



**RAMA PAPER MILLS LIMITED**

**BOARD OF DIRECTORS**

Shri Pramod Agarwal	-	Chairman & Managing Director
Shri Arun Goel	-	Executive Director
Shri Manish Garg	-	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**

Jain Sharma & Associates  
Cost Accountant  
New Delhi

**REGISTERED OFFICE & WORKS**

4th Km. Stone, Najibabad Road,  
Kiratpur-246731  
Dist. Bijnor (U.P.)  
Email : works@ramapaper.com  
Website: www.ramapaper.com

**CORPORATE OFFICE**

12/22 IInd Floor, East Patel Nagar  
New Delhi-110008.  
Email : delhi@ramapaper.com

**REGISTRAR & TRANSFER AGENT**

Indus Portfolio (P) Limited  
ISIN INE425E01013  
G-65, Bali Nagar, New Delhi  
SEBI Registration No. INR000003845

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**NOTICE**

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Saturday, the 29th September, 2012 at 2.00 P.M at the Registered Office of the Company at 4th Km. Stone Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2012, 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.

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**  
"RESOLVED THAT pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Pramod Agarwal as the Chairman & Managing Director of the Company for a further period of three years with effect from 1st October, 2012 on the following terms and conditions as approved by the Remuneration Committee:

**I. SALARY**

Rs. 2,75,000/- (Rupees Two Lacs Seventy Five Thousand only) per month

**II. COMMISSION**

In addition to Salary as aforesaid, the Chairman & Managing Director shall be entitled to Commission @ 2% of the Net Profits provided that the total remuneration shall not exceed the limits as laid down in Section 198 and 309 of the Companies Act, 1956.

**III. PERQUISITES**

**CATEGORY – A: -**

- I. FURNISHING GAS ETC. The expenditure incurred by the company on Gas, Electricity, Water, furnishing including, Air Conditioners, Geysers shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary of the Chairman & Managing Director.
- II. MEDICAL REIMBURSEMENT: Expenses incurred for the Chairman & Managing Director and his family subject to a ceiling as specified in Income Tax Act.
- III. LEAVE TRAVEL CONCESSION: For Chairman & Managing Director and his family once in a year to and from New Delhi to any place in India subject to the condition that only actual Rail (Ist AC) or Air fare by the shortest route and no hotel expenses.

EXPLANATION: For the purpose of category 'A' family means the spouse and minor children.

**CATEGORY 'B':-**

- I. CONTRIBUTION TO PROVIDENT FUND: As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- II. COMPANY'S CONTRIBUTION TOWARDS PENSION / SUPER ANNUATION FUND: As per rules of the Company but not exceeding (together with Company's contribution to the provident fund) 24% of the salary as laid down under the Income Tax Rules, 1962.
- III. GRATUITY: Half a month's salary for each completed year of service. Contribution to provident fund and super annuation fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.
- IV. LEAVE: The Chairman & Managing Director shall also be entitled to leave on full pay and allowance as per rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves accumulated but not availed of will not be allowed to be encashed during the currency of service (encashment allowed at the end of tenure).



- V. The Chairman & Managing Director will be entitled to free use of Company's Cars with drivers for use of Company's business.
- VI. Free Telephone facility will be provided to the Chairman & Managing Director at his residence for use of Company's business.
- VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.
- VIII. Educational support to dependent children including their travel, hostel and tuition fees, subject to maximum of Rs. 50,000/- (Rupees Fifty Thousand only) in the aggregate, in a year.

**MINIMUM REMUNERATION**

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Chairman & Managing Director, the Company has no profits or its profits are inadequate, Shri Pramod Agarwal, Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites restricted to the overall limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

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

**"RESOLVED THAT** pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to such approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Arun Goel as the Whole-time Director designated as Executive Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2012 on the following terms and conditions as approved by the Remuneration Committee:

**I. SALARY**

Rs. 2,75,000/- (Rupees Two Lacs Seventy Five Thousand only) per month

**II. COMMISSION**

In addition to Salary as aforesaid, the Executive Director shall be entitled to Commission @ 2% of the Net Profits provided that the total remuneration shall not exceed the limits as laid down in Section 198 and 309 of the Companies Act, 1956.

**III. PERQUISITES**

**CATEGORY – A: -**

- I. **FURNISHING GAS ETC.** The expenditure incurred by the company on Gas, Electricity, Water, furnishing including, Air Conditioners, Geysers shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary of the Executive Director.
- II. **MEDICAL REIMBURSEMENT:** Expenses incurred for the Executive Director and his family subject to a ceiling as specified in Income Tax Act.
- III. **LEAVE TRAVEL CONCESSION:** For Executive Director and his family once in a year to and from New Delhi to any place in India subject to the condition that only actual Rail (1st AC) or Air fare by the shortest route and no hotel expenses.

**EXPLANATION:** For the purpose of category 'A' family means the spouse and minor children.

**CATEGORY 'B':-**

- I. **CONTRIBUTION TO PROVIDENT FUND:** As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.
- II. **COMPANY'S CONTRIBUTION TOWARDS PENSION / SUPER ANNUATION FUND:** As per rules of the Company but not exceeding (together with Company's contribution to the provident fund) 24% of the salary as laid down under the Income Tax Rules, 1962.
- III. **GRATUITY:** Half a month's salary for each completed year of service. Contribution to provident fund and super annuation fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.





## **RAMA PAPER MILLS LIMITED**

- IV. LEAVE: The Executive Director shall also be entitled to leave on full pay and allowance as per rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves accumulated but not availed of will not be allowed to be encashed during the currency of service (encashment allowed at the end of tenure).
- V. The Executive Director will be entitled to free use of Company's Cars with drivers for use of Company's business.
- VI. Free Telephone facility will be provided to the Executive Director at his residence for use of Company's business.
- VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.
- VIII. Educational support to dependent children including their travel, hostel and tuition fees, subject to maximum of Rs. 50,000/- (Rupees Fifty Thousand only) in the aggregate, in a year.

### **MINIMUM REMUNERATION**

**RESOLVED FURTHER THAT** where in any Financial Year during the currency of tenure of Executive Director, the Company has no profits or its profits are inadequate, Shri Arun Goel, Executive Director shall be entitled to remuneration by way of salary and perquisites restricted to the overall limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to such approvals, as may be necessary.

**RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorised to complete all necessary formalities and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution:-**

**RESOLVED THAT** Sh. Manish Garg, who was appointed as an Additional Director with effect from November 04, 2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the company, liable to retire by rotation.

**By Order of the Board  
For RAMA PAPER MILLS LIMITED  
(PANKAJ MISRA)  
Company Secretary**

**Place: Kiratpur  
Date: 14.08.2012**

### **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 Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of the Special business(es) under Item Nos. 4 to 6 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 27<sup>th</sup> September, 2012 to Saturday, the 29<sup>th</sup> September, 2012, both the days inclusive.
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 and email ID indicating their DPID/ Folio Number.
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.



**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4 & 5:**

Shri Pramod Agarwal and Shri Arun Goel were re-appointed by the Board as the Managing Director and Executive Director respectively of the Company for a period of three years w.e.f. 1<sup>st</sup> October, 2009. Shri Pramod Agarwal, Chairman & Managing Director of the Company, has around 32 years of experience in Paper Industry and has been associated with the Company since its incorporation. Shri Arun Goel, Executive Director of the Company, has around 20 years of experience in Paper Industry and has been associated with the Company since 1992. Both of them have played significant role in turning around the Company in the depressed conditions in paper industry and ensure Company's presence in the market. It is now proposed to re-appoint Shri Pramod Agarwal and Shri Arun Goel as the Chairman & Managing Director and Executive Director of the Company respectively for a further period of three years w.e.f 1<sup>st</sup> October, 2012 on the terms and conditions, which had earlier been approved by the Remuneration Committee.

The additional information with respect to the Company and the Appointees is as under:

**I. GENERAL INFORMATION:**

- (i) Nature of Industry : Manufacturing of Paper and other allied products.
- (ii) Date or expected date of Commencement of commercial Production : The Company is in operation.
- (iii) In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing In the prospectus : N.A.
- (iv) Financial Performance based on the given indicators for the F.Y. ended 31.03.2012 :
- |  |               |
|--|---------------|
|  | (Rs. in Lacs) |
| Turnover   | 13815.71      |
| Profit /Net (Loss)                                   | (462.83)      |
| Net worth (excluding revaluation reserve)            | 2826.43       |
| Book Value per Share (excluding revaluation reserve) | 29.24         |
- (v) Export performance and net Foreign exchange earnings : NIL
- (vi) Foreign investment or collaboration, if any. : NIL

**II. INFORMATION ABOUT THE APPOINTEES:**

Name	Background Details	Previous Remuneration	Proposed Remuneration	Job Profile
Shri Pramod Agarwal	Age 57 Yrs. LL.B. Having 32 years of experience in Paper Industry.	Rs. 2,75,000/- p.m. plus perquisites	Rs. 2,75,000/- p.m. plus perquisites	Managerial [responsible for overall management of the affairs of the Company].
Shri Arun Goel	Age 44 Yrs. B.Com. Having 20 years of experience in Paper Industry.	Rs. 2,75,000/-p.m. plus perquisites	Rs. 2,75,000/-p.m. plus perquisites	Managerial [responsible for Administrative and operational functions].



## **RAMA PAPER MILLS LIMITED**

The details relating to comparative remuneration profile with respect to Industry being unavailable hence not provided. The Board is of the view that the proposed remuneration is in line with the prevailing Industry trends.

The Board is of the opinion that the aforesaid managerial personnels have requisite qualifications, expertise and experience for the job they are holding. Except for receiving remuneration, none of the managerial personnel as aforesaid has any pecuniary relationship with the company.

### **OTHER INFORMATION:**

#### **(i) Reasons for inadequate Profit:**

The loss was resulted mainly due to depressed market conditions in paper industry, coupled with increase in raw material cost. Moreover the increased capacity also could not be fully utilized.

#### **(ii) Steps taken or proposed to be taken for improvement:**

The Company has undertaken the required measures to reach at the optimum capacity utilization and ensuring cost cutting in all the components, which will have positive impact on Company's Performance.

#### **(iii) Expected increase in productivity and Profits in measurable terms:**

It is only because of tremendous efforts put in by the Chairman & Managing Director and Executive Director, the Company is ensuring its existence in the market and now turning around on improving trend. The expected increase in productivity in measurable term being indeterminate cannot be quantified.

### **I. DISCLOSURES:**

The Shareholders of the Company are duly informed of the remuneration package of Managerial Personnel and disclosures in this regard are made in the Report of Corporate Governance under Clause 49 of the Listing Agreement.

None of the Directors of the Company except Shri Pramod Agarwal and Shri Arun Goel being interested in their respective resolutions and related to each other may be considered as concerned or interested in the resolutions.

The resolutions alongwith the accompanying Explanatory Statement may be treated as abstracts of the terms of Appointment and Memorandum of interest of Chairman & Managing Director and Executive Director within the meaning of Section 302 of the Companies Act, 1956.

All the documents referred to in the accompanying Notice are open for inspection of members at the Registered office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except holidays up to the date of the meeting.

#### **Item No. 6:**

Sh. Manish Garg was appointed as an Additional Director by the Board of Directors w.e.f. November 04, 2011 in accordance with the provisions of section 260 of the Companies Act, 1956.

Pursuant to section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 257 and all other applicable provisions of the Companies Act, 1956, liable to retire by rotation.

The Board feels that presence of Sh. Manish Garg on the Board is desirable and would be beneficial to the company and hence recommend resolution No.6 for adoption.

None of the Directors, except Sh. Manish Garg is concerned or interested in this resolution.

The Board recommends resolution under Item No.6 to be passed as ordinary resolution.



**DIRECTORS' REPORT**

To

**The Members,**

The Directors are pleased to present their 27th Report alongwith the Audited Accounts for the year ended 31st March, 2012

**Financial Results****(Rs. in lacs)**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Turnover	13815.71	12577.89
Profit before Financial Charges & Depreciation	976.78	555.46
Less: Financial Charges	829.66	989.84
Less: Depreciation	662.43	632.21
Profit before Tax	-515.31	-1066.59
Add/Less: Deferred Tax Liability	52.48	305.86
Less: Provision for Tax (MAT)	0.00	0.00
Add: MAT Credit Entitlement	0.00	0.00
Profit After Tax	-462.83	-760.73
Profit / Loss brought forward from previous year	655.49	1416.22
Balance carried to Balance Sheet	192.66	655.49

**Operations**

During the year under review, your Company has suffered the Net Loss of Rs.462.83 lacs against the Net Loss of Rs.760.73 lacs in the previous year, though the turnover has increased to Rs.138.16 Crore against the previous year turnover of Rs.125.78 Crore. The loss was resulted mainly due to depressed market conditions in paper industry, coupled with increase in raw material cost. Moreover the increased capacity also could not be fully utilized.

The Management is also pleased to inform that your Company has been issued 28484 CERs on 20<sup>th</sup> July' 2012 (IIIrd Issuance) and further Monitoring Report for the period 01<sup>st</sup> August 2011 to 31<sup>st</sup> March 2012 for issue of 16125 has now been webhosted.

**Dividend**

Since the Company incurred Net Loss during the financial year, 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. During the year under review, Mr. Amar Mittal resigned from the Board of Directors of the Company and the Board was pleased to appoint Shri Manish Garg as an Additional Director at its meeting held on November 4<sup>th</sup> 2011. A notice under section 257 of the Companies Act' 1956 has been received from a member of the company proposing his candidature for office of Director, liable to retire by rotation and now put before the members for their approval.

**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 as Annexure A.

**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.



## **RAMA PAPER MILLS LIMITED**

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:

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanations relating to material departure.
- b) 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 Company as at 31st March, 2012 and of the Profit of the Company for the year ended 31st March, 2012.
- 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**

There is no employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **Fixed Deposits**

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

### **INSURANCE**

All properties and insurable assets of the Company, including Building, Plant & Machinery and Stocks have been adequately insured, wherever necessary

### **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 LIMITED**

**Dated: 14-08-2012**

**Place: Kiratpur**

**Sd/  
PRAMOD AGARWAL  
CHAIRMAN & MANAGING DIRECTOR**

### **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 2012

#### **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**

<b>Particulars</b>	<b>Current Year 2011-2012</b>	<b>Previous Year 2010-11</b>
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased Unit	287255	201880
Total Amount Rs.	3730007	4237125
Rate/Unit	12.99*	20.99*
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
<b>b) Own Generation</b>		
Through Diesel Generator Unit	878400	1252800
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	12.72	9.42
<b>c) Through Steam Turbine/Generator Unit</b>	40573500	38402700
<b>2. Husk &amp; Buggasse</b>		
Qty (tonnes)	72771.84	65099.21
Total Cost	264170173	203657624
Average Rate	3630.12	3128.42
<b>Consumption Per Unit of Production (in One Ton)</b>		
<b>Product Details &amp; Unit (If Any)</b>		
News Print , Duplex Board and Writing Paper	48625.7526	49762.5172
Electricity (Units)	840.31	775.78
Husk & Buggasse (MT)	1.50	1.31

**"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. 27,52,45,203/- (PY Rs. 13,55,01,234/-). Earnings in Foreign Exchange is NIL

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

**Dated: 14-08- 2012  
Place: Kiratpur**

**Sd/  
PRAMOD AGARWAL  
CHAIRMAN & MANAGING DIRECTOR**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**SALES**

During the year ended 31st March, 2012 your Company has gross sales of Rs. 1,38,15,71,602/- as against Rs. 1,25,77,89,102/- during the previous year. This represents 14.63% growth.

**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



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imports. Hence if we look at our position, we don't have to face much 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 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, writing and printing paper and MG Poster/ Tissue 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 aspects 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 2011-12, the Board of Directors of the Company met eight times on 14.05.2011, 15.05.2011, 22.06.2011, 14.08.2011, 04.11.2011, 14.11.2011, 24.12.2011, 14.02.2012.

#### Information relating to Directors

The composition of the Board of Directors and related information as on 31st March, 2012 is as follows :

Name of the Directors & Designation	Executive/Non Executive/ Independent	No of Board Meeting Attended	Attendance at the last AGM on 25.08.2006	Directorship in other Companies Incorporated in India	No of Board Committees of which Member or/Chairman
Shri Pramod Agarwal Chairman & Managing Director	Executive	8	Present	3	2
Shri Arun Goel Executive Director	Executive	8	Present	1	2
Shri Amar Mittal (Director)	Non Executive	5	Absent	Nil	Nil
Shri Prabhat Agarwal (Director)	Non Executive	4	Absent	Nil	3
Shri H. S. Bhim Rao (Director)	Non Executive	4	Absent	Nil	2
Shri Manish Garg (Director)	Non Executive	3	Absent	3	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, 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 2006. His Directorship and membership in other Public Limited Companies and/or its Committees are reported to be NIL. Shri Manish Garg was appointed as an Additional Director at its meeting held on 4<sup>th</sup> November, 2011. A notice under section 257 of the Companies Act' 1956 has been received from a member of the Company proposing his candidature for office of Director, liable to retire at the ensuing annual general meeting and now put before the members for their approval. 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. 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 include 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 2011-12, the Audit Committee met four times on 14.05.2011, 22.06.2011, 14.08.2011, 14.11.2011 and 14.02.2012.

**Composition and Attendance**

The Audit Committee has been reconstituted during the year consequent to the change in the Board of Directors of the Company. Shri Manish Garg who was appointed as the Additional Director on the Board of Directors of the Company at the meeting held on 04<sup>th</sup> November, 2011 was also elected as the member of the Audit Committee at their meeting held 14<sup>th</sup> November, 2011. Shri H.S Bhimrao who was the member of the committee has now been removed from the membership of the Audit Committee. Now, The Audit Committee consists of three Directors named Shri Pramod Agarwal (Managing Director), Shri Prabhat Agarwal and Shri Manish Garg (Independent Directors). During the year ended 31<sup>st</sup> March, 2012, five meetings 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	5
2	Shri H. S. Bhimrao	3
3	Shri Prabhat Agarwal	5
4	Shri Manish Garg	2

**B. REMUNERATION COMMITTEE**

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

During the year ended March 31<sup>st</sup>, 2012, One Meeting of Remuneration Committee were held.

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

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

**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, 2012. 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:





## RAMA PAPER MILLS LIMITED

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

### Compliance Officer

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

### 4. Details of Remuneration paid/ payable to the Directors for the year ended 31st March, 2012.

Name	Remuneration (Rs.)
Shri Pramod Agarwal	33,00,000/-

### 5. 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	2011	Friday	September 30, 2011	10.00 A.M.
2	2010	Ttursday	September 30, 2010	10.00 A.M.
3	2009	Tuesday	September 08, 2009	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
08.09.2009 (EGM)	Yes	Resolution Pursuant to Section 106 and other applicable provision of the Companies Act, 1956.
08.09.2009	Yes	Issue of Equity Shares of aggregate nominal value not exceeding Rs. 50 Crores under section 81(1A) of the Companies Act 1956
08.09.2009	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
08.09.2009	Yes	Issue of 6,28,286 Equity Shares on Preferential Basis to the Promoter Group under section 81(1A) of the Companies Act 1956
08.09.2009	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

### 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.



**RAMA PAPER MILLS LIMITED**

**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 national and vernacular dailies., within 48 hours as required under the listing Agreement with the Stock Exchange

**Declaration under Clause 49-I (D) of the Listing Agreement**

To,  
**The Members of Rama Paper Mills Ltd.**

I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the provisions of the **CODE OF CONDUCT** during the financial year ended 31<sup>st</sup> March, 2012

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

Sd/  
**PRAMOD AGARWAL  
CHAIRMAN & MANAGING DIRECTOR**

**Dated: 14-08- 2012  
Place: Kiratpur**

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

To,  
The Board of Directors  
Rama Paper Mills Ltd.

We have reviewed the financial statements, read with the cash flow statement of Rama Paper Mills Ltd., for the financial year ended March 31, 2012 and to the best of our knowledge and belief, we state that;

- a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
- b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
- c. No transaction was entered into by the Company during the above said year, which, are fraudulent, illegal or violative of the Company's code of conduct.

Further, we accept responsibility for establishing and maintaining internal controls for financial reporting. Accordingly, we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the statutory auditors and the Audit Committee, wherever applicable:

- a. deficiencies in the design or operation of internal controls, if any, which came to our notice and steps taken / proposed to be taken to rectify these deficiencies;
- b. significant changes, if any, in the internal controls over financial reporting during the year;
- c. significant changes, if any, in accounting policies during the year; and instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Sd/  
**PRAMOD AGARWAL  
CHAIRMAN & MANAGING DIRECTOR**

**Dated: 14-08- 2012  
Place: Kiratpur**



## RAMA PAPER MILLS LIMITED

### 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 : Saturday, the 29<sup>th</sup> September, 2012 at 2:00 P.M.  
Venue : Rama Paper Mills Ltd.

4th Km Stone, Najibabad Road;  
Kiratpur - 246 731 Dist.Bijnor (U.P)  
1st April 2011 to 31st March 2012

Financial Year

### Adoption of Quarterly Results for the Quarter ending

1st Quarter ended 30th June, 2011 : 14<sup>th</sup> August 2011 ( 6th Week)  
2nd Quarter ended 30th September, 2011 : 14<sup>th</sup> November 2011 (6th Week)  
3<sup>rd</sup> Quarter ended 31<sup>st</sup> December, 2011 : 14<sup>th</sup> February 2012 (6th Week)  
4th Quarter ended 31st March, 2012 : 15<sup>th</sup> May 2012 (6th Week)

### Book Closure Date

: Thursday, the 27th September, 2012 to Saturday, the 29th September, 2011 both the days inclusive

### Stock Exchange where Company shares are Listed.

: Mumbai Stock Exchange In Demate Mode

### ISIN No.

: INE 425E01013

### 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 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. INE425E01013, which company already possess, dated 12th May, 2005.

### Share Transfer System

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

Distribution of Shareholding as on 30th June, 2012

S.No.	CATEGORY	No. of Shares Holders	No. of Shares	% of Total
1.	Promoters, Relatives & their Associates	10	1124901	14.84%
2.	Corporate Bodies	141	1559285	20.57%
3.	Mutual Fund	1	3600	0.05%
4.	NRI	16	22824	0.30%
5.	Other Public	9820	48707790	64.24%
	<b>Total</b>	<b>9988</b>	<b>7581400</b>	<b>100.00%</b>

NOTE: Company's Equity Shares of Rs. 758.14 Lacs are listed with BSE, However the Company has applied for further listing of its Shares of Rs. 208.33 Lacs.

### 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.





## RAMA PAPER MILLS LIMITED

### Dematerialization of Shares & liquidity

83.65% of the shares of the company have been dematerialized as on 30.06.2012.

### Market Price Data:

Monthly highest and lowest share price during the financial year 2011-12 at Mumbai Stock Exchange.

Month	High Price	Low Price
Apr-11	46.90	32.00
May-11	47.50	41.05
Jun-11	71.00	45.00
Jul-11	97.00	67.80
Aug-11	96.90	81.15
Sep-11	106.40	88.15
Oct-11	108.80	96.60
Nov-11	104.00	32.20
Dec-11	30.60	17.65
Jan-12	38.00	26.05
Feb-12	35.00	26.80
Mar-12	29.85	10.95

\* Source Mumbai Stock Exchange

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

Sd/  
PRAMOD KUMAR  
CHAIRMAN & MANAGING DIRECTOR

Dated: 14-8-2012  
Place: Kiratpur

### 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, 31.2012 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 of 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 explanation 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

Sd/-  
Rajesh Kumar Jain  
PARTNER  
Membership No. 073352

Place: Muzaffarnagar  
Dated: 30-06-2012



**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, 2012 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.
  - (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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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, 2012; 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**

**Sd/-  
Rajesh Kumar Jain  
PARTNER  
Membership No. 073352**

**Place: Muzaffarnagar  
Dated: 30 - 6 - 2012**





**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.
- (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 four parties. The maximum amount involved during the year was Rs 543.00 Lacs and the year-end balance of loans taken from such parties was Rs.543.00 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 view and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price 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. In our opinion and according to the information and explanations given to us, there is no default in repayment of dues to bank as the bank has restructured the term loan as well as working capital loan.
- (viii) As informed by the management, cost records for the year are under preparation.





**RAMA PAPER MILLS LIMITED**

(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 31.03.2012 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.
- (c) According to information and explanations given to us, the disputed dues in respect of Trade Commercial is as under:

NAME	AMOUNT	FORUM WHERE IS DISPUTE IS PENDING STATUTE
Trade Tax	587629.00	Appellate Tribunal, Moradabad.
Trade Tax	184200.00	Deputy Commissioner, Nazibabad.
Trade Tax	242400.00	Joint Commissioner, Bijnor.
Service Tax	1683603.00	Customs, Excise & Service Tax Appellate Tribunal

- (x) The company has no accumulated losses as at 31.03.2012 and it has not incurred any cash losses during the current financial year covered by our audit but has incurred cash losses during the preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, there is no default in repayment of dues to bank as the bank has restructured the term loan as well as working capital loan.
- (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.
- (xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/ society. Therefore the provision of clause 4(xiii) 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.
- (xvi) In our opinion, no term loan have been raised during the year
- (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**

**Sd/-  
Rajesh Kumar Jain  
PARTNER  
Membership No. 073352**

**Place: Muzaffarnagar  
Dated: 30 - 6 - 2012**

RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)  
BALANCE SHEET AS AT 31st MARCH, 2012

PARTICULARS	NOTE NO	FOR THE YEAR ENDED 31.03.2012	FOR THE YEAR ENDED 31.03.2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2	146,647,330	146,647,330
Reserves & Surplus	3	<u>135,996,345</u>	<u>182,279,606</u>
		<u>282,643,675</u>	<u>328,926,936</u>
<b><u>Non Current Liabilities</u></b>			
Long Term Borrowings	4	646,837,946	468,355,205
Other Long Term Borrowings	5	11,024,000	13,524,000
Deferred tax liabilities (Net)		<u>74,590,000</u>	<u>79,838,000</u>
		<u>732,451,946</u>	<u>561,717,205</u>
<b><u>Current Liabilities</u></b>			
Short Term borrowing	6	179,909,931	308,579,526
Trade payable	7	265,668,628	172,543,068
Other Current Liabilities	8	26,938,712	47,295,411
Short Term Provisions	9	<u>526,720</u>	<u>422,937</u>
		<u>473,043,991</u>	<u>528,840,942</u>
	<b>TOTAL Rs.</b>	<b><u>1,488,139,612</u></b>	<b><u>1,419,485,083</u></b>
<b><u>ASSETS</u></b>			
<b><u>Non Current assets</u></b>			
<b>FIXED ASSETS</b>			
(i) Tangible assets	10	827,784,975	890,256,011
(ii) Capital work in progress		9,891,483	-
Long term loans and advance	11	7,226,050	6,596,178
Other non current assets	12	<u>6,726,060</u>	<u>4,726,060</u>
		<u>851,628,568</u>	<u>901,578,239</u>
<b><u>CURRENT ASSETS</u></b>			
Inventories	13	227,644,793	146,406,387
Trade receivable	14	373,627,590	333,927,616
Cash & Cash equivalents	15	6,763,031	9,350,461
Short term loans and advance	16	<u>28,475,630</u>	<u>28,222,380</u>
		<u>636,511,044</u>	<u>517,906,844</u>
	<b>TOTAL Rs.</b>	<b><u>1,488,139,612</u></b>	<b><u>1,419,485,083</u></b>

The accompanying notes from an Integral part of the Financial Statements.

CHAIRMAN CUM MANAGING DIRECTOR

EXECUTIVE DIRECTOR

COMPANY SECRETARY

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

Sd/-  
Rajesh Kumar Jain  
PARTNER  
Membership No. 073352

Place: Muzaffarnagar  
Dated: 30 - 6 - 2012



**RAMA PAPER MILLS LIMITED**

**RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2012**

<b>PARTICULARS</b>	<b>NOTE NO</b>	<b>FOR THE YEAR ENDED 31.03.2012</b>	<b>FOR THE YEAR ENDED 31.03.2011</b>
<b>REVENUE</b>			
<b>Revenue from Operation</b>			
Sales Gross	17	1,381,571,602	1,257,789,102
Less : Excise Duty		12,339,033	8,738,313
Sales (Net)		1,369,232,569	1,249,050,789
<b>Other Income</b>		<u>36,668,100</u>	<u>23,195,294</u>
<b>TOTAL REVENUE</b>	18	<u>1,405,900,669</u>	<u>1,272,246,083</u>
<b>EXPENSES</b>			
Cost of material consumed	19	927,854,451	865,215,762
Changes in inventories of finished goods and work in progress	20	(18,443,293)	(1,697,744)
Excise duty related to the difference goods between closing stock and opening stock		103,783	272,225
Employee benefits expense	21	43,791,845	45,134,890
Finance Costs	22	82,966,834	98,984,254
Depreciation and amortization expense	10	66,243,438	63,220,750
Other expenses	23	<u>354,914,872</u>	<u>307,774,972</u>
<b>TOTAL EXPENSES</b>		<u>1,457,431,930</u>	<u>1,378,905,109</u>
Profit/(Loss) before Tax		(51,531,261)	(106,659,026)
<b>Tax Expense</b>			
Deferred Tax Assets		<u>5,248,000</u>	<u>30,586,000</u>
Profit/(Loss) after Tax		<u>(46,283,261)</u>	<u>(76,073,026)</u>
Earnings per equity share (Basic & Diluted)		(4.79)	(7.87)

The accompanying notes from an Integral part of the Financial Statements.

**CHAIRMAN CUM MANAGING DIRECTOR**

**EXECUTIVE DIRECTOR**

**COMPANY SECRETARY**

**Place: Muzaffarnagar  
Dated: 30 - 6 - 2012**

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

**Sd/-  
Rajesh Kumar Jain  
PARTNER  
Membership No. 073352**





**1. SIGNIFICANT ACCOUNTING POLICIES**

**(1) 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.

**(2) USE OF ESTIMATES**

The preparation of financial statements requires management to make certain estimates and assumption that affect the amount reported in the financial statement and notes thereto. Differences between actual and estimates are recognized in the period in which the results are known/ materialized.

**(3) FIXED ASSETS**

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

**(4) 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,

**(5) IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value, An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(6) 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.

**(7) Foreign Currency Transactions**

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transactions. Foreign Currency assets and current liabilities outstanding at the Balance Sheet date are translated at the exchange rate prevailing on that the date and the resultant gain or loss is recognized in the Statement of Profit & Loss. In cases where they relate to the acquisition/ construction of fixed assets, they are adjusted to the carrying cost of fixed assets.

**(8) SALES & EXCISE**

- (a) Sales are inclusive of excise duty.
- (b) Income from carbon credit is recognised on the delivery of the carbon credits to the customers' account as evidenced by the receipt of confirmation of execution of delivery instructions.
- (c) 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 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.

**(9) 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.

**(10) 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 Statement of Profit and Loss under the head, they are incurred.

**(11) TAX ON INCOME**

- (a) Current Tax Provision for Income Tax is determined in, accordance with the provisions of Income Tax Act,1961
- (b) Deferred Tax Deferred Tax is recognised on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period(s)

**(12) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

**RAMA PAPER MILLS LIMITED****2 SHARE CAPITAL**

Authorised, Issued, Subscribed and Paid-up share capital and par value per share

<b>Particulars</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Authorised Share Capital		
2,20,00,000 Equity Shares of Rs.10/-each	220,000,000	220,000,000
5,00,000 Preference Shares of Rs.100/-each	50,000,000	50,000,000
Issued, Subscribed and Paid-up Share Capital		
96,64,733 Equity Shares of RS.10/-each fully paid-up	96,647,330	96,647,330
5,00,000 Cumulative Redeemable Preference Shares of RS.100/-each fully paid-up	50,000,000	50,000,000
<b>Total</b>	<b>146,647,330</b>	<b>146,647,330</b>

(i) Equity Shares:

The Equity Shareholders have:

The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing general meeting.

-The Company has only one class of Equity Shares having face value of Rs. 10/-each and each shareholder is entitled to one vote per share.

-In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(ii) Preference Shares: The cumulative redeemable preference shareholders have:

-The right to receive a fixed cumulative preferential dividend at specified rate on the paid up capital.

-The right to receive arrears of cumulative dividend, if any, whether earned or declared, at the time of redemption of the said shares, and,

-The right in a winding up to have the capital paid up on such shares and the arrears, if any, of the said preferential dividend, whether earned or declared, be paid off in priority to any payment of capital on equity shares. However, it shall not confer the right to any further participation in the profits or assets of the Company.

Terms of Redemption:-The company has preference shares having a par value of Rs. 100 per share. Resolution passed by the shareholders of the company at their annual general meeting held on 08.09.2009 to convert the Preference Shares into Equity Shares could not be given effect in absence of in-principle approval from Bombay Stock Exchange, which has been kept in abeyance due to earlier listing issues yet to be resolved in SEBI for conversion of equity share application money into equity share capital.

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Number of shares outstanding as at the beginning and end of the year	9,664,733	9,664,733
--	-----------	-----------

Reconciliation of number of preference shares outstanding at the beginning and at the end of the year

Number of shares outstanding as at the beginning and end of the year	500,000	500,000
--	---------	---------

Shares in the company held by each equity shareholder holding more than 5% shares

<b>SL. No.</b>	<b>Name of the shareholder</b>	<b>Number of shares as on 31.03.2012</b>	<b>%of Holding</b>	<b>Number of shares as on 31.03.2011</b>	<b>% of Holding</b>
1	Shri Arun Goel	501,292	5.19%	551,292	5.70%
2	Ram Fin Fortunes (P) Limited	933,517	9.66%	933,517	9.66%
3	AAA Paper Marketing Limited	694,444	7.19%	819,444	8.48%





**RAMA PAPER MILLS LIMITED**

Shares in the company held by each preference shareholder holding more than 5% shares

SL. No.	Name of the shareholder	Number of shares as on 31.03.2012	% of Holding	Number of shares as on 31.03.2011	% of Holding
1	P.K.A. Projects (P) Limited	250,000	50%	250,000	50%
2	Ram Singh Steels (P) Limited	250,000	50%	250,000	50%

**3 Reserve and Surplus**

(a)Securities Premium Reserve		
As per, last Balance Sheet	116,730,670	116,730,670
Total (a)	116,730,670	116,730,670
(b)Surplus (Profit and Loss Account)		
Opening Balance	65,548,936	141,621,962
Add: Addition during the year	(46,283,261)	(76,073,026)
Total (b)	19,265,675	65,548,936
Total (a + b)	135,996,345	182,279,606

**4 Long term borrowings**

**Secured borrowings**

Term loans from banks	357,476,638	436,905,205
Funded Interest Term Loans	85,044,756	-
Working Capital Term Loan	128,566,552	-

**Unsecured borrowings**

Loans and advances from related parties	54,300,000	10,000,000
Others	21,450,000	21,450,000
Total	646,837,946	468,355,205

- (1) 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.  
From Bank of Baroda (for term loan of Rs. 3236 Lacs)  
 At the rate of 12.00% (Previous year 13.25% p.a.). Repayable in 27 quarterly installment of Rs. 115.57 lacs each and last installment of Rs. 115.61 lacs starting from 01.04.2013.  
From Bank of Baroda (for FITL I of Rs. 471 Lacs)  
 At the rate of 11.50%. Repayable in 27 quarterly installment of Rs. 16.82 lacs each and last installment of Rs. 16.86 lacs starting from 01.04.2013.  
From Bank of Baroda (for FITL II of Rs. 388 Lacs)  
 At the rate of 11.50%. Repayable in 27 quarterly installment of Rs. 13.86 lacs each and last installment of Rs. 13.78 lacs starting from 01.04.2013.  
From Bank of Baroda (for WCTL of Rs. 1286 Lacs)  
 At the rate of 12.00%. Repayable in 27 quarterly installment of Rs. 45.93 lacs each and last installment of Rs. 45.89 lacs starting from 01.04.2013.
- (2) Vehicles liabilities are secured by hypothecation of respective Vehicles and guaranteed by Directors of the Company.  
From ICICI Bank Ltd. (for term loan of Rs 18 Lacs)  
 At the rate of 12% . Repayable in 36 monthly installment (with interest) of Rs. 59778/-each, starting from 15.06.2011.  
From HDFC Bank Ltd. (for term loan of Rs 5.35 Lacs)  
 At the rate of 11% . Repayable in 36 monthly installment (with interest) of Rs. 17356/-each, starting from 19.12.2009.
- (3) 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 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 Other long-term liabilities
- |                   |            |            |
|-------------------|------------|------------|
| Security deposits | 11,024,000 | 13,524,000 |
| Total             | 11,024,000 | 13,524,000 |





**RAMA PAPER MILLS LIMITED**

**6 Short-term borrowings**

Secured borrowings		
Working Capital Loans	179,909,931	308,579,526
Total	<u>179,909,931</u>	<u>308,579,526</u>

Working Capital facilities from Bank of Baroda are secured by

- (i) Equitable Mortgage of land bearing khasra no. 174, 43, 44/1, 43, 33, 29, 42/2 situated at Village Nagla Islam, Pargana Kiratpur, Tehsil Nazibabad, Distt. Bijnor.
- (ii) Hypothecation of Plant & Machinery, stocks and Book Debts of the Company all situated at Kiratpur Distt. Bijnor.

**7 Trade payable**

Trade payable	265,668,628	172,543,068
Total	<u>265,668,628</u>	<u>172,543,068</u>

**8 Other current liabilities**

Current maturities of long term debt	1,371,564	5,256,390
Advance from Customers	—	23,668,958
Cheques Payables	8,566,002	870,281
Other payables	17,001,146	17,499,782
Total	<u>26,938,712</u>	<u>47,295,411</u>

**9 Short term provision**

Excise duty	526,720	422,937
Total	<u>526,720</u>	<u>422,937</u>

**Note No. 10 : Fixed Assets**

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 31.03.2011	ADDITIONS	SALE/ ADJUST- MENT	AS ON 31.03.2012	AS ON 31.03.2011	FOR THE YEAR	SALE/ ADJUST- MENT	AS ON 31.03.2012	AS ON 31.03.2011
Land	13,435,022	—	—	13,435,022	—	—	—	13,435,022	13,435,022
Factory Building	118,000,686	—	—	118,000,686	31,969,297	3,941,223	—	35,910,520	82,090,166
Building (Staff Colony)	8,499,405	—	—	8,499,405	2,023,998	138,540	—	2,162,538	6,336,867
Plant & Machinery	905,543,451	1,241,633	—	906,785,084	325,673,204	47,735,460	—	373,408,664	533,376,420
Vehicles	4,530,832	2,267,622	—	6,798,454	1,358,548	609,949	—	1,968,497	4,829,957
Furniture & Office Equipments	11,358,840	34,000	—	11,392,840	8,793,221	461,578	—	9,254,799	2,138,041
Turbine & Boiler	251,261,125	—	—	251,261,125	52,555,092	13,266,587	—	65,821,679	185,439,446
Computers	1,897,013	229,157	—	2,126,170	1,897,013	90,101	—	1,987,114	139,056
Total Rs.	1,314,526,374	3,772,412	—	1,318,298,786	424,270,373	66,243,438	—	490,513,811	827,784,975
Previous year	1,257,630,415	59,109,602	2,213,643	1,314,526,374	361,189,050	63,220,750	139,427	424,270,373	896,256,001

**11 Long-term loans and advances**

Unsecured, considered good		
Advance Income tax	269,611	48,498
Security Deposits	4,203,810	2,628,495
Others	2,752,629	3,919,185
Total	<u>7,226,050</u>	<u>6,596,178</u>

**12 Other non-current assets**

Unsecured, considered good		
Mat Credit Entitlement	4,726,060	4,726,060
Bank deposits	2,000,000	—
Total	<u>6,726,060</u>	<u>4,726,060</u>

**RAMA PAPER MILLS LIMITED**

<b>13 Inventories</b>		
Raw Materials	142,670,807	95,583,446
Raw Materials in transit	-	2,181,499
Work-in-Progress	3,599,990	2,971,500
Finished Goods	32,085,958	14,997,091
Semi-Finished Goods	4,950,492	4,224,555
Stores and spares	15,667,837	3,781,045
Packing Material	3,386,019	1,107,362
Chemicals	5,881,495	5,824,182
Fuel	19,402,195	15,735,707
Total	<u>227,644,793</u>	<u>146,406,387</u>
<b>14 Trade Receivables</b>		
Unsecured, considered good		
Trade receivables outstanding for more than six months from the date they became due for payment:	20,045,555	26,050,336
Others	<u>353,582,035</u>	<u>307,877,280</u>
Total	<u>373,627,690</u>	<u>333,927,616</u>
<b>15 Cash and Cash Equivalents</b>		
Balance with Banks		
Bank deposits	2,100,000	2,451,400
Others	2,358,879	1,870,053
Cheques, drafts in hand		
Cheques on hand	446,752	-
Cash on hand	1,857,400	5,029,008
Total	<u>6,763,031</u>	<u>9,350,461</u>
<b>16 Short-term loans and advances</b>		
Unsecured, considered good		
Balance with Central Excise Authorities	14,614,610	20,107,021
Loans and advances to related parties	-	3,700,000
Others	<u>13,861,020</u>	<u>4,415,359</u>
Total	<u>28,475,630</u>	<u>28,222,380</u>
<b>17 Revenue From operations</b>		
Sale of Products	<u>1,381,571,602</u>	<u>1,257,789,102</u>
Total	<u>1,381,571,602</u>	<u>1,257,789,102</u>
Details of Sale products		
Particulars		
Papers	<u>1,381,571,602</u>	<u>1,257,789,102</u>
Total	<u>1,381,571,602</u>	<u>1,257,789,102</u>
<b>18 Other Income</b>		
Interest received	404,663	266,527
Income from Carbon Credit	35,990,348	19,698,041
Miscellaneous Income	273,089	3,230,726
Total	<u>36,668,100</u>	<u>23,195,294</u>
<b>19 Cost of Material Consumed</b>		
Waste Paper	842,681,362	784,630,527
Chemicals	71,579,303	66,653,586
Packing Material	13,593,786	13,931,649
Total	<u>927,854,451</u>	<u>865,215,762</u>



**20 Changes In inventories of finished goods and work-in-progress**

Opening Stock:

Finished Goods	14,997,091	12,827,667
Semi Finished Goods	4,224,555	4,696,285
Stock in Process	2,971,500	2,971,450
Total	<u>22,193,146</u>	<u>20,495,402</u>

Closing Stock:

Finished Goods	32,085,958	14,997,091
Semi Finished Goods	4,950,492	4,224,555
Stock in Process	3,599,990	2,971,500
Total	<u>40,636,439</u>	<u>22,193,146</u>
	<u>(18,443,293)</u>	<u>(1,697,744)</u>

**21 Employee benefit expense**

Salaries, Wages & Allowances	36,951,943	37,685,491
Provident Fund	1,023,546	932,523
Bonus	2,240,162	2,206,409
Gratuity	-	1,381,653
Watch & Ward	2,329,569	2,114,600
Staff Welfare	1,246,625	814,214
Total	<u>43,791,845</u>	<u>45,134,890</u>

**22 Finance Costs**

Interest on :

Term loans	63,665,067	56,802,496
Bank Borrowings & Others	18,107,322	39,476,065
Bank Charges & Others	1,194,445	2,705,693
Total	<u>82,966,834</u>	<u>98,984,254</u>

**23 Other expenses**

Power & Fuel	278,554,036	221,663,875
Stores & Spares	22,825,521	36,468,527
Repairs -Plant & Machinery	5,001,615	4,040,502
Repairs -Factory Building	1,841,765	2,440,004
Repair & Maintenance	1,288,663	1,280,057
Printing & Stationary	357,357	275,692
Postage & Telephone Expenses	839,857	1,103,667
Insurance	1,140,307	1,222,314
Rent. Rates & Taxes	1,798,442	1,982,152
Travelling Expenses	5,748,932	4,242,237
Vehicle Running & Maintenance	511,477	488,492
Legal & Professional Charges	2,608,191	2,443,736
Director Remuneration	3,300,000	3,300,000
Auditors Remuneration	112,360	110,300
loss on Sale of Fixed Assets	-	755,216
Rebate & Discount	2,281,911	3,235,638
Commission on Sale	6,159,666	3,333,445
Freight & Forwarding	19,853,387	18,940,005
Miscellaneous Expenses	691,385	449,113
Total	<u>354,914,872</u>	<u>307,774,972</u>





**RAMA PAPER MILLS LIMITED**

24	Value of Sales, Opening stock & closing stock				
	<b>Particulars</b>	<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
	Opening Stock	14,997,091		12,827,667	
	Closing Stock	32,085,958		14,997,091	
	Sales	1,381,571,602		1,257,789,102	
25	Value of Imports (C.I.F.) Value in respect of				
		<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
		<b>AMOUNT (Rs.)</b>		<b>AMOUNT (Rs.)</b>	
	(a) Raw Materials	274,676,677		134,937,646	
	(b) Consumable Store	568,526		563,588	
26.	Expenditure in Foreign Currency	NIL		NIL	
27.	Remittance in Foreign Currency	NIL		NIL	
28.	Earning in Foreign Currency	NIL		NIL	
29.	Consumption of Imported and Indigenous Raw Materials. Spare Parts:				
		<b>As at 31.03.2012</b>		<b>As at 31.03.2011</b>	
		<b>Amount (Rs.)</b>	<b>Percentage</b>	<b>Amount (Rs.)</b>	<b>Percentage</b>
1.	Raw Material				
	Indigenous	582,029,920	69%	626,591,258	80%
	Imported	260,651,442	31%	158,039,269	20%
	Total Rs.	842,681,362		784,630,527	
2.	Stores & Spares				
	Indigenous	21,951,754	96%	35,607,395	98%
	Imported	873,767	4%	861,132	2%
	Total Rs.	22,825,521		36,468,527	
3.	Chemicals	71,579,303	100%	66,653,586	100%
4.	Packing Material	13,593,786	100%	13,931,649	100%

30 Earning per Shares (EPS) :-

<b>Particulars</b>	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Profit attributable to the Shareholders	(46,283,261)	(76,073,026)
Basic/Weighted average number of Equity Shares outstanding during the year	9,664,733	9,664,733
Nominal value of Equity Shares (Rs.)	10	10
Basic/Diluted Earning per Shares (Rs.)	(4.79)	(7.87)

**31 Deferred Tax Liability (Net)**

(a) Deferred Tax Liability		
Related to fixed assets	138,872,000	142,773,000
Total (a)	138,872,000	142,773,000
(b) Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	30,748,000	19,520,000
Unabsorbed Losses	33,534,000	43,415,000
Total (b)	64,282,000	62,935,000
TOTAL (a-b)	74,590,000	79,838,000

**32 Payment to Auditors:**

	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
Audit Fee	80,000	80,000
Tax Audit Fee	20,000	20,000
Service Tax	12,360	10,300
Total	112,360	110,300

**RAMA PAPER MILLS LIMITED****33 Contingent Liabilities and Commitments (to the extent not provided for)**

Contingent Liabilities		
Guarantees	8,000,000	18,765,000
Sales Tax	1,363,924	-
Customs, Excise & Service Tax	1,683,603	1,683,603

**34 Related Party Disclosures:****a Key Management Personnel**

- 1 Shri Pramod Agarwal
- 2 Shri Arun Goel

**Companies controlled by Directors/Relatives**

- 1 AAA Paper Marketing Limited
- 2 Ram Fin Fortune (P) Limited

**b Related Party Transactions:-**

Sr. Name of the Related Parties and Relationship	Key Management personnel (Rs in Lacs)		Companies Controlled by Directors / Relatives	
	As at 31.03.2012	As at 31.03.2011	As at 31.03.2012	As at 31.03.2011
1 Remuneration	3,300,000	3,300,000	-	-
2 Unsecured Loans repayment	3,200,000	4,300,000	1,600,000	-
3 Unsecured Loans taken	-	-	44,300,000	1,600,000
4 Advance given (Received)	-	-	(3,700,000)	3,700,000
5 Outstanding Balance as on 31.03.2012	-	-	-	3,700,000
6 Rent paid	-	-	110,000	120,000
7 Hire charges paid	-	-	-	9,000
8 Purchase	-	-	300,315,263	447,369,183
9 Outstanding Payable as on 31.03.2012	-	3,200,000	54,300,000	11,600,000

- 35 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.
- 36 Balances of Sundry Debtors, Creditors and Advances as at 31<sup>st</sup> March, 2012 are subject to confirmation.
- 37 In the opinion of the Board of Directors, Current Assets, Loans and Advances have value on realisation in the ordinary course of the business at least equal to the amount at which they have been stated in the Balance Sheet as at 31.3.2012.
- 38 In the absence of information from creditors of their status, the amount due to small and micro enterprises is not ascertainable.
- 39 The financial statements for the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised Schedule VI of the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

The accompanying notes. form an integral part of the Financial Statements.

**CHAIRMAN CUM MANAGING DIRECTOR****EXECUTIVE DIRECTOR****COMPANY SECRETARY**

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

Sd/-

**Rajesh Kumar Jain  
PARTNER**

**Membership No. 073352**

**Place: Muzaffarnagar  
Dated: 30 - 6 - 2012**



**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET  
FOR THE YEAR ENDED 31ST MARCH 2012**

<b>A. CASH FLOW FROM OPERATION ACTIVITIES:</b>	<b>2011-2012</b>		<b>2010-2011</b>	
<b>Net Profit/(Loss) before tax and extraordinary items</b>				<b>AMOUNT (Rs.)</b>
<b>AMOUNT (Rs.)</b>				
<b>Adjustments for:</b>		(51,531,261)		(106,659,026)
Depreciation	66,243,438		63,220,750	
Finance Charges	82,966,834		98,984,254	
Loss on sale of Fixed Assets	-	149,210,272	755,216	162,960,220
Operating Profit before working capital changes		97,679,011		56,301,194
<b>Adjustments for:</b>				
Trade and other receivables	(39,953,224)		1,297,917	
Inventories	(81,238,406)		(58,830,323)	
Trade Payables	(55,796,951)	(176,988,581)	45,544,344	(11,988,062)
Cash generated from operations		79,309,570		44,313,182
Taxes Paid		-		(111,510)
Finance Charges		(82,966,834)		(98,984,254)
Net Cash from operating activities		(162,276,404)		54,782,632
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Sale of Fixed Assets	-		1,319,000	
Movement in Loans and Advance	(2,629,872)		3,526,291	
Purchase of Fixed Assets(including Capital work in progress)	(13,663,895)	(16,293,767)	(3,018,641)	1,826,650
Net Cash used in Investing activities		(178,570,171)		(52,955,982)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Receipt/Repayment of borrowings	175,982,741	175,982,741	58,055,803	58,055,803
		(2,587,430)		5,099,821
Cash and Cash equivalents as at 31.3.2011	9,350,461		4,250,640	
Cash and Cash equivalents as at 31.3.2012	6,763,031	(2,587,430)	9,350,461	(5,099,821)
		(2,587,430)		(5,099,821)

**CHAIRMAN CUM MANAGING DIRECTOR**

**EXECUTIVE DIRECTOR**

**COMPANY SECRETARY**

**Place: Muzaffarnagar  
Dated: 30 - 6 - 2012**

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

**Sd/-  
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 27th ANNUAL GENERAL MEETING of Company to be held at  
Saturday the 29th day of September 2012 at 2.00 P.M. and at any adjourment thereof.

Revenue  
Stamp of  
Re. 1/-.

Signed this.....day of.....2012.

**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, DIST. 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 27th ANNUAL GENERAL MEETING of the Company held on Saturday, the 29th day of September, 2012 at 2.00 P.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.