTERED OFFICE & WORKS

4th KM Stone, Najibabad Road,
Kiratpur-246731
Distt. Bijnor (U.P.)
Email : delhi@ramapaper.com
Website: www.ramapaper.com

CORPORATE OFFICE

12/22 IInd Floor, East Patel Nagar
New Delhi-110008.

REGISTRAR & TRANSFER AGENT

Indus Portfolio (P) Limited
ISIN INE425E01013
G-65, Bali Nagar, New Delhi
SEBI Registration No. INRO00003845

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Thursday, the 30th September, 2010 at 10.00 A.M at the Registered Office of the Company at Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Prabhat Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**By Order of the Board
For RAMA PAPER MILLS LIMITED**

**Place: Kiratpur
Date: 14.08.2010**

**(PANKAJ MISRA)
Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 28th September, 2010 to Thursday, the 30th September, 2010, both the days inclusive.
3. Members who have not so far encashed dividend warrant(s) may send their outdated dividend warrants to the Company or to the Registrars and Transfer Agents, M/s Indus Portfolio Private Limited for issue of duplicate warrant(s) in lieu thereof.
4. Members seeking any information regarding Accounts should write to the Company at its Registered Office at least seven days before the date of the Meeting so as to enable the management to keep the information ready, if the Chairman so permits.
5. The Members are requested to intimate to the Registrar of the Company immediately any change in their address alongwith the Pin Code Number indicating their Folio Number to "M/s Indus Portfolio Private Limited" G-65, Bali Nagar, New Delhi.
6. The Members holding Shares in the physical form, who are desirous of making nominations as permitted under Section 109A of the Companies Act, 1956 in respect of the Shares held by them may write to the RTA for the prescribed form.
7. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

**DIRECTORS' REPORT**

To

The members

The Directors are pleased to present their 25th Report alongwith the Audited Accounts for the year ended 31st March, 2010

Financial Results	(Rs.in Lacs)	
Particulars	2009-10	2008-09
Turnover	10971.72	10719.34
Profit before Financial Charges & Depreciation	1187.59	1399.43
Less: Financial Charges	673.42	591.70
Less: Depreciation	506.96	395.81
Profit before Tax	7.21	411.92
Add/Less: Deferred Tax Liability	6.18	116.93
Less: Provision for Tax (MAT)	1.11	46.14
Add: MAT Credit Entitlement	1.11	46.14
Less: Provision for F.B.T.	0.00	4.64
Profit After Tax	1.03	290.35
Profit / Loss brought forward from previous year	1415.17	1124.82
Balance carried to Balance Sheet	1416.20	1415.17

Operations

Your Company has undertaken an imported MG Machine Project having capacity of 16320 TPA. The Project was completed with Cost Overrun at Rs. 32.50 Cr. and your Company has been sanctioned term loan of Rs.13.40 Cr. from Bank of Baroda. The trial runs were taken in December 2009.

The Management is also pleased to inform your Company has been issued 20649 CERs for the period 01st February 2008 to 31st December 2008 by the UNFCCC and the monitoring report for the period 01st January 2009 to 31st May 2010 has now been webhosted requesting issuance of 34439 CERs.

Dividend

To augment the resources of the company and finance the capital expenditure projects to expand the capacities and modernize its plant, your Directors regret their inability to recommend any dividend.

Directors

Shri Prabhat Agarwal will retire by rotation and being eligible, offers himself for re-appointment.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

The information as required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to these matters forms part of this report and is annexed hereto.

Corporate Governance and Management Discussion and Analysis Reports

The Corporate Governance and Management Discussion and Analysis Reports, which form an integral part of this report, are set out as separate annexure to this report together with the Certificate from the Auditors of the Company confirming compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with the Stock Exchange.

Statutory Auditors and Auditors' Report

M/S Shiam & Co., Chartered Accountants, Statutory Auditors of your Company, retire at the forthcoming Annual General Meeting and are eligible for reappointment. They have confirmed their eligibility for reappointment under the provisions of Section 224(1B) of the Companies Act, 1956.

The Boards recommend their appointment.

The report of the Auditors is self-explanatory, therefore does not require any specific comments.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed that:

- In the preparation of the Annual Accounts for the year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanations relating to material departure.
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Companies as at 31st March, 2010 and of the Profit of the Company for the year ended 31st March, 2010.



RAMA PAPER MILLS LIMITED

- c) Proper and sufficient care has been taken for the maintenance of 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.
- d) The financial statements have been prepared on a going concern basis.

Particulars of Employees

The information required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 form part of this report and is annexed hereto as Annexure-B.

Fixed Deposits

Your Company has not accepted any deposits within the meaning of section 58A of the Companies Act 1956.

Industrial Relations

During the year under review, the industrial relations in the company continued to be cordial and peaceful

Acknowledgements

Your Directors wish to place on record their appreciation for the assistance and co-operation that your company has received from the Govt. of India, Govt. of U.P., Bankers, Stakeholders and all others, whose continued support has been a source of strength to the company. Your Directors also wish to place on record their sincere appreciation to the devotion and commitment of every employee of the Company.

For and on behalf of the Board of
RAMA PAPER MILLS LTD.

Sd/-

PRAMOD AGARWAL
Chairman & Managing Director

Date: 14th August, 2010

Place: Kiratpur

Annexure "A" to the report of Board of Directors

Information as required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2010

CONSERVATION OF ENERGY

Measures taken, additional investment and impact on reduction of energy consumption.

The Company continued its policy of giving priority to energy conservation measures by regular review of energy generation, distribution & consumption and effective control on utilization of energy. For this purpose, the Company has commissioned 6 MW bio mass based Co-generation Project with latest equipments.

"FORM-A"

Disclosure of Particulars with respect to conservation of energy

Particulars	Current Year 2009-10	Previous Year 2008-09
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit	1175898	511734
Total Amount Rs.	10132569	8566202
Rate/Unit	8.62	16.74*
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
b) Own Generation		
Through Diesel Generator Unit	1245600	1666440
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	8.81	8.38
c) Through Steam Turbine /Generator Unit	15804067	14239887
2. Husk & Buggasse		
Qty (tonnes)	69752.051	79876.126
Total Cost	185289269	191369074
Average Rate	2656.40	2395.82
Consumption Per Unit of Production (in One Ton) Product Details & Unit (If Any)		
News Print , Duplex Board and Writing Paper	48627.8977	43815.037
Electricity (Units) - Including Units from Turbine	349.18	336.68
Husk & Buggasse (MT)	1.43	1.82

**"FORM-B"****Technology Absorption, Adaptation and Innovation**

The Company is taking all the steps to practice the latest technology available in the Industry.

"FORM-C"**Research and Development**

The research and development activities are on going process in your company.

"FORM-D"**Foreign Exchange Earnings and Outgo**

Foreign exchange outflow on account of import of capital goods and raw material amounted to Rs. 11,73,34,665/- (PY Rs. 10,95,45,832/-). Earnings in Foreign Exchange is NIL

For and on behalf of the Board of
RAMA PAPER MILLS LTD.

Sd/-

PRAMOD AGARWAL

Chairman & Managing Director

Date: 14th August, 2010

Place: Kiratpur

Annexure "B" to Director's Report

Information pursuant to section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 2,00,000 per month :

Sl. No.	Name	Designation	Qualification	Experience (Yrs)	Age (Yrs)	Date of Commencement of employment	Remuneration received (Rs.)	last Employer's name	employment Post held
1.	Agarwal Pramod	Chairman & Managing Director	Post graduate in law	30	56	Since Incorp.	33,00,000	N.A.	N.A.
2.	Goel Arun	Executive Director	Commerce Graduate	18	42	20.05.92	22,00,000	N.A.	N.A.

For and on behalf of the Board of
RAMA PAPER MILLS LIMITED

Sd/

PRAMOD AGARWAL

CHAIRMAN & MANAGING DIRECTOR

Dated: 14.08.10

Place: KIRATPUR

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**SALES**

During the year ended 31st March, 2010 your Company has sales (excluding excise duty) of Rs.1,09,71,71,452/- as against Rs. 1,07,19,34,253/- during the previous year. This represents 2.35% growth of the Company.

PRODUCT CHARACTERISTICS

Paper is totally customized product. Main characteristics of paper are brightness, grammage and bursting factor. Since we produce material as per order received from customers in advance, hence our product can be said to be customer friendly. In such a situation aspects like product range, product quality, support service facilities and customizations of product are very favorable for us as well as for entire paper industry.

COMPETITIVE SITUATION

Competitiveness would harm only in such a situation when demand of product is very low and supply is high. In the case of paper industry no such adverse demand and supply ratio exist. Even gap in demand and supply is met out by high cost imports. Hence if we look at our position, we don't have to face number of competitors. There is no much parallel market, hence this may be treated as neutral of runs. As far as cost of product is concerned, we are highly efficient Company due to our experience in the segment. For our product one can see brand royalty also as in our customer portfolio, we have about 80% customers who are with us for more than 5 years. This happens only due to brand royalty.

**IMPACT OF GOVERNMENT REGULATIONS / LEGISLATION / DIRECTIVES**

Our main product is Newsprint that is totally exempted from Central Excise and Sales tax. Import of Newsprint is already allowed under OGL. Secondly newsprint linked with mass media, hence newsprint product concerned is totally unaffected by government policies. Other products of Company viz. duplex board and writing and printing paper are also not exposed to any type of threat due to government policies

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.)

Company Philosophy

The Company has complied in all material respects with the Corporate Governance in terms of clause 49 of the listing agreement. The Company endeavors to maintain the highest business ethics and complies with all statutory and regulatory requirements. The Company believes that all the operations and actions must serve the underlying goal of enhancing the interest of all its stakeholders.

Board of Directors

The Company believes that an active, independent and participative board is a pre-requisite to achieve and maintain the highest level of Corporate Governance. At RPML, the Board approves and reviews strategy and oversees the actions and results of Management.

The management team of the Company is headed by the Managing Director & Executive Director.

Composition of the Board

The Board comprises of a total of five Directors, out of which three are Non- Executive Directors.

Board Procedures

Detailed agenda with explanatory notes and all other related information is circulated to the members of the Board in advance of each meeting. The meetings of the Board are usually held at RPML Works. Detailed presentations are made to the Board covering all major functions and activities. The requisite strategic and material information is made available to ensure transparent decision making process by the Board.

Number of Board Meetings

During the financial year 2009-10, the Board of Directors of the Company met ten times on 09.04.2009, 30.04.2009, 27.07.2009, 31.07.2009, 14.09.2009, 31.10.2009, 19.11.2009, 30.01.2010, 15.02.2010 and 26.03.2010.

Information relating to Directors

The composition of the Board of Directors and related information as on 31st March, 2010 is as follows :

Name of the Directors & Designation	Executive/Non Executive/ Independent	No of Board Meeting Attended	Attendance at the last AGM on 19.09.2008	Directorship in other Companies Incorporated in India	No of Board Committees of which Member or/Chairman
Shri Pramod Agarwal Chairman & Managing Director	Executive	10	Present	1	2
Shri Arun Goel Executive Director	Executive	10	Present	0	2
Shri Amar Mittal (Director)	Non Executive	4	Absent	Nil	0
Shri Prabhat Agarwal (Director)	Non Executive	4	Absent	Nil	3
Shri H. S. Bhim Rao (Director)	Non Executive	4	Absent	Nil	2

None of the Directors on the Board holds the office of Director in more than 15 Companies.



Information provided to the Board

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any update thereof;
- Minutes of the meetings of the Committees of the Board.
- Non-compliance of any regulatory/statutory nature of listing requirements and shareholder services such as non-payment of dividend, delay in share transfer, etc.

Details of Directors being appointed / re- appointed

Shri Prabhat Agarwal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for the re-appointment. He is associated with the Company since 2002. His Directorship and membership in other Public Limited Companies and/or its Committees are reported to be NIL

Code of Conduct

RPML Board has adopted a Code of Conduct for members of the Board and senior management. The Code lays down, in detail, the standard of conducting business, its ethics and corporate governance.

COMMITTEES OF BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Board was first constituted in the year 2001 with Shri Pramod Agarwal as the Chairman. There are no changes in the composition of the Audit Committee. The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchange that inter alia including the overview of the company's financial reporting process, review of the quarterly and annual financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal function etc. During the financial year 2009-10, the Audit Committee met four times on 30.04.2009, 31.07.2009, 31.10.2009, and 30.01.2010.

Composition and Attendance

The Audit Committee consists of three Directors of whom there is one Managing Director and two Independent Directors. During the year ended 31st March, 2010, four meeting of Audit Committee were held.

The attendance of each member of the committee at its meeting held is as under.

Sl. No.	Name of Member	No of Meeting Attended
1	Shri Pramod Agarwal	4
2	Shri Amar Mittal	4
3	Shri Prabhat Agarwal	4

B. REMUNERATION COMMITTEE

The Remuneration Committee consists of three Directors including two independent Directors.

During the year ended March 31st, 2010, there has been no Meeting of Remuneration Committee.

S.No.	Name of Member	No of Meeting Attended
1	Shri Arun Goel	N.A.
2	Shri Prabhat Agarwal	N.A.
3	Shri H. S. Bhimrao	N.A.

C. INVESTOR GRIEVANCE COMMITTEE

The members of the committee are Shri Pramod Agarwal, Shri Arun Goel, Shri Prabhat Agarwal and Shri Pankaj Misra. During the year ended March 31, 2010 four meeting of Investor Grievance Committee were held. The attendance of each member of the committee at the Investors Grievance Committee meeting held is as under:

S.No.	Name of Member	No. of Meeting Attended
1	Shri Pramod Agarwal	4
2	Shri Arun Goel	3
3	Shri Prabhat Agarwal	4
4	Shri Pankaj Misra	4

**Compliance Officer**

Mr. Pankaj Misra is the Compliance Officer of the Company.

Details of Remuneration paid/ payable to the Directors for the year ended 31st March, 2010.

Name	Remuneration
Shri Pramod Agarwal	33,00,000/-
Shri Arun Goel	22,00,000/-

General Body Meetings

The last three Annual General Meeting were held at the Registered Office of the Company at 4th KM Stone Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) as per the details given below:

S.No	Year	Day	Date	Time
1	2009	Tuesday	September 8, 2009	10.00 A.M.
2	2008	Friday	September 19, 2008	10.00 A.M.
3	2007	Tuesday	September 25, 2007	10.00 A.M.

Details of Special Resolutions:

(a) The following are the Special Resolutions passed at the previous three Annual General Meetings including Extra-ordinary General Meetings of the Company:

AGM Held on	Whether Special Resolution passed	Summary
05.03.2007 (EGM)	Yes	Issue of Shares on preferential basis to the Promoters Group under section 81(1A) of the Companies Act 1956
25.09.2007	Yes	Resolution under section 81 (1A) of the Companies Act 1956
21.07.2008 (EGM)	Yes	Resolution Pursuant to Section 106 and other applicable provision of the Companies Act, 1956.
19.09.2008	Yes	Issue of Equity Shares of aggregate nominal value not exceeding Rs. 50 Crores under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Issue of 22,72,726 Equity Shares on conversion of Preference Shares into Equity Shares under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Issue of 6,28,286 Equity Shares on Preferential Basis to the Promoter Group under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Re-appointment of Managing Director and Executive Director for a period of three years
08.09.2009	Yes	Issue of 33,33,334 Equity Shares on conversion of Preference Shares into Equity Shares under section 81(1A) of the Companies Act 1956
08.09.2009	Yes	Issue of 6,84,108 Equity Shares on Preferential Basis to the Promoter Group under section 81(1A) of the Companies Act 1956
08.09.2009	Yes	Commencing business, as specified in Clause III (C) Other Objects of Memorandum of Association
08.09.2009	Yes	Re-appointment of Chairman & Managing Director for a period of five years
08.09.2009	Yes	Re-appointment of Managing Director and Executive Director for a period of five years

Postal Ballot

During the period under review, no resolution is passed through Postal Ballot.



Disclosure of related party transactions

There were no transactions of materially significant nature with the promoters, the Directors or the Management or their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.

Details of non-compliance by the Company

During the last three years, there has been no instance of non-compliance by the Company on any matter related to capital market.

CEO Certification

The Chairman & Managing Director has certified to the Board with respect to the financial statements, internal control and other matters as required under Clause 49 of the listing agreement with Stock Exchange.

Means of Communication of Financial Results

The Quarterly, Half Yearly, and Annual Financial Results are faxed to the Bombay Stock Exchange, where the Company's Shares are listed, after the conclusion of the Board Meeting at which the results are taken on record. The results are published normally in two or more national and vernacular dailies, within 48 hours as required under the listing Agreement with the Stock Exchange

Auditor's Certificate on Corporate Governance

The Company has obtained a certificate from the Statutory Auditors regarding compliance of corporate governance, as mandated in Clause 49 of the Listing Agreement.

Shareholders Information

The Annual General Meeting Date & Time : Thursday, The 30th September 2010 at 10:00 A.M.
Venue : Rama Paper Mills Ltd.

4th Km. Stone, Najibabad Road;
Kiratpur - 246 731 Distt. Bijnor (U.P)

Financial Calendar

: 1st April 2009 to 31st March 2010

Adoption of Quarterly Results for the Quarter ending

1st Quarter ended 30th June, 2009	: July 2009 (4th Week)
2nd Quarter ended 30th September, 2009	: October, 2009 (4th Week)
3rd Quarter ended 31st December, 2009	: January, 2010 (4th Week)
4th Quarter ended 31st March, 2010	: May 2010 (6th Week)

Book Closure Date

: Tuesday the 28th September, 2010 to Thursday, the 30th September, 2010 both the days inclusive

Stock Exchange where Company shares are listed.

Mumbai Stock Exchange In Demat Mode

ISIN No. : INE 425EOIO13
Scrip Code : 500357 (BSE)

Registrar and Transfer Agents.

M/s Indus Port Folio Pvt. Ltd. continue to be the Registrar and Transfer Agents for processing transfer, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization and rematerialization of the Company's shares.

As the Company's shares are compulsorily to be traded in dematerialized form, members holding shares in physical form are requested to send the share certificate directly to the Registrar and Transfer Agents of the Company for dematerialization. Members have the option to open their accounts in Central Depository Services (India) Limited (CDSL) or National Services Depository Limited (NSDL) as the company has entered into agreements with both the depositories.

The Address of the Registrar and Transfer Agents is as under.

M/s Indus Portfolio (P) Limited
G-65, Bali Nagar
New Delhi-110 015.
Tel No. 011-25422801/805/847 DIPD 12P26000
Person to contact: Mr. Bharat Bhushan

Connectivity in National Services Depository Limited (NSDL)

The company has got connectivity from NSDL for activation of ISIN under the ISIN No. INE425EOIO13, which company already possess, dated 12th May, 2005.

**Share Transfer System**

All Physical share transfers are effected within 30 days of lodgment, subject to the documents being in order. The Shares Transfer committee meets as and when required.

Distribution of Shareholding as on 30th June, 2010

S. No.	CATEGORY	No. of Share Holders	No. of Shares	% of Total
1	Promoters, Relatives & their Associates	33	3962083	41.00%
2	Corporate Bodies	161	1141395	11.81%
3	Mutual Fund	1	3600	0.04%
4	NRI	30	96846	1.00%
5	Other Public	11333	4460809	46.16%
	Total	11558	9664733	100.00

Communication

Communication regarding share transfer, change of address, dividend, etc. can be addressed to the RTA at the address given above. Shareholders' correspondence / communication is acknowledged and attended to within the stipulated time, as applicable.

Dematerialization of Shares & liquidity

81.12% of the shares of the company have been dematerialized as on 30.06.2010.

Market Price Data:

Monthly highest and lowest share price during the financial year 2009-10 at Mumbai Stock Exchange.

Month	High Price	Low Price
Apr-09	7.85	5.65
May-09	12.25	6.65
Jun-09	12.6	8.71
Jul-09	10.21	7.05
Aug-09	14.2	9.5
Sep-09	23.15	11.71
Oct-09	21.45	14.9
Nov-09	15.2	12.75
Dec-09	16.8	13.76
Jan-10	18.85	13.7
Feb-10	14.97	12.01
Mar-10	15.8	12.35

*Source : Mumbai Stock Exchange

For and on behalf of the Board of Directors
RAMA PAPER MILLS LTD.

Sd/-
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR



AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Rama Paper Mills Limited,

We have examined the compliance of conditions of Corporate Governance by RAMA PAPER MILLS LIMITED for the year ended on March 31st 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination is 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, we certify that, the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors grievance Committee.

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 SHIAM & CO.,
Chartered Accountants,
Registration No.000030C**

**Rajesh Kumar Jain
PARTNER
Membership No. 073352**

**Place: Muzaffarnagar
Date: 21.06.2010**

AUDITORS' REPORT

The Members of
RAMA PAPER MILLS LIMITED,
KIRATPUR, DISTT.BIJNOR

Gentlemen,

We have audited the attached Balance Sheet of **RAMA PAPER MILLS LIMITED, KIRATPUR, DISTT. BIJNOR** as on 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4-A) of Companies Act, 1956 we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
 - (i) 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.



RAMA PAPER MILLS LIMITED

- (ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
- (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company.
- (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to and read together with notes on accounts, accounting policies and additional information given in Schedule No. 19, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - (b) in the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For SHIAM & CO.

Chartered Accountants,
Registration No. 000030C

Rajesh Kumar Jain
PARTNER

Membership No. 073352

Dated: 21- 06 - 2010
Place: Muzaffarnagar

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

(i) **In respect of fixed assets:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No Material discrepancies were noticed on such verification.
- (c) During the year, the Company has not made any substantial disposals of fixed assets during the year.

(ii) **In respect of inventories:**

- (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.



- (iii) In respect of loans, secured or unsecured, granted/taken by the company to or from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:
- (a) The Company has not granted any loan secured and unsecured to any company, firm, or other parties covered under register maintained u/s 301 of Companies Act 1956.
In view of clause (iii) (a) above, the clause (iii) (b),(iii) (c) and (iii) (d) are not applicable.
- (b) The Company had taken loan from one party. The maximum amount involved during the year was Rs 110.97 lacs and the year-end balance of loans taken from such parties was Rs.75.00 Lacs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.
- (d) The Company is regular in repaying the principal amounts and interest as stipulated.
- (e) There is no overdue amount in respect of loans taken by the company.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v) In respect of transactions covered u/s 301 of the Companies Act, 1956: -
- (a) According to the information and explanations give to us, we are of the opinion that the particulars of contracts or arrangements have been entered in the register maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) According to the information and explanations given to us, the company has complied with the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) As informed by the management, cost records for the year are under preparation.
- (ix) In respect of statutory dues: -
- (a) According to the records of company and information and explanation to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2010 for a period of more than six months from the date they became payable.
- (b) According to information and explanations given to us, there is no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, cess which have not been deposited on account of any dispute.
- (x) The company has no accumulated losses as at 31.03.2010 and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.
- (xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of clause 4(xii) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.



- (xii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/ society. Therefore the provision of clause 4 (xii) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.
- (xv) In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, term loan availed by the company were, prima facie, applied by the company during the year for the purpose for which loans were obtained.
- (xvii) According to the Cash Flow Statement and records examined by us and according to information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.
- (xviii) According to information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to information and explanation given to us, the company has not issued any debentures during the year.
- (xx) According to information and explanation given to us, the company has not raised any money from public issue during the year.
- (xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For SHIAM & CO.,
Chartered Accountants,
Registration No.000030C**

**Place: Muzaffarnagar
Date: 21.06.2010**

**Rajesh Kumar Jain
PARTNER
Membership No. 073352**

**RAMA PAPER MILLS LIMITED****RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
BALANCE SHEET AS AT 31st MARCH, 2010**

PARTICULARS	SCHEDULE NO	CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
SOURCES OF FUNDS				
SHAREHOLDERS' FUNDS				
Share Capital	1	146,647,330		146,647,330
Reserves & Surplus	2	<u>258,352,632</u>	404,999,962	<u>258,248,892</u> 404,896,222
LOAN FUNDS				
Secured Loans	3	698,685,318		621,843,615
Unsecured Loans	4	<u>38,974,000</u>	737,659,318	<u>8,974,000</u> 630,817,615
DEFERRED TAX			<u>110,424,000</u>	<u>109,806,000</u>
TOTAL Rs.			<u>1,253,083,280</u>	<u>1,145,519,837</u>
APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	5	1,257,630,415		915,574,747
Less: Depreciation		<u>361,189,050</u>		<u>312,196,828</u>
Net Block		<u>896,441,365</u>		<u>603,377,919</u>
Add: Capital Work in Progress		<u>56,090,961</u>	952,532,326	<u>244,161,405</u> 847,539,324
CURRENT ASSETS, LOANS & ADVANCES				
Inventories	6	87,576,064		89,118,524
Sundry Debtors	7	295,104,348		300,297,291
Cash & Bank Balances	8	4,250,640		7,426,819
Loans & Advances	9	<u>83,192,094</u>		<u>56,386,653</u>
		<u>470,123,146</u>		<u>453,229,287</u>
Less: Current Liabilities & Provisions	10	<u>169,572,192</u>		<u>155,248,774</u>
Net Current Assets			300,550,954	279,980,513
TOTAL Rs.			<u>1,253,083,280</u>	<u>1,145,519,837</u>
NOTES ON ACCOUNTS				
Schedule 1 to 10 and 19 relates to Balance Sheet	19			

CHAIRMAN CUM MANAGING DIRECTOR

EXECUTIVE DIRECTOR

COMPANY SECRETARY

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,
Registration No. 000030C

Dated : 21-06-2010
Place : Muzaffarnagar

Rajesh Kumar Jain
PARTNER
Membership No. 073352

**RAMA PAPER MILLS LIMITED****RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

PARTICULARS	SCHEDULE NO	CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
INCOME				
Sales	-	1,097,171,452		1,071,934,253
Less: Excise Duty		<u>6,162,663</u>	1,091,008,789	<u>1,866,265</u> 1,070,067,988
Other Income	11		217,134	415,253
Accretion/(Decretion) in Stocks	12		4,496,243	5,099,847
		TOTAL Rs.	<u>1,095,722,166</u>	<u>1,075,583,088</u>
EXPENDITURE				
Raw Material Consumed	13		580,765,782	511,270,381
Manufacturing Expenses	14		308,712,039	320,770,130
Staff Costs	15		40,975,267	39,306,859
Administrative Expenses	16		21,566,911	28,532,598
Selling & Distribution Expenses	17		24,942,428	35,759,032
Finance Charges	18		67,342,176	59,170,511
Depreciation	5		50,695,823	39,581,311
		TOTAL Rs.	<u>1,095,000,426</u>	<u>1,034,390,822</u>
PROFIT FOR THE YEAR			721,740	41,192,266
Paid/provision for Tax				
Current Tax		111,510		4,614,550
Mat Credit Entitlement		(111,510)		(4,614,550)
Fringe Benefit Tax		--		463,674
Deferred Tax		618,000	618,000	11,693,000
PROFIT AFTER TAX			103,710	29,035,592
Add : Profit brought forward from previous year			141,518,222	112,482,630
BALANCE CARRIED OVER TO BALANCE SHEET			<u>141,621,962</u>	<u>141,518,222</u>

NOTES TO THE ACCOUNTS 19
Schedule 5 & 11 to 19 relates
to Profit & Loss Account

CHAIRMAN CUM MANAGING DIRECTOR

EXECUTIVE DIRECTOR

COMPANY SECRETARY

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,
Registration No. 000030C

Dated : 21-06-2010
Place : Muzaffarnagar

Rajesh Kumar Jain
PARTNER
Membership No. 073352



RAMA PAPER MILLS LIMITED

RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
22000000 Equity Shares of Rs.10/- Each	220,000,000	220,000,000
500000 Preference Shares of Rs.100/- Each	50,000,000	50,000,000
TOTAL Rs.	270,000,000	270,000,000
Issued, Subscribed & Paid-Up		
9664733 Equity Shares of Rs.10/- Each fully paid-up	96,647,330	96,647,330
500000 Cumulative Redeemable Preference Shares of Rs.100/- Each fully paid-up	50,000,000	50,000,000
TOTAL Rs.	146,647,330	146,647,330
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserves	64,000	64,000
Share Premium Account	116,666,670	116,666,670
Profit & Loss Account	141,621,962	141,518,222
TOTAL Rs.	258,352,632	258,248,892
SCHEDULE - 3		
SECURED LOANS		
BANK OF BARODA		
Term Loan	440,050,909	412,451,483
Bank Borrowings	256,008,406	207,668,797
DEFERRED LIABILITIES	2,626,003	1,723,335
TOTAL Rs.	698,685,318	621,843,615
SCHEDULE - 4		
UNSECURED LOANS		
Promoters & their Relatives	7,500,000	7,500,000
Inter Corporate Deposits	20,950,000	950,000
Security Deposits	10,524,000	524,000
TOTAL Rs.	38,974,000	8,974,000

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS ON 31.03.2009	ADDITIONS	SALE/ ADJUST- MENT	AS ON 31.03.2010	AS ON 31.03.2009	FOR THE YEAR	SALE/ ADJUST- MENT	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Land	13,435,022	—	—	13,435,022	—	—	—	—	13,435,022	13,435,022
Factory Building	58,175,291	59,825,395	—	118,000,686	25,592,320	2,435,754	—	28,028,074	89,972,612	32,582,971
Building (Staff Colony)	8,069,587	429,818	—	8,499,405	1,753,329	132,129	—	1,885,458	6,613,947	6,316,258
Plant & Machinery	564,026,972	283,029,841	—	847,056,813	247,534,540	33,405,056	—	280,939,596	566,117,217	316,492,432
Vehicles	7,926,397	2,580,889	4,348,075	6,159,211	2,070,638	676,779	1,703,601	1,043,816	5,115,395	5,855,759
Furniture & Office Equipments	10,832,140	489,000	—	11,321,140	7,439,523	713,319	—	8,152,842	3,168,298	3,392,617
Turbine & Boiler	251,261,125	—	—	251,261,125	26,021,918	13,266,587	—	39,288,505	211,972,620	225,239,207
Computers	1,848,213	48,800	—	1,897,013	1,784,560	66,199	—	1,850,759	46,254	63,653
Total Rs.	915,574,747	346,403,743	4,348,075	915,574,747	312,196,828	50,695,823	1,703,601	361,189,050	896,441,365	603,377,919
Previous year	782,808,779	150,380,802	17,614,834	915,574,747	281,846,878	39,581,311	9,231,361	312,196,828	603,377,919	500,961,901

**RAMA PAPER MILLS LIMITED**

PARTICULARS	CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
SCHEDULE - 6			
INVENTORIES			
(As taken, valued & certified by the management)			
Raw Materials	30,998,108		37,017,430
Stores, Chemicals and Spare Parts etc.	34,170,699		31,955,860
Finished Goods	12,827,667		12,066,119
Semi Finished Goods	4,696,285		1,480,740
Stock in Process	2,971,450		2,452,300
Goods in Transit	1,911,855		4,146,075
TOTAL Rs.	87,576,064		89,118,524
SCHEDULE - 7			
SUNDRY DEBTORS			
(Unsecured but considered good)			
Debt outstanding for a period Exceeding Six Months	58,781,164		32,001,794
Others	236,323,184		268,295,497
TOTAL Rs.	295,104,348		300,297,291
SCHEDULE - 8			
CASH & BANK BALANCES			
Cash/Cheque on hand	1,214,069		5,537,853
Balances With Scheduled Banks in :-			
Current Accounts	1,035,171	1,637,566	
Fixed Deposit Accounts	2,001,400	251,400	1,888,966
TOTAL Rs.	4,250,640		7,426,819
SCHEDULE - 9			
LOANS AND ADVANCES			
(Unsecured but Considered Good)			
Advances recoverable in cash or in kind or for value to be received	77,458,601		51,133,094
Security Deposits with :-			
Government Department	3,106,400	3,106,400	
Others	2,627,093	2,147,159	5,253,559
TOTAL Rs.	83,192,094		56,386,653
SCHEDULE - 10			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities			
Sundry Creditors	97,518,094	68,186,529	
Capital Goods	36,448,874	40,220,777	108,407,306
Others	133,966,968		19,976,167
Advance from Customers	14,881,181		21,787,077
Other Liabilities	20,612,533		
Provision for:			
Income Tax	111,510	4,614,550	
Fringe Benefit Tax (net)	--	463,674	5,078,224
TOTAL Rs.	169,572,192		155,248,774
SCHEDULE - 11			
OTHER INCOME			
Interest received	217,134		415,253
TOTAL Rs.	217,134		415,253
SCHEDULE - 12			
ACCRETION IN STOCKS			
Opening Stock:			
Finished Goods	12,066,119	7,940,452	
Semi Finished Goods	1,480,740	1,122,960	
Stock in Process	2,452,300	1,835,900	10,899,312
Closing Stock:			
Finished Goods	12,827,667	12,066,119	
Semi Finished Goods	4,696,285	1,480,740	
Stock in Process	2,971,450	2,452,300	15,999,159
TOTAL Rs.	4,496,243		5,099,847

**RAMA PAPER MILLS LIMITED**

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE - 13		
RAW MATERIALS CONSUMED		
Opening Stock	37,017,430	4,840,274
Add: Purchases	576,306,220	543,447,537
	<u>613,323,650</u>	<u>548,287,811</u>
Less Goods destroyed by fire	1,559,760	--
Less: Closing Stock	30,998,108	37,017,430
Diff 1 Rs. TOTAL Rs.	580,765,782	511,270,381
SCHEDULE - 14		
MANUFACTURING EXPENSES		
Power & Fuel	207,427,070	215,453,371
Chemicals	62,743,842	60,914,350
Stores and Spares	25,984,861	29,889,775
Packing Material	8,066,833	9,725,341
Repair to Plant & Machinery	4,481,587	4,654,639
Excise Duty Provided on stock	7,846	132,654
TOTAL Rs.	308,712,039	320,770,130
SCHEDULE - 15		
STAFF COSTS		
Salary, Wages & Allowances	36,427,049	33,364,920
Contribution to Provident Fund	846,121	800,130
Workman & Staff Welfare	697,028	383,267
Watch & Ward	2,095,400	2,040,000
Gratuity	909,669	2,718,542
TOTAL Rs.	40,975,267	39,306,859
SCHEDULE - 16		
ADMINISTRATIVE EXPENSES		
Printing & Stationery	357,005	386,967
Postage & Telephone	778,430	1,320,442
Insurance	2,566,825	2,239,909
Travelling & Conveyance	3,707,927	4,241,259
Rent, Rates & Taxes	2,512,930	4,710,120
Sales Tax	--	161,325
Legal & Professional	1,796,596	1,314,435
Directors' Remuneration	5,500,000	6,600,000
Auditors' Remuneration	84,270	84,270
Hire Charges	36,000	36,000
Loss on sale of Fixed Assets	1,094,474	5,014,643
Repair & Maintenance		
- Building	1,176,990	933,665
- Others	960,121	737,766
Miscellaneous	995,343	751,797
TOTAL Rs.	21,566,911	28,532,598
SCHEDULE - 17		
SELLING & DISTRIBUTION EXPENSES		
Rebate & Discount	9,768,145	20,366,366
Commission on Sales	5,560,520	6,170,336
Freight & Forwarding	9,613,763	9,222,330
TOTAL Rs.	24,942,428	35,759,032
SCHEDULE - 18		
FINANCE CHARGES		
INTEREST:		
Term Loans	33,919,664	29,883,999
Bank Borrowing & Others	31,948,513	28,281,181
Bank Charges	1,473,999	1,005,331
TOTAL Rs.	67,342,176	59,170,511



SCHEDULE - 19

ACCOUNTING POLICIES, NOTES AND ADDITIONAL INFORMATION

I. ACCOUNTING POLICIES

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

- i) The financial statements have been prepared under the historical cost conventional method in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the company.
- ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

B. FIXED ASSETS

Fixed Assets are stated at cost. Cost includes installation Charges and allocated expenditure (including Finance Charges) during construction/installation period wherever applicable.

C. DEPRECIATION

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956.

D. VALUATION OF INVENTORIES

Inventories are valued at the lower of the cost and estimated net realisable value. Cost of Inventories is computed on a weighted average/FIFO basis. Finished Goods and Work in process includes Raw Material Cost, Cost of conversion and other costs in bringing the inventories to their present location and conditions.

E. SALES

Sales are inclusive of excise duty.

F. EXCISE DUTY

Excise Duty has been accounted for on the basis of both payments made in respect goods cleared as also provision made for the goods lying in the bonded warehouses. Amount of Excise Duty deducted from sale is relatable to the sale made during the year and the amount recognized separately in the statement of Profit & Loss Account is relatable to difference between closing stock and opening stock. Amount of Cenvat credits in respect of material consumed is deducted from cost of material.

G. RETIREMENT BENEFIT

- (i) Contribution to Provident Fund is accounted for on accrual basis.
- (ii) Gratuity under the Payment of Gratuity Act is provided for on actuarial basis.

H. INSURANCE CLAIMS

Insurance Claim is accounted for on receipt basis.

I. BORROWING COST

Borrowing costs directly attributable to the acquisition or construction of fixed assets are capitalised as part of the cost of assets and upto the date, the asset is put to use. Other borrowing costs are charged to the profit and loss account under the head, they are incurred.

II. NOTES FORMING PART OF ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Nil (Previous Year Rs. 580.91 lacs) against which advance of Nil (Previous Year Rs 580.91lacs) has been given.

**RAMA PAPER MILLS LIMITED****2. CONTINGENT LIABILITIES NOT PROVIDED FOR:**

	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
(i) Counter Guarantee	17000000.00	1000000.00
3. Term loan from Bank of Baroda is secured against hypothecation of Plant & Machinery, Land & Building (both present & future) of the Company and extension of hypothecation over stock & book debts of the company and also personal guarantee of Directors/Promoters of the Company.		
4. Term loan from IDBI Bank is secured against:-		
i. First charge on the Carbon Credits receivables of the sale of Carbon Credits in a manner satisfactory to IDBI Bank. The company to obtain NOC from Bank of Baroda (BoB) and other charge holders, if any, to perfect the security.		
ii. Unconditional and irrevocable personal guarantees of Shri Pramod Agarwal Managing Director and Shri Arun Goel Executive Director of the company.		
iii. Exclusive first charge on the Escrow account to be opened with IDBI Bank for receipt of sale proceeds of Carbon Credits.		
5. i. Working Capital facilities from Bank of Baroda are secured by Equitable Mortgage of land bearing Khasra nos. 46/2, 47, 46/1, 20M, 174M, 43, 42/2, 29, 33M, 43M, 44/1, 42/2m, 42/2m, 42/1, 42/2 situated at Village Nagla Islam, Pargana Kiratpur Tehsil Nazibabad Distt. Bijnor AND Khasra nos. 1151, 4013, 1153, 1152, 4009 at Vill. Kiratpur Pargana Kiratpur Tehsil Nazibabad Distt. Bijnor.		
ii. Hypothecation of Plant & Machinery, stocks and Book Debts of the Company all situated at Kiratpur Distt. Bijnor.		
6. Deferred liabilities are secured by hypothecation of respective Vehicles and guaranteed by Directors of the Company. Total Instalments falling due with in next year Rs.15.22 Lacs (Previous Year Rs. 19.05 Lacs).		
7. In the opinion of Board of Directors Current Assets, Loans and Advances have a value on realisation in the ordinary course of business of the Company at least equal to the amount at which they are stated and the provisions for all known and determined liabilities (except as otherwise stated) are adequate and not in excess of the amount reasonably stated as at 31st March, 2010.		
8. Balances of Sundry Debtors, Creditors, Advances from Customers, Sundry Advances and Security Deposits as on 31.03.2010 are subject to confirmation.		
9. In the absence of information from Creditors regarding their status, the amount due to Small and Medium Enterprises is not ascertainable.		
10. Keeping in view of the provisions of section 115JB of Income Tax Act, 1961, provision for Income Tax (MAT) has been made.		
11. Remuneration paid/payable to Managing/whole time Directors :		
	Current Year	Previous Year
Salary	Rs. 55,00,000	Rs. 66,00,000
12. Travelling and conveyance includes the following.:	Current Year	Previous Year
Directors Travelling	Rs. 7,59,316	Rs. 9,73,006
13. Payment to Auditors include:	Current Year	Previous Year
(a) Audit Fees	60,000	60,000
(b) Tax Audit Fees	16,400	15,000
(c) Service Tax	<u>7,870</u>	<u>9,270</u>
TOTAL Rs.	84,270	84,270

**RAMA PAPER MILLS LIMITED**

14. Since the Company operates in a single segment i.e. "Paper & Paper Board", Accounting Standard (AS) 17-"Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.
15. The Earning per Share(EPS), the numerators and denominators used to calculate Basic and Diluted Earning per Share:-

Particulars		31/03/2010	31/03/2009
Profit attributable to the Shareholders (Rs. in lacs)	A	1.03	290.36
Weighted average number of			
Equity Shares outstanding during the year	B	9664733	9664733
Nominal value of Equity Share (Rs.)		10	10
Basic/Diluted Earning per Share (Rs.)		0.01	3.00

16. Related Party Disclosures is as under :-

1. Name of related parties and description of relationship:

(A). **Key Management Personnel** 1. Shri Pramod Agarwal,
Chairman cum Managing Director

2. Shri Arun Goel,
Executive Director

(B). **Companies controlled by Directors / Relatives**

1. Ram Fin Fortunes (P) Limited.

2. Sidhbhoomi Alloys Limited

3. AAA Paper Marketing Limited

4. Baghaulti Sugar and Distillery Limited

2. There is no provision for doubtful debts or amounts written off or written back during the period in respect of dues from or to related parties.

3. Summary of Transactions:

(Rs. in lacs)

Nature of Transaction	Key Management personnel		Companies Controlled by Directors/Relatives	
	Current Year	Previous Year	Current Year	Previous Year
Remuneration	55.00	66.00	—	—
Salary Paid	—	4.41	—	—
Hire Charges Paid	—	—	0.36	0.36
Rent paid	—	—	1.20	1.20
Purchase	—	—	1804.63	1145.44
Sale of Fixed Assets	—	—	11.00	17.26
Advances given	—	—	300.00	—
Outstanding Balance as on 31.03.2010	—	—	300.00	—
Addition/(Repayment) of deposits	38.00	85.00	—	—
Outstanding Payable as on 31.03.2010	75.00	75.00	—	—

The particulars given above have been identified on the basis of information available with the Company.

17. Pursuant to the Accounting Standard (AS)-22 accounting for taxes on income issued by The Institute of Chartered Accountants of India applicable from 1.4.2002, deferred tax liability of Rs. 6.18 lacs (Previous Year Rs. 116.93 lacs) for the year ended 31.03.2010 has been debited to Profit & Loss Account.
18. Previous year figures have been re-grouped and re-arranged wherever necessary.

**RAMA PAPER MILLS LIMITED****Additional information pursuant to the provisions of Part II of Schedule VI of the Companies Act 1956****A. Licenced, Installed Capacity and Actual Production:**

Name of the Product :	Newsprint, Writing & Printing Paper & Duplex Board		
	CURRENT YEAR	PREVIOUS YEAR	
Licenced Capacity	N.A.	N.A.	
Installed Capacity (As certified by the management)	61000.0000 M.T.	44000.0000 M.T.	
Actual Production	48627.8977 M.T.	43815.0370 M.T.	

B. Opening Stock, Closing Stock and Turn-over of Finished Goods:-

		OPENING STOCK	CLOSING STOCK	TURNOVER
Current Year	In M.T	609.7901	631.3627	48606.3251
	In Rs.	12,066,119	12,827,667	1,097,171,452
Previous Year	In M.T	560.4438	609.7901	43,765.6907
	In Rs.	7,940,452	12,066,119	1,071,934,253

C. Raw Materials, Spares Parts and Components consumed.

	CURRENT YEAR		PREVIOUS YEAR	
	QTY (M.T.)	AMOUNT RS.	QTY (M.T.)	AMOUNT RS.
Imptored Waste Paper/ Wood Pulp	15,224.802	186,818,121	11,736.605	154,498,603
Indigenous Waste Paper	43,474.315	393,947,661	41,419.584	356,771,778
	Total Rs.	580,765,782		511,270,381
Stores & Spares Parts		25,984,861		29,889,775
Chemicals		62,743,842		60,914,350

D. Value of Imports C.I.F. Value in respect of:

	CURRENT YEAR (AMOUNT Rs.)	PREVIOUS YEAR (AMOUNT Rs.)
Raw Materials	116,542,664	95,346,799
Chemicals	-	-
Stores & Spares	792,001	2,362,551
Plant & Machinery	-	11,836,482
E. Expenditure in Foreign Currency	-	-
F. Remittance in Foreign Currency	NIL	NIL
G. Earning in Foreign Currency	NIL	NIL

H. Consumption of Imported and Indigenous Raw Materials, Stores and Spare Parts Components:

	CURRENT YEAR		PREVIOUS YEAR	
	PERCENTAGE	AMOUNT Rs.	PERCENTAGE	AMOUNT Rs.
<u>Raw Material</u>				
Imported	32.17%	186,818,121	30.22%	154,498,603
Indigenous	67.83%	393,947,661	69.78%	356,771,778
	Total Rs.	580,765,782		511,270,381
<u>Stores & Spares</u>				
Indigenous	96.13%	24,979,964	89.84%	26,852,476
Imported	3.87%	1,004,897	10.16%	3,037,299
	Total Rs.	25,984,861		29,889,775
<u>Chemicals</u>				
Indigenous	100%	62,743,842	100.00%	60,914,350
	Total Rs.	62,743,842		60,914,350



**PART IV
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. Registration Details

(i) Registration No. L27104UP1985PTC0007556
 (ii) State Code 20
 (iii) Balance Sheet Date 31.03.2010

2. Capital Raised during the year

	CURRENT YEAR	PREVIOUS YEAR
(i) Public Issue	NIL	NIL
(ii) Rights Issue	NIL	NIL
(iii) Bonus Issue	NIL	NIL
(iv) Private Placement	NIL	NIL

3. Position of Mobilisation and

	CURRENT YEAR	PREVIOUS YEAR
Deployment of Funds		
(i) Total Liabilities	1422655	1300769
(ii) Total Assets	1422655	1300769

Sources of Funds

	CURRENT YEAR	PREVIOUS YEAR
(i) Paidup Capital	146647	146647
(ii) Reserve & Surplus	258353	258249
(iii) Secured Loans	698685	621844
(iv) Unsecured Loans	38974	8974
(v) Deferred Tax	110424	109806
TOTAL RS.	<u>1253083</u>	<u>1145520</u>

Application of Funds

(i) Net Fixed Assets	952532	847539
(ii) Net Current Assets	300551	297981
TOTAL RS.	<u>1253083</u>	<u>1145520</u>

4. Performance of Company

	CURRENT YEAR	PREVIOUS YEAR
(i) Turnover	1091226	1070483
(ii) Total Expenditure	1090504	1029291
(iii) Profit before tax	722	41192
(iv) Profit after tax	104	29036
(v) Earning per share	0.01	3.00
(vi) Dividend rate on Equity Shares %	-	-
(vii) Dividend rate on Preference Shares %	-	-

5. Generic Names of Principal Products/Services of Company

(As per Monetary Terms)

(i) Items Code No.(ITC Code) 4801,4802, 4804 & 4805

(ii) Product Description News Prints, Writing & Printing paper
Duplex Board & M. G. Kraft

Schedule 1 to 19 forms an integral part of Balance Sheet and Profit & Loss Account.

CHAIRMAN & MANAGING DIRECTOR

EXECUTIVE DIRECTOR

COMPANY SECRETARY

**For SHIAM & CO.,
Chartered Accountants,
Registration No.000030C**

**Place: Muzaffarnagar
Date: 21.06.2010**

**Rajesh Kumar Jain
PARTNER
Membership No. 073352**

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2010**

A. CASH FLOW FROM OPERATION ACTIVITIES:	2009-2010		2008-2009
Net Profit before tax and extraordinary items	AMOUNT (Rs.)		AMOUNT (Rs.)
Adjustments for:		721,740	41,192,266
Depreciation	50,695,823		39,581,311
Finance Charges	67,342,176		59,170,511
Loss on sale of Fixed Assets	1,094,474	119,132,473	5,014,643
Operating Profit before working capital changes		119,854,213	144,958,731
Adjustments for:			
Trade and other receivables	(20,500,988)		3,313,736
Inventories	1,542,460		(42,968,512)
Trade Payables	19,290,132	(668,396)	(24,467,569)
Cash generated from operations		119,185,817	129,771,524
Taxes Paid		(5,078,224)	(7,747,009)
Finance Charges		(67,342,176)	(59,170,511)
Net Cash from operating activities		46,765,417	62,854,004
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Sale/Subsidy of Fixed Assets	1,550,000		3,368,830
Purchase of Fixed Assets(including Capital work in progress)	(158,333,299)	(156,783,299)	(194,470,869)
Net Cash used in Investing activities		(110,017,882)	(128,248,035)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Receipt/Repayment of borrowings	106,841,703	106,841,703	123,928,548
		(3,176,882)	(4,319,487)
Cash and Cash equivalents as at 31.3.2009	7,426,819		11,746,306
Cash and Cash equivalents as at 31.3.2010	4,250,640	(3,176,179)	7,426,819
		(3,176,179)	(4,319,487)

CHAIRMAN & MANAGING DIRECTOR**EXECUTIVE DIRECTOR****COMPANY SECRETARY****For SHIAM & CO.,
Chartered Accountants,
Registration No.000030C****Place: Muzaffarnagar****Date: 21.06.2010****Rajesh Kumar Jain
PARTNER
Membership No. 073352**



PROXY FORM
RAMA PAPER MILLS LIMITED
REGISTERED OFFICE : NAJIBABAD ROAD, KIRATPUR, DISTT. BIJNOR (U.P.)

Members L. F. No./Client ID :
No. of Shares :
I/We.....of.....
.....in the district of.....
being a member/members of RAMA PAPER MILLS LIMITED, hereby appoint
.....of.....
in the district of.....or failing him/her
.....of.....
.....in the district of.....as
my/our proxy to vote for me/us on my/our behalf at the 25 ANNUAL GENERAL MEETING of Company to be held at Thursday
the 30th day of September 2010 at 10.00 A.M. and at any adjournment thereof.

Revenue
Stamp of
Re. 1/-.

Signed this.....day of.....2010.

Note : If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

ATTENDANCE SLIP
RAMA PAPER MILLS LIMITED
REGISTERED OFFICE : NAJIBABAD ROAD, KIRATPUR, DISTT. BIJNOR (U.P.)

Member's Folio No.....
Client ID No.....
DP ID No.....
Name of the Member.....
Name of Proxy Holder.....
No. of Shares held.....

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company held on Thursday, the 30th day of September, 2010 at 10.00 A.M. at Registered Office at Najibabad Road, Kiratpur, Distt. Bijnor (U.P.)

Signature of Members/Proxy

Notes :

- 1. Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Members are requested to bring their copy of Annual Report.