



RAMA PAPER MILLS LIMITED

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 : 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
ISTIN INE425E01013
G-65, Bali Nagar, New Delhi
SEBI Registration No. INRO00003845

Contents	Page No.
Notice	2
Directors Report	3
Auditors Report	11
Balance Sheet	14
Profit & Loss Account	15
Schedule forming part of Accounts	16
Notes on Accounts	19
General Business Profile	22
Cash flow statement	24



NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Friday, the 30th September, 2011 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, 2011, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri H.S. Bhimrao, 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**

**(PANKAJ MISRA)
Company Secretary**

**Place: Kiratpur
Date: 14.08.2011**

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 Monday, the 28th Wednesday, 2011 to Friday, the 30th September, 2011, both the days inclusive.
3. 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 Charman so permits.
4. 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.
5. 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.
6. 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 26th Report alongwith the Audited Accounts for the year ended 31st March, 2011

Financial Results

Rs. in Lacs

Particulars	2010-11	2009-10
Turnover	12577.89	10971.72
Profit before Financial Charges & Depreciation	555.46	1187.59
Less: Financial Charges	989.84	673.42
Less: Depreciation	632.21	506.96
Profit before Tax	-1066.59	7.21
Add/Less: Deferred Tax Liability	-305.86	6.16
Less: Provision for Tax (MAT)	-760.73	1.11
Add: MAT Credit Entitlement	0.00	1.11
Profit After Tax	-760.73	1.03
Profit / Loss brought forward from previous year	1416.22	1415.17
Balance carried to Balance Sheet	655.49	1416.22

Operations

During the year under review, your Company has suffered the Net Loss of Rs.760.73 lacs against the marginal profit of Rs.1.03 lacs in the previous year, though the turnover has increased to Rs.125.78 Crore against the previous year turnover of Rs.109.71 Crores. The loss has resulted mainly due to sharp hike in raw material cost not correspondingly reimbursed from the selling price increase. The cost of raw material increased by 30% over the previous year, whereas the selling price was increased by 11% only over the previous year. Moreover the increased capacity also could not be fully operational.

The Management is also pleased to inform that your Company's Monitoring Report for the period 01st January 2009 to 31st May 2010 requesting issuance of 34439 CERs has now been under Information & Reporting Check with UNFCCC.

Dividend

Since the Company incurred Net Loss during the financial year, your Directors regret their inability to recommend any dividend.

Directors

Shri H.S. Bhimrao 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 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 Shyam & 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:

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2011 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, 2011 and of the Profit of the Company for the year ended 31st March, 2011.
- 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 to 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: 14-08-2011
Place: Khatpur**

**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 2011

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 installed 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 2010-2011	Previous Year 2009-10
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit	201880	1175898
Total Amount Rs.	4237125	10132569
Rate/Unit	20.99*	8.62
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
b) Own Generation		
Through Diesel Generator Unit	1252800	1245600
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	9.42	8.81
c) Through Steam Turbine/Generator Unit		
	16172818	15804057
2. Husk & Buggasse		
Qty (tonnes)	64526.668	69752.051
Total Cost	203657624	185289269
Average Rate	3156.18	2656.40
Consumption Per Unit of Production (in One Ton)		
Product Details & Unit (If Any)		
News Print , Duplex Board and Writing Paper	49762.5172	48627.8977
Electricity (Units)	329.06	349.18
Husk & Buggasse (MT)	1.30	1.43

"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. 15,89,00,401/- (PY Rs. 18,78,23,018/-). Earnings in Foreign Exchange is NIL

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

**Dated: 14-08- 2011
Place: Kiratpur**

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SALES

During the year ended 31st March, 2011 your Company has gross sales of Rs. 1,25,77,89,102/- as against Rs. 1,09,71,71,452/- during the previous year. This represents 14.63% 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 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 2010-11, the Board of Directors of the Company met nine times on 12.5.2010, 15.5.2010, 21.6.2010, 14.8.2010, 12.9.2010, 15.11.2010, 14.1.2011, 14.2.2011, 23.3.2011.

Information relating to Directors

The composition of the Board of Directors and related information as on 31st March, 2011 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	9	Present	8	2
Shri Arun Goel Executive Director	Executive	9	Present	1	2
Shri Amar Mittal (Director)	Non Executive	4	Absent	5	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, 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 H.S. Bhimrao, 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.

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 2010-11, the Audit Committee met four times on 15.5.2010, 14.08.2011, 15.11.2010 and 14.02.2011.

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, 2011, 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 H. S. Bhimrao	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, 2011, there has been no Meeting of Remuneration Committee.

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

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, 2011. 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.

**4. Details of Remuneration paid/ payable to the Directors for the year ended 31st March, 2011.**

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, Khatpuri, Distt. Bijnor (U.P.) as per the details given below:

S.No	Year	Day	Date	Time
1	2010	Thursday	September 30, 2010	10.00 A.M.
2	2009	Tuesday	September 08, 2009	10.00 A.M.
3	2008	Friday	September 19, 2008	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
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
19.07.2008	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 Executive Director for a period of five years

Postal Ballot

During the period under review, no resolution was 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 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 : Friday, The 30th September, 2011 at 10:00 A.M.
Venue : Rama Paper Mills Ltd.

Financial Year

Adoption of Quarterly Results for the Quarter ending : 1st April 2010 to 31st March 2011

1st Quarter ended 30th June, 2010 : August 2010 (6th Week)
2nd Quarter ended 30th September, 2010 : November 2010 (6th Week)
3rd Quarter ended 31st December, 2011 : February 2011 (6th Week)
4th Quarter ended 31st March, 2011 : May 2011 (6th Week)

Book Closure Date : Wednesday, the 28th September, 2011 to Friday, the 30th 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. 011-47671200 DPID 12026000
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, 2011

S.No.	CATEGORY	No. of Shares Holders	No. of Shares	% of Total
1.	Promoters, Relatives & their Associates	18	1472550	19.42%
2.	Corporate Bodies	140	864853	11.41%
3.	Mutual Fund	1	3600	0.05%
4.	NRI	18	13393	0.18%
5.	Other Public	9924	5227004	68.95%
	Total	10101	7581400	100.00%

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

82.60% of the shares of the company have been dematerialized as on 30.06.2011.

Market Price Data:

Monthly highest and lowest share price during the financial year 2010-11 at Mumbai Stock Exchange.

Month	High Price	Low Price
Apr-10	18.25	13.05
May-10	15.80	11.10
Jun-10	13.45	11.56
Jul-10	14.20	12.03
Aug-10	14.60	11.85
Sep-10	15.50	11.60
Oct-10	22.00	15.70
Nov-10	25.40	18.10
Dec-10	26.80	22.10
Jan-11	40.00	26.75
Feb-11	38.15	27.65
Mar-11	38.20	30.45

* Source Mumbai 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 31st March, 2011.

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

Dated: 14-8-2011
Place: Klratpur

**Sd/
PRAMOD KUMAR
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, 31.2011 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 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

Dated: 22-6- 2011
Place: Ki ratpur

Rajesh Kumar Jain
PARTNER
M.No. 073352



AUDITORS' REPORT

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

Gentlemen,

We have audited the attached Balance Sheet of **RAMA PAPER MILLS LIMITED, KIRATPUR, DISTT. BUNOR** as on 31st March, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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, 2011; 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

Dated: 22-6- 2011
Place: Kiratpur

Rajesh Kumar Jain
PARTNER
M.No. 073352



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 (ii) (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 196.00 Lacs and the year-end balance of loans taken from such parties was Rs.153.00 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.**



RAMA PAPER MILLS LIMITED

- (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 31.03.2011 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 31.03.2011 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 defaulted in repayment of dues to bank amounting to Rs.965.62 Lacs.
- (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) 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

Dated: 22-6- 2011
Place: Kiratpur

Rajesh Kumar Jain
PARTNER
M.No. 073352

**BALANCE SHEET AS AT 31st MARCH, 2011**

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>182,279,606</u>	<u>258,352,632</u>
		328,926,936	404,999,962
LOAN FUNDS			
Secured Loans	3	745,941,121	698,685,318
Unsecured Loans	4	<u>49,774,000</u>	<u>38,974,000</u>
		795,715,121	737,659,318
DEFERRED TAX		<u>79,838,000</u>	<u>110,424,000</u>
TOTAL Rs.		<u>1,204,480,057</u>	<u>1,253,083,280</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	1,314,526,374	1,257,630,415
Less: Depreciation		<u>424,270,373</u>	<u>361,189,050</u>
Net Block		<u>890,256,001</u>	<u>896,441,365</u>
Add: Capital Work in Progress		-	<u>56,090,961</u>
		890,256,001	952,532,326
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	146,406,387	87,576,064
Sundry Debtors	7	333,927,616	295,104,348
Cash & Bank Balances	8	9,350,461	4,250,640
Loans & Advances	9	<u>39,544,618</u>	<u>83,192,094</u>
		<u>529,229,082</u>	<u>470,123,146</u>
Less: Current Liabilities & Provisions	10	<u>215,005,026</u>	<u>169,572,192</u>
Net Current Assets		314,224,056	300,550,954
TOTAL Rs.		<u>1,204,480,057</u>	<u>1,253,083,280</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 **SHAM & CO.**
Chartered Accountants,
Registration No. 000030C

Dated: 22-6- 2011
Place: Kiratpur

Rajesh Kumar Jain
PARTNER
M.No. 073352

**RAMA PAPER MILLS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

PARTICULARS	SCHEDULE NO	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
INCOME			
Sales	-	1,257,789,102	1,097,171,452
Less: Excise Duty		<u>8,738,313</u>	<u>6,162,663</u>
Other Income	11	23,195,294	217,134
Accretion/(Decretion) in Stocks	12	1,697,744	4,496,243
		TOTAL Rs. <u>1,273,943,827</u>	<u>1,095,722,166</u>
EXPENDITURE			
Raw Material Consumed	13	784,630,527	580,765,782
Manufacturing Expenses	14	343,030,364	308,712,039
Staff Costs	15	45,134,890	40,975,267
Administrative Expenses	16	20,092,980	21,566,911
Selling & Distribution Expenses	17	25,509,088	24,942,428
Finance Charges	18	98,984,254	67,342,176
Depreciation	5	63,220,750	50,695,823
		TOTAL Rs. <u>1,380,602,853</u>	<u>1,095,000,426</u>
PROFIT FOR THE YEAR		(106,659,026)	721,740
Paid/Provision for Tax			
Current Tax		-	111,510
Mat Credit Entitlement		-	(111,510)
Deferred Tax	(30,586,000)	(30,586,000)	618,000
PROFIT AFTER TAX		(76,073,026)	103,740
Add : Profit brought forward from previous year		<u>141,621,962</u>	<u>141,518,222</u>
BALANCE CARRIED OVER TO BALANCE SHEET		<u>65,548,936</u>	<u>141,621,962</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. 000030CDated: 22-6- 2011
Place: Kiratpur**Rajesh Kumar Jain**
PARTNER
M.No. 073352



RAMA PAPER MILLS LIMITED

**SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE**

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
2200000 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	65,548,936	141,621,962
TOTAL Rs.	182,279,606	258,352,632
SCHEDULE - 3		
SECURED LOANS		
Term Loan	389,109,879	440,050,909
Bank Borrowings	308,579,526	256,008,406
Interest accrued & due	47,662,034	-
DEFERRED LIABILITIES	589,682	2,626,003
TOTAL Rs.	745,941,121	698,685,318
SCHEDULE - 4		
UNSECURED LOANS		
Promoters & their relatives	4,800,000	7,500,000
Inter Corporate Deposits	31,450,000	20,950,000
Security Deposits	13,524,000	10,524,000
TOTAL Rs.	49,774,000	38,974,000

SCHEDULE - 5

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS ON 31.03.2010	ADDITIONS	SALE/ ADJUST- MENT	AS ON 31.03.2011	AS ON 31.03.2010	FOR THE YEAR	SALE/ ADJUST- MENT	AS ON 31.03.2011	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	28,028,074	3,941,223	—	31,969,297	86,031,389
Building (Staff Colony)	8,499,405	—	—	8,499,405	1,885,458	138,540	—	2,023,998	6,475,407
Plant & Machinery	847,056,813	58,486,638	—	905,543,451	280,939,936	44,733,608	—	325,673,204	579,870,247
Vehicles	6,159,211	585,264	2,213,643	4,530,832	1,043,816	494,159	139,427	1,358,548	3,172,284
Furniture & Office Equipments	11,321,140	37,700	—	11,358,840	8,152,842	640,379	—	8,793,221	2,565,619
Turbine & Boiler	251,261,125	—	—	251,261,125	39,288,505	13,266,587	—	52,555,092	198,706,033
Computers	1,897,013	—	—	1,897,013	1,850,755	46,254	—	1,897,013	46,254
Total Rs.	1,257,630,415	59,109,602	2,213,643	1,314,526,394	361,189,050	63,223,750	139,427	424,270,373	896,441,365
Previous year	915,574,747	346,403,743	4,348,075	1,257,630,415	312,196,828	50,695,825	1,702,601	361,189,050	605,377,919

**RAMA PAPER MILLS LIMITED**

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE - 6		
INVENTORIES		
(As taken, valued & certified by the management)		
Raw Materials	95,583,446	30,998,108
Stores, Chemicals and Spare Parts etc.	26,448,296	34,170,699
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
Goods in Transit	2,181,499	1,911,855
TOTAL Rs.	146,406,387	87,576,064
SCHEDULE - 7		
SUNDRY DEBTORS		
(Unsecured but considered good)		
Debt outstanding for a period Exceeding Six Months	26,050,336	58,781,164
Others	307,877,280	236,323,184
TOTAL Rs.	333,927,616	295,104,348
SCHEDULE - 8		
CASH & BANK BALANCES		
Cash/Cheque in hand	5,029,008	1,214,069
Balances With Scheduled Banks in :-		
Current Accounts	1,670,053	1,035,171
Fixed Deposit Accounts	2,451,400	2,001,400
TOTAL Rs.	9,350,461	4,250,640
SCHEDULE - 9		
LOANS AND ADVANCES		
(Unsecured but Considered Good)		
Advances recoverable in cash or in kind or for value to be received	36,916,123	77,458,601
Security Deposits with :-		
Government Department	1,306,400	3,106,400
Others	1,322,095	2,627,093
TOTAL Rs.	39,544,618	83,192,094
SCHEDULE - 10		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	172,543,068	133,966,968
Advances from Customers	23,668,958	14,881,181
Other Liabilities	18,793,000	20,612,533
Provision for:		
Income Tax	-	111,510
TOTAL Rs.	215,005,026	169,572,192
SCHEDULE - 11		
OTHER INCOME		
Interest received	266,527	217,134
Income from Carbon Credit	19,698,041	-
Miscellaneous Income	3,330,726	-
TOTAL Rs.	23,195,294	217,134
SCHEDULE - 12		
ACCRETION IN STOCKS		
Opening 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
Closing 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 Rs.	1,697,744	4,496,243

**RAMA PAPER MILLS LIMITED**

PARTICULARS	CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES	
SCHEDULE - 13				
RAW MATERIALS CONSUMED				
Opening Stock		30,998,108		37,017,430
Add: Purchases		849,215,865		576,306,220
		<u>880,213,973</u>		<u>613,323,650</u>
Less: Goods destroyed by Fire		-		1,559,760
Less: Closing Stock		95,583,446		30,998,108
TOTAL Rs.		784,630,527		580,765,782
SCHEDULE - 14				
MANUFACTURING EXPENSES				
Power & Fuel		221,663,875		207,427,070
Chemicals		66,653,586		62,743,842
Stores and Spares		36,468,527		25,984,861
Packing Material		13,931,649		8,066,833
Repair to Plant & Machinery		4,040,502		4,481,587
Excise Duty Provided on stock		272,225		7,846
TOTAL Rs.		343,030,364		308,712,039
SCHEDULE - 15				
STAFF COSTS				
Salary, Wages & Allowances		39,891,900		36,427,049
Contribution to Provident Fund		932,523		846,121
Workman & Staff Welfare		814,214		697,028
Watch & Ward		2,114,600		2,095,400
Gratuity		1,381,653		909,669
TOTAL Rs.		45,134,890		40,975,267
SCHEDULE - 16				
ADMINISTRATIVE EXPENSES				
Printing & Stationery		275,692		357,005
Postage & Telephone		1,103,667		778,430
Insurance		1,222,314		2,566,825
Travelling & Conveyance		4,730,729		3,707,927
Rent, Rates & Taxes		1,982,152		2,512,930
Legal & Professional		2,443,736		1,796,596
Directors' Remuneration		3,300,000		5,500,000
Auditors' Remuneration		110,300		84,270
Loss on sale of Fixed Assets		755,216		1,094,474
Repair & Maintenance				
- Building	2,440,004		1,176,990	
- Others	<u>1,280,057</u>	3,720,061	<u>960,121</u>	2,137,111
Miscellaneous		449,113		1,031,343
TOTAL Rs.		20,092,980		21,586,911
SCHEDULE - 17				
SELLING & DISTRIBUTION EXPENSES				
Rebate & Discount		3,235,638		9,768,145
Commission on Sales		3,333,445		5,560,520
Freight & Forwarding		<u>18,940,005</u>		<u>9,613,763</u>
TOTAL Rs.		25,509,088		24,942,428
SCHEDULE - 18				
FINANCE CHARGES				
INTEREST:				
Term Loans	56,802,496		33,919,664	
Bank Borrowing & Others	<u>39,476,065</u>	96,278,561	<u>31,948,513</u>	65,868,177
Bank Charges		2,705,693		1,473,999
TOTAL Rs.		98,984,254		67,342,176



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. 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 Profit and Loss Account 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.

E. 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.

F. SALES

- 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.

G. EXCISE DUTY

Excise Duty has been accounted for on the basis of both payments made in respect of 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.

H. 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.

I. INSURANCE CLAIMS

Insurance Claim is accounted for on receipt basis.

J. 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.

K. TAX ON INCOME

(a) Current Tax

Provision for Income Tax is determined in, accordance with the provision 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).



RAMA PAPER MILLS LIMITED

L. 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.

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. Nil).

2. CONTINGENT LIABILITIES NOT PROVIDED FOR:

	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
(i) Counter Guarantee	1,87,65,000.00	1,70,00,000.00

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. 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. Bijnore.
- 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.5.20 Lacs (Previous Year Rs. 15.22 Lacs).

7. The account has been classified by the bank under Non Performing Assets (NPA) category.

8. 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, 2011.

9. Balances of Sundry Debtors, Creditors, Advances from Customers, Sundry Advances and Security Deposits as on 31.03.2011 are subject to confirmation.

10. In the absence of information from Creditors regarding their status, the amount due to Small and Medium Enterprises is not ascertainable.

11. Remuneration paid/payable to Managing/whole time Directors :

	Current Year	Previous Year
Salary	Rs. 33,00,000	Rs. 55,00,000

12. Travelling and conveyance includes the following.:

	Current Year	Previous Year
Directors Travelling	Rs. 9,55,278	Rs. 7,59,316

13. Payment to Auditors include:

	Current Year	Previous Year
(a) Audit Fees	80,000	60,000
(b) Tax Audit Fees	20,000	14,400
(c) Service Tax	10,300	7,870
TOTAL Rs.	110,300	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		31/03/2011	31/03/2010
Profit attributable to the Shareholders (Rs. in lacs)	A	(760.73)	1.03
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.)		(7.87)	0.01

Related Party Disclosures is as under :-

1. Name of related parties and description of relationship:

(A).Key Management Personnel 1. Shri Parmod Kumar,
Chairman cum Managing Director

2. Shri Arun Goel,
Executive Director

(B).Companies controlled by Directors / Relatives 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	33.00	55.00	—	—
Hire Charges Paid	—	—	0.09	0.36
Rent paid	—	—	1.20	1.20
Sale of Fixed Assets	—	—	—	11.00
Advance given (Received)	—	—	50.00	—
Outstanding Balance as on 31.03.2011	—	—	37.00	—
Addition/(Repayment) of deposits	(27.00)	38.00	—	—
Outstanding Payable as on 31.03.2011	48.00	75.00	—	—

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

16. 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 Assets of Rs.305.86 lacs (Previous Year deferred tax liability Rs. 6.18 lacs) for the year ended 31.03.2011 has been provided to Profit & Loss Account.

17. 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 :	CURRENT YEAR		PREVIOUS YEAR	
Newsprint, Writing & Printing Paper & Duplex Board				
Licenced Capacity	N.A.		N.A.	
Installed Capacity (As certified by the management)	61000.0000	M.T.	61000.0000	M.T.
Actual Production	49762.5172	M.T.	48627.8977	M.T.

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

		OPENING STOCK	CLOSING STOCK	TURNOVER
Current Year	In M.T	631.3627	595.6569	49798.2230
	In Rs.	12,827,667	14,997,091	1,257,789,102
Previous Year	In M.T	609.7901	631.3627	48,606.3251
	In Rs.	12,066,119	12,827,667	1,097,171,452

C. Raw Materials, Spares Parts and Components consumed.

	CURRENT YEAR		PREVIOUS YEAR	
	QTY (M.T.)	AMOUNT RS.	QTY (M.T.)	AMOUNT RS.
Imported Waste Paper/ Wood Pulp	7,673.265	158,039,269	15,224.802	186,818,121
Indigenous Waste Paper	53,178.749	626,591,258	43,474.315	393,947,661
Total Rs.		784,630,527		580,765,782
Stores & Spares Part Chemicals		36,468,527 66,653,586		25,984,861 62,743,842

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

	CURRENT YEAR AMOUNT Rs.	PREVIOUS YEAR AMOUNT Rs.
Raw Materials	134,937,646	116,542,664
Chemicals	-	-
Stores & Spares	563,588	792,001
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	20.14%	158,039,269	32.17%	186,818,121
Indigenous	79.86%	626,591,258	67.83%	393,947,661
Total Rs.		784,630,527		580,765,782
<u>Stores & Spares</u>				
Indigenous	97.64%	35,607,395	96.13%	24,979,964
Imported	2.36%	861,132	3.87%	1,004,897
Total Rs.		36,468,527		25,984,861
<u>Chemicals</u>				
Indigenous	100%	66,653,586	100.00%	62,743,842
Total Rs.		66,653,586		62,743,842



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

1. Registration Details

(i) Registration No. L27104UP1985PLC007556
(ii) State Code 20
(iii) Balance Sheet Date 31.03.2011
(Amount in Rs.thousands)

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

Deployment of Funds

	CURRENT YEAR	PREVIOUS YEAR
(i) Total Liabilities	1,419,485	1,422,655
(ii) Total Assets	1,419,485	1,422,655

Sources of Funds

	CURRENT YEAR	PREVIOUS YEAR
(i) Paidup Capital	146,647	146,647
(ii) Reserve & Surplus	182,280	258,353
(iii) Secured Loans	745,941	698,685
(iv) Unsecured Loans	49,774	38,974
(v) Deferred Tax	79,838	110,424
TOTAL RS.	<u>1,204,480</u>	<u>1,253,083</u>

Application of Funds

(i) Net Fixed Assets	890,256	952,532
(ii) Net Current Assets	314,224	300,551
TOTAL RS.	<u>1,204,480</u>	<u>1,253,083</u>

4. Performance of Company

	CURRENT YEAR	PREVIOUS YEAR
(i) Turnover	1,272,246	1,091,226
(ii) Total Expenditure	1,378,905	1,090,504
(iii) Profit before tax	(106,659)	722
(iv) Profit after tax	(76,073)	104
(v) Earning per share	(7.87)	0.01
(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

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

CHAIRMAN & MANAGING DIRECTOR

EXECUTIVE DIRECTOR

COMPANY SECRETARY

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

Dated: 22-6-2011
Place: Khatpur

Rajesh Kumar Jain
PARTNER
M.No. 073352

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2011**

A. CASH FLOW FROM OPERATION ACTIVITIES:	2010-2011		2009-2010	
Net Profit before tax and extraordinary items	AMOUNT (Rs.)		AMOUNT (Rs.)	
Adjustments for:		(106,659,026)		721,740
Depreciation	63,220,750		50,695,823	
Finance Charges	98,984,254		67,342,176	
Loss on sale of Fixed Assets	755,216	162,960,220	1,094,474	119,132,473
Operating Profit before working capital changes		56,301,194		119,854,213
Adjustments for:				
Trade and other receivables	4,824,208		(21,500,988)	
Inventories	(58,830,323)		1,542,460	
Trade Payables	45,544,344	(8,461,771)	19,290,132	(668,396)
Cash generated from operations		47,839,423		119,185,817
Taxes Paid		(111,510)		(5,078,224)
Finance Charges		(98,984,254)		(67,342,176)
Net Cash from operating activities		(51,256,341)		46,765,417
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Sale/Subsidy of Fixed Assets	1,319,000		1,550,000	
Purchase of Fixed Assets(including Capital work in progress)	(3,018,641)	(1,699,641)	(158,333,299)	(156,783,299)
Net Cash used in Investing activities		(52,955,982)		(110,017,882)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Receipt/Repayment of borrowings	58,055,803	58,055,803	106,841,703	106,841,703
		5,099,821		(3,176,179)
Cash and Cash equivalents as at 31.3.2010	4,250,640		7,426,819	
Cash and Cash equivalents as at 31.3.2011	9,350,461	5,099,821	4,250,640	(3,176,179)
		5,099,821		(3,176,179)

CHAIRMAN & MANAGING DIRECTOR**EXECUTIVE DIRECTOR****COMPANY SECRETARY**

As per our report of even date.

For **SHIAM & CO.**
Chartered Accountants,
Registration No. 000030CDated: 22-6- 2011
Place: Kiratpur**Rajesh Kumar Jain**
PARTNER
M.No. 073352



RAMA PAPER MILLS LIMITED

**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 26th ANNUAL GENERAL MEETING of Company to be held at
Fridayday the 30th day of September 2011 at 10.00 A.M. and at any adjourment thereof.

Revenue
Stamp of
Rs. 1/-

Signed this.....day of.....2011.

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 26th ANNUAL GENERAL MEETING of the Company held on Friday, the 30th day of September, 2011 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.