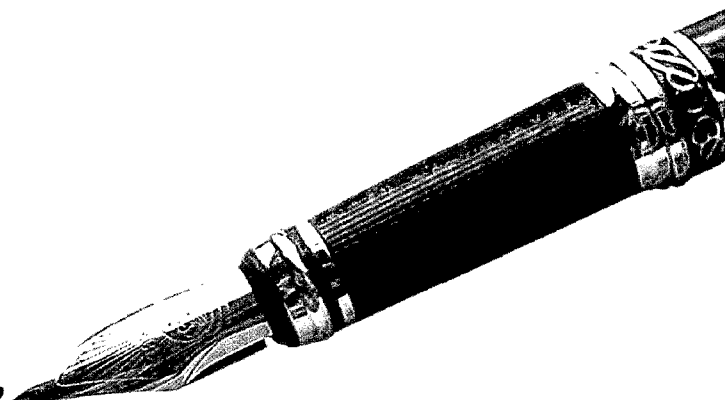


# Rama Pulp & Papers Limited

An ISO 9001:2000 Company

27<sup>th</sup> Annual Report, 2008-09

*27 Years of Excellence*





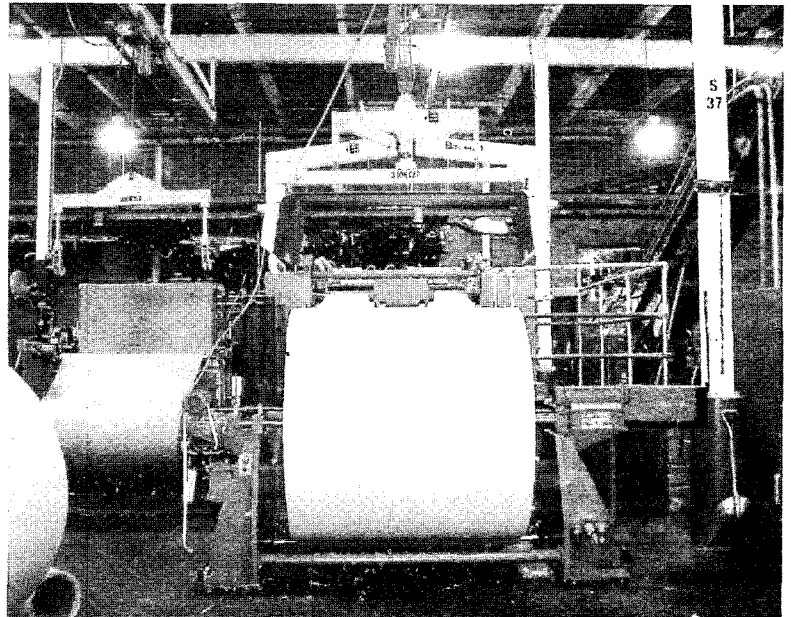
## BOARD OF DIRECTORS

### DIRECTORS

SHRI MAHESH MEHTA

SHRI AKHILESH K. SHARMA

SHRI RAMNIKLAL SALGIA



CONTENTS :	PAGE NO.
Notice	1
Directors Report	5
Corporate Governance Report	8
Management Discussion & Analysis	11
Auditors Report	12
Balance Sheet	15
Profit & Loss Account	16
Schedules forming part of the Balance Sheet	17
Schedules forming part of the Profit & Loss A/c.	20
Notes forming part of the accounts	22
Cash Flow Statement	29
Balance Sheet Abstract and Company's General Business Profile	30

### AUDITORS

M/S. N. R. Agrawal & Co.  
Chartered Accountants

### BANKERS

Axis Bank Ltd.

### REGISTERED OFFICE :

Paithan Road,  
Aurangabad - 431 005

### ADMINISTRATIVE OFFICE :

1, Chateau Windsor, 86,  
Veer Nariman Road, Churchgate,  
Mumbai 400 020.

### FACTORY :

Plot No. 293 - 296, G.I.D.C, Phase II,  
Vapi 396 195 Gujarat

### REGISTRAR :

Bigshare Services Pvt. Ltd.  
E 2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai 400 072.

**NOTICE :**

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting of Members of Rama Pulp & Papers Limited will be held at the Registered Office of the Company on the Tuesday, July 31, 2009 at 11.00 AM, at Paithan Road, Aurangabad 431 005 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2009, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Mahesh Mehta who retires by rotation & being eligible, offers himself for re-appointment
3. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.

“RESOLVED THAT M/s. N. R. Agrawal & Company, Chartered Accountants, Mumbai, be and is hereby appointed as Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on the remuneration, as may be fixed by the Board of Directors”

**SPECIAL BUSINESS :**

- 4) Appointment of Shri Ramniklal Salgia as Director of the Company.

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary Resolution:

“RESOLVED THAT Shri Ramniklal Salgia was appointed by the Board of Director as an additional director of the company with effect from 30<sup>th</sup> June, 2009 and who holds office up to the date of the forthcoming Annual General Meeting of the company in terms of section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing from a member u/s.257 of the Companies Act, 1956 proposing his candidature for the offices of Director of the company, be and is hereby appointed as Director of the Company”.

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

“RESOLVED THAT in accordance with the provisions of Section 81, 81(A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the existing guidelines issued by the Securities & Exchange Board of India (SEBI) and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Protection Board, Secretariat of Industrial Approvals under the foreign Investment Promotion Board, Secretariat of Industrial Approvals under the Foreign Exchange Management Act, 1999 (including any statutory modification or re-enactment thereof, for the time being in force) and other applicable laws and enabling provisions in the Memorandum of Articles of Association of the company and the listing Agreement entered into by the Company with Stock Exchange where the shares of the Company are listed and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as “the Board”, which expression shall include and committee constituted for the time being in force thereof) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board, the consent and approval of the company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on preferential basis 22,50,000 (Twenty Two lakh fifty thousand) Warrants carrying an entitlement to subscribe to an equivalent number of Equity Shares of face value of Rs.10/- each at a Price being not lower than the minimum price specified in accordance with the Guidelines for Preferential Issue contained in Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 as amended, to the persons mentioned below on a preferential allotment basis:

Sr. No.	Name of the Applicant (Proposed Allottee)	Category	No. of Warrants proposed to be allotted
1.	Tapovan Farms Pvt. Ltd.	Non Promoter	11,25,000
2.	Mayo Farms Pvt. Ltd.	Non Promoter	11,25,000

“RESOLVED FURTHER that each of the aforesaid Warrants be converted at the option of the holder at any time within 18 months from the date of issue, in one or more than one trench, in to one fully paid-up Equity Share of Rs.10/- each at a price being not lower than the minimum price

specified in accordance with the prevailing SEBI (Disclosure and Investor Protection) Guidelines, a sum equivalent to 25% of the price fixed as above shall be received as per SEBI (Disclosure and Investor Protection) Guidelines, will be received on or before the allotment of said Warrants”.

“RESOLVED FURTHER that the Board be and is hereby authorized to accept any modification in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India (RBI) / Securities and Exchange Board of India (SEBI) / Financial Institutions / Investment Institutions / Insurance Companies / Corporate Debt Restructuring Cell and / or such other appropriate authority may impose at the time of their approval as agreed by the Board”.

“RESOLVED FURTHER that the aforesaid equity shares and warrants shall rank pari passu in all respect with the existing equity shares of the Company including dividend. The equity shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines”.

“RESOLVED FURTHER that In the event of the Company making a bonus issue of shares or making rights issue of shares / convertible debentures or any other securities in whatever proportion or any corporate action prior to the exercise of the rights attached to the warrants, the entitlement of the holders shall stand augmented in the same proportion in which the equity share capital of the company increases as a consequence of such bonus/rights issues or any corporate action and that the exercise price of the warrant be adjusted accordingly, subject to such approvals as may be required”.

“RESOLVED FURTHER that the equity shares and warrants to be created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company”;

“RESOLVED FURTHER that the relevant date as per clause 13.1.2.2 of SEBI Guidelines for the determination of applicable price for the issue of equity shares and warrants shall be thirty (30) days prior to the date of this Meeting.

“RESOLVED FURTHER that for the purpose of creating, issuing, offering and allotting warrants as well as equity shares of the Company as aforesaid, the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution in all respects and in particular, to settle

any questions, difficulties or doubts that may arise with regard to the offering, issuing, allotting and utilizing the issue proceeds of the warrants as well as equity shares of the Company, as it may, in its absolute discretion, deem fit and proper”.

“RESOLVED FURTHER that Shri Mahesh Mehta, Director of the Company and Shri Ramesh Phadatare, Authorized representative of the company, be and are hereby jointly and/or severally authorized to take all such steps and sign all such documents as may be deemed to give effect to this resolution and to delegate all or any of the powers herein conferred to any officer or officers of the company to give effect to the aforesaid resolution legal experts, consultants and to pay any fees, commission, remuneration, incur expenses and take such steps as required for the above”.

By order of the Board of Directors  
for Rama Pulp & Papers Ltd.

Mahesh Mehta  
Director

Place: Mumbai  
Date: June 30<sup>th</sup>, 2009

NOTES :

- a) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be the member of the Company.
- b) The instrument appointing the Proxy, if any, shall be delivered at the Registered Office of the company not later than forty eight hours before the time of commencement of the meeting and in default, the instrument of Proxy shall be treated as invalid.
- c) Members are requested to notify immediately any change in their address to the Company at its Registered office.
- d) Register of Members and Share Transfer Books of the Company shall remain closed from 29th July 2009 to 31st July 2009, both days inclusive.
- e) The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

**EXPLANATORY STATEMENT TO SPECIAL BUSINESS**  
(Pursuant to Section 173(2) of the Companies Act, 1956)

**ITEM NO. 4**

The company has received a notice in writing from a member along with the deposit of Rs.500/- proposing the candidature of Shri Ramniklal Salgia for the Directorship of the company under the provisions of Section 257 of the Companies Act, 1956.

Shri Ramniklal Salgia has rich experience of around 30 years spread in various commercial disciplines. Shri Salgia's association as a member of Board shall be an asset to the company.

Keeping in view of his expertise and knowledge, it is proposed that Shri Ramniklal Salgia be appointed as a Director, liable to retire by rotation in accordance with the provisions of the Articles of Association of the Company.

**ITEM NO. 5**

The following disclosure is made in accordance with the provisions of Chapter XIII of the Securities & Exchange Board of India (Disclosure of Investor Protection) Guidelines, 2000.

**1) OBJECTS OF THE ISSUE**

The company is currently expanding its existing capacities and also have diversification plan, plan for investment in power plant, acquisition / take-over of units / company suitable to expand the growth of the company. To meet the funds requirements for the aforesaid objectives, it is considered necessary to issue Warrants. The proposed funds will be utilized towards the own/equity contribution while financing the aforesaid plans. The increase in net worth through issue of Warrants would also enable it to raise additional borrowing incase of requirement.

**2) INTENTION OF THE PROMOTER**

The Promoters/Directors/Key Management of the company have conveyed to the company that no promoters, directors, key management persons intend to subscribe to the offer proposed under special resolution at Item No.5 of the Special Business of the notice for the shareholders approval at this meeting.

**3) NO CHANGE IN CONTROL**

The existing promoters of the company will continue to be in control of the company and there will not be any changes in the management/control of the company as a result of the proposed preferential allotment.

**4) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE:**

Category	Pre-Issue Equity Holding		Post-Issue Equity Holding considering conversion of outstanding warrants before this proposed issue*		Post-Issue Equity Holding**	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
<b>Promoters' Holding</b>						
a) Indian Promoters	4135698	53.36	4135698	41.36	4135698	33.76
b) Person acting in concert	-	-	-	-	-	-
<b>Sub Total</b>	<b>4135698</b>	<b>53.36</b>	<b>4135698</b>	<b>41.36</b>	<b>4135698</b>	<b>33.76</b>
<b>Non-Promoters' Holding</b>						
a) Resident Indian	2752287	35.51	2752287	27.52	2752287	22.47
b) Bodies Corporates	809925	10.45	3059925	30.60	5309925	43.35
c) NRI/OBCs	52090	0.67	52090	0.52	52090	0.43
<b>Sub - Total</b>	<b>3614302</b>	<b>46.64</b>	<b>5864302</b>	<b>58.64</b>	<b>8114302</b>	<b>66.24</b>
<b>Total</b>	<b>7750000</b>	<b>100.00</b>	<b>10000000</b>	<b>100.00</b>	<b>12250000</b>	<b>100.00</b>

\*Assuming the conversion of all 22,50,000 outstanding warrants allotted on 6<sup>th</sup> Oct. 2008.

\*\* Assuming the conversion of all the warrants being allotted pursuant to this resolution, as well as the conversion of all 22,50,000 outstanding warrants allotted on 6<sup>th</sup> Oct. 2008.

**5) LOCK-IN PERIOD**

The Shares and warrants allotted on preferential basis shall be locked in from the date of their allotment for such periods as prescribed in clause 13.3.1 of SEBI Guidelines.

**6) PROPOSED TIME WITHIN WHICH ALLOTMENT WILL BE COMPLETED**

The Company will complete the allotment of warrants within a period of 15 days from the date of passing of the resolutions by the shareholders or when the allotment on preferential basis requires any approval by any regulatory authority or central government, the allotment of warrants will be completed within 15 days from the date of such approvals.

The allotment of the 22,50,000 Equity Shares resulting from exercise of the option attached to the said warrant will be completed within 18 months from the date of issue of warrant.

**7) CERTIFICATE FROM AUDITORS**

M/s. N. R. Agarwal & Co., Chartered Accountants, Statutory Auditors of the Company has certified that the preferential issue is being made in accordance with the requirements contained in SEBI (DIP) Guidelines, 2000 for Preferential Issue. The said Certificate shall be laid down before the shareholders at the Annual General Meeting.

### 8) IDENTITY OF ALLOTTEES WITH PERCENTAGE OF EXPANDED CAPITAL HELD BY THEM

The proposed allottees of 22,50,000 equity shares as a result of exercise of options attached to the warrants issued pursuant to special resolution at Item No.5 of the notice and percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per said resolution are as under:

Name of the Proposed Allottee	Category	Before Preferential Issue		After Preferential Issue of shares and after allotment of shares against earlier warrants*		After Preferential Issue of shares and after allotment of shares against these warrants**	
		No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding	No. of Shares Held	% of Share Holding
Tapovan Farms Pvt. Ltd.	Non-Promoter	Nil	Nil	1125000	11.25	2250000	18.37
Mayo Farms Pvt. Ltd.	Non-Promoter	Nil	Nil	1125000	11.25	2250000	18.37

\*Assuming the conversion of all 22,50,000 outstanding warrants allotted on 6<sup>th</sup> Oct. 2008.

\*\* Assuming the conversion of all the warrants being allotted pursuant to this resolution, as well as the conversion of all 22,50,000 outstanding warrants allotted on 6<sup>th</sup> Oct. 2008.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares etc., such shares shall be offered to the existing shareholders of the company in the manner laid down in section 81 unless the shareholders in the general meeting decide otherwise by passing a special resolution.

Hence consent of the shareholders by way of a special resolution is being sought pursuant to Section 81 and all other applicable provisions of Companies Act, 1956 and in terms of the provisions of the SEBI (DIP) Guidelines and listing agreements executed by the Company with the Stock Exchanges where the company's shares are listed.

### 9) PRICING

The issue of warrant convertible into equity shares on preferential basis shall be determined in accordance with the SEBI (DIP) Guidelines, 2000 for preferential issue.

### 10) PAYMENT AND CONVERSION TERMS

25% of the value of the warrants is to be paid on or before the date of allotment of warrants. The balance is payable on or before the time of conversion. Warrants will be converted at the option of the allottee, into one equity share of Rs 10/- each at a price being not lower than the minimum price specified in accordance with the Guidelines for Preferential Issue contained in Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 as amended, at any time within 18 months from the date of allotment, in case the option is not exercised within a period of 18 months from the date of allotment, the aforesaid 25% amount paid on the date of allotment shall be forfeited.

### 11) RELEVANT DATE

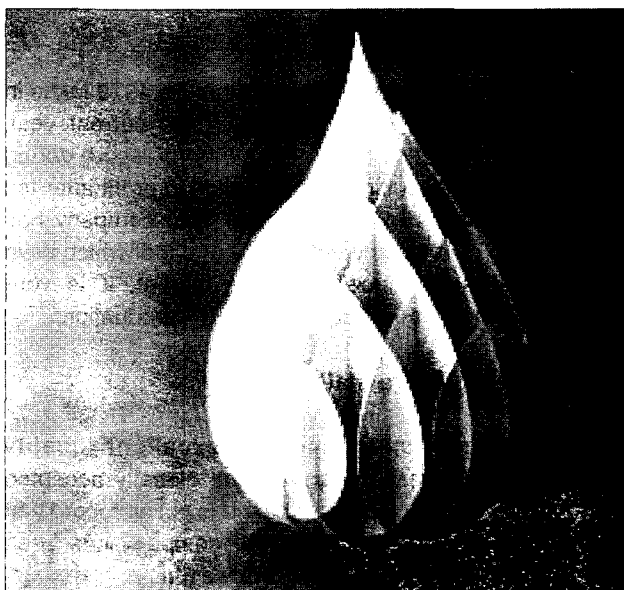
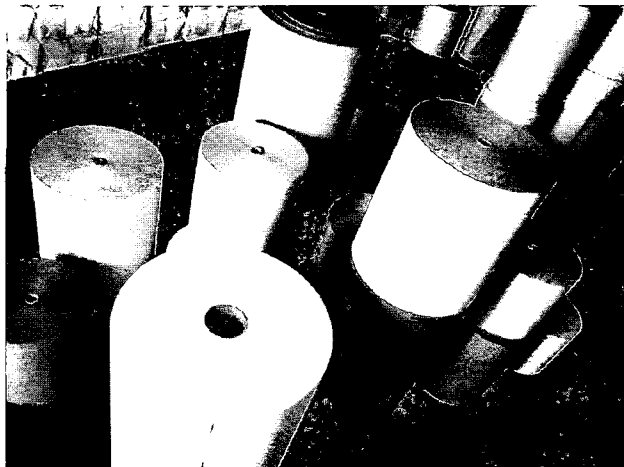
"Relevant Date" for the purpose of this clause means the date, thirty days prior to the date on which the meeting of general body meeting of shareholders is held in terms of Section 81(A) of the Companies Act, 1956 to consider the proposed issue.

The resolution requires approval of the members as per the provisions of the Companies Act, 1956 and your Board recommends the resolution for approval. None of the directors of the Company is interested or concerned in the said resolution.

By order of the Board of Directors  
for Rama Pulp & Papers Ltd.

Mahesh Mehta  
Director

Place : Mumbai  
Date : June 30<sup>th</sup>, 2009



## **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report of your Company together with the Audited Accounts drawn for the year ended 31<sup>st</sup> March, 2009.

(Rs. in Lacs)

Particulars	Year Ended	
	31.03.2009	31.03.2008
Sales Turnover (including Other Income)	5796	4579
Profit before Interest, Depreciation	298	475
Interest, Depreciation & Prior Year Exp.	83	74
Profit before Income Tax	215	401
Surplus brought forward from the Previous Year	574	20
Deferred Income Tax	(75)	395
Proposed Dividend & Tax	-	47
Surplus carried to the Balance Sheet	809	574
EPS (Rs.)	2.77	4.54

## **REVIEW OF OPERATIONS**

The sales turnover has increased from Rs.4579 lakhs in previous year to Rs.5796 lakhs in the current year. However, the margins have been under pressure during the current year resulting into reduction in profit after tax from Rs.401 lakhs to Rs.215 lakhs. Your company has been able to develop several grades of paper which have found good acceptance in export market. It is your company's endeavour to export 20% of its production.

### **ISO 9001:2000 Accreditation**

Your company maintains an excellent quality management system at par with the globally accepted standards. Your directors are pleased to put on record that during the year under review your company has been accredited with ISO 9001:2000 certification.

## **FUTURE PLANS**

Your company is vigorously pursuing capital expenditure plans to augment capacities of both the machines. We are also strengthening the pulp mill in keeping with changing technologies and requirements of the market. Your company plans to install a power plant to achieve self reliance in its power requirement.

Your company has planned to set up a new machine for speciality grades of paper.

## **CORPORATE GOVERNANCE**

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

## **DIVIDEND**

In view of the need for conserving reserves for modernization and expansion plans, the Board of Directors of your company have not recommended dividend for the year ended 31st March 2009.

## **AUDITORS REPORT**

The notes referred to by the Auditors in their report are self-explanatory and do not call for further explanation.

## **DIRECTORS**

- Shri Mahesh Mehta retires from office by rotation and being eligible, offers himself for re-appointment.
- Shri D. K. Dutt has resigned from the office of the director of the company w.e.f. 30<sup>th</sup> Jan. 2009.
- Shri Nandkishor Kagliwal has resigned from the office of the director of the company w.e.f. 30<sup>th</sup> June 2009.

Your directors place on record their deep appreciation of the invaluable contribution made by both Shri Nandkishor Kagliwal and Shri DK Dutt to the working of the company.

- Shri Ramniklal Salgia was appointed as additional director with effect from 30<sup>th</sup> June, 2009 as per the provisions of section 260 of the Companies Act, 1956. Shri Ramniklal Salgia holds office only up to the date of forthcoming Annual General Meeting of the company. The company has received notice proposing Shri Ramnilal Salgia as a candidate for the office of director. Resolution seeking approval of the shareholders for appointment of Shri Ramniklal Salgia has been incorporated in the notice of the forthcoming Annual General Meeting along with brief details of the candidate.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors confirm that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Reasonable and prudent accounting policies have been used in the preparation of the financial statements, that they have been consistently applied and that reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profits of the Company for that year;
3. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. The Annual Accounts have been prepared on a going concern basis.

### **AUDITORS**

M/s. N. R. Agrawal & Co, Chartered Accountants, Auditors of the company who retire at the ensuing Annual General Meeting of the Company and being eligible, have confirmed their willingness to be re appointed at the ensuing Annual General Meeting of the company. The Board recommends appointment of M/s. N. R. Agrawal & Co., Chartered Accountants, as the statutory auditors.

### **PARTICULARS OF EMPLOYEES**

There are no employees receiving remuneration in excess of the amount prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 relating to which a statement of particulars is required to be annexed to this Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING & OUTGO**

In terms of rule 2 of The Companies( Disclosure of particulars in the report of Board of Directors Rules, 1988 ) the relevant particulars are given in the Annexure to this report.

### **ACKNOWLEDGEMENTS :**

The Directors thank the company's customers, vendors, business associates, bankers and Government authorities for their continued support and co-operation to the company.

The Directors also take this opportunity to appreciate and value the contribution made by every member of the RAMA family for the sustained growth of the company.

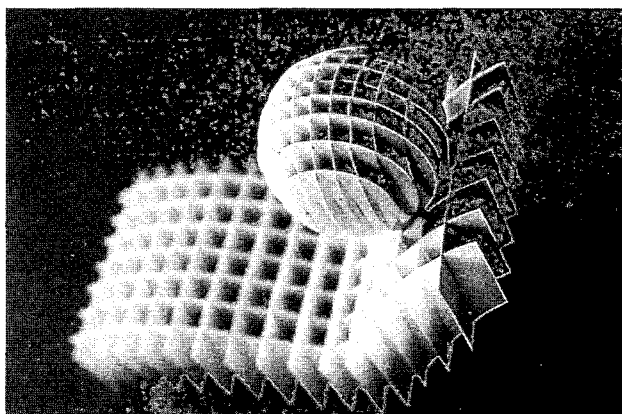
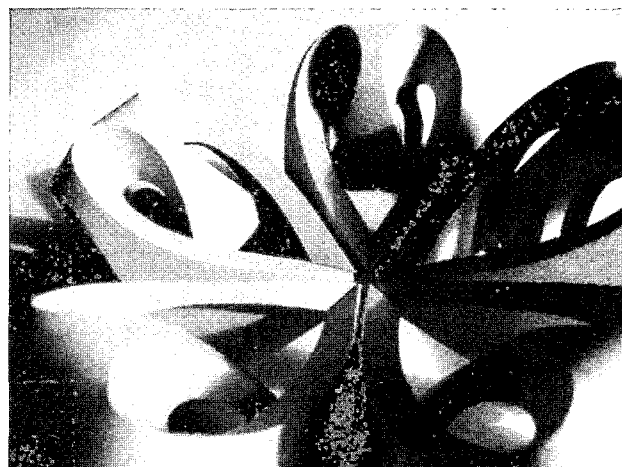
The Directors also sincerely acknowledge the continued trust and confidence reposed by the shareholders of the Company.

For and on behalf of the Board,

**Mahesh Mehta**  
Director

Place : Mumbai

Date : 30<sup>th</sup> June 2009





**ANNEXURE TO THE DIRECTORS' REPORT**

**FORM A**

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Directors' Report.

**FORM B**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

	<u>2008-09</u>	<u>2007-08</u>
<b>1. CONSERVATION OF ENERGY</b>		
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>I. ELECTRICITY</b>		
a. Purchased (net)		
Unit (Lacs KWH)	20.30	25.83
Total / Amount (Rs. in Lacs)	122.52	137.52
Rate / Unit	6.04	5.32
b. Own Generation		
i) Through Diesel Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % diesel oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
ii) Through Steam Turbine Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % fuel gas/oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
<b>II. COAL (Specify quality and where used)</b>		
Quantity (Tonnes)	6619.417	4544.758
Cost (Rs. in Lacs)	188.76	102.99
Average Rate (Rs.)	2851	2266
<b>III. FURNACE OIL</b>		
Quantity (Tonnes)	NIL	NIL
Cost (Rs. in Lacs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
<b>B. CONSUMPTION PER TONNE OF PRODUCTION</b>		
Production (Tonnes)	6263.134	5198.202
Electricity (KWH)	324	497
Furnace Oil (K. Liters)	NIL	NIL
Coal (Kgs.)	1056	874
<b>2. FOREIGN EXCHANGE EARNING AND OUTGO</b>		
<b>A. Foreign Exchange Earned (Rs. in lacs)</b>	526.89	14.60
<b>B. Outgo Foreign Exchange (Rs. in lacs)</b>		
<b>I. Value of Imports (CIF)</b>		
a) Raw Materials (Rs. in lacs)	649.04	520.83
b) Spare Parts and Consumable (Rs. in lacs)	1.77	NIL
c) Capital Goods (Rs. in lacs)	NIL	NIL
<b>II. Traveling Expenses and others (Rs. in lacs)</b>	NIL	NIL

- |  |   |
|--|---|
| 1. Specific Area in which R & D carried out by the Company | i. Development of Carbon Base Papers Napkin Tissue Papers, Ledger Papers, Cream Wove & S. S. Maplitho Papers. |
|  | ii. Value Added Product like Wax Match and lightweight papers.  |
|  | iii. Energy Conservation.   |
| 2. Benefit derived as a result of above R & D              | i. High Realization   |
|  | ii. Reduction in Energy Cost.   |
| 3. Future Plans  | i. Production of Value Added Papers.  |
| 4. Expenditure on R & D                                    |   |
| a) Capital   | Rs. 30 lacs   |
| b) Recurring   | Rs. 86 lacs   |
| c) Total   | Rs. 116 lacs  |
| d) Total R&D expenditure as % of Total Turnover            | 2%  |



## **CORPORATE GOVERNANCE REPORT**

Company's philosophy on Corporate Governance endeavors to achieve highest levels of transparency and equity in all its operations and its dealing with all its stakeholders including the shareholders, the government and lenders.

### **1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your company is committed to good corporate governance and hence strives to attain the highest level of transparency, accountability and equity in all fields of operations.

The Company will continue its efforts in raising the standards in Corporate Governance and will also review its systems and operations constantly to keep pace with the changing economic environment.

### **2. BOARD OF DIRECTORS**

#### **(a) Category & Composition**

The Board of the company at present consists of three directors, in which two are non-executive directors and one is executive director and all are independent directors.

Name of Director	Category / Status	No. of Outside Directorships held
Shri Mahesh Mehta	Independent, Non-Executive	Three
Shri A. K. Sharma	Independent Executive	None
Shri Ramnik Salgia	Independent, Executive	None

#### **(b) Board Meetings & Attendance of Directors**

The Board of Directors met Seven times during the financial year 2008-09. These meetings were held on 25<sup>th</sup> April 2008, 30<sup>th</sup> June 2008, 28<sup>th</sup> July 2008, 9<sup>th</sup> Aug. 2008, 28<sup>st</sup> Aug 2008, 27<sup>th</sup> October 2008 and 30<sup>th</sup> January, 2009.

Name of Director	Status	No. of meetings attended
Shri N. L. Kagliwal	Promoter, Non-Executive	Six
Shri Mahesh Mehta	Independent, Non-Executive	Seven
Shri A. K. Sharma	Independent, Executive	Seven
Shri D. K. Dutt	Independent, Non Executive	Five

### **3. CODE OF CONDUCT**

The company has formulated and implemented a code of conduct for Board Meetings and senior management of the company. Requisite annual affirmations of compliance with the respective code have been made by the directors and senior management of the company.

## **4. COMMITTEES OF DIRECTORS**

### **(a) Audit Committee**

The Audit Committee met five times during the financial year 2008-09. These meetings were held on 25<sup>th</sup> April 2008, 30<sup>th</sup> June 2008, 28<sup>th</sup> July 2008, 27<sup>th</sup> October 2008 and 30<sup>th</sup> January, 2009

The Audit Committee comprises the following executive and non-executive independent members of the Board.

Name of Director	Status	No. of meetings attended
Shri D. K. Dutt	Independent, Non Executive	Five
Shri Mahesh Mehta	Independent, Non Executive	Five
Shri A. K. Sharma	Independent, Executive	Five

The terms of reference of the Audit Committee include :

- i) To review the Company's financial reporting process and its financial statements.
- ii) To review the accounting and financial policies and practices.
- iii) To review the efficacy of the internal control mechanism and monitor the management policies adopted by the company and ensure compliance with regulatory guidelines.
- iv) To review reports furnished by the internal and statutory auditors and ensure that suitable follow up action is taken.
- v) To examine accountancy, taxation and disclosure aspects of all significant transactions.

The terms of reference of this committee are wide enough to cover the matters specified under Clause 49 of the Listing Agreement as well as in section 292A of the Companies Act, 1956.

### **(b) Remuneration Committee**

#### **(i) Broad terms of reference :**

The company has constituted a Remuneration Committee to review the remuneration package of the Directors, and recommend suitable revisions to the Board in accordance with the Companies Act, 1956.

#### **(ii) Composition :**

The committee comprises the following non executive independent directors :

Shri Mahesh Mehta  
Shri D.K. Dutt

#### **(iii) No. of meetings held : Nil**

**(c) Shareholders / Investor Grievances Committee**

The Shareholders/Investor Grievances Committee met two times during the financial year 2008-09. These meetings were held on 30<sup>th</sup> June 2008 and 29<sup>th</sup> January, 2009.

The Company has constituted the shareholders / Investors grievance committee comprising Shri Nandkishor Kagliwal, Shri Mahesh Mehta and Shri A.K.Sharma

**(i) Broad Terms of Reference :**

The committee deals with various matters relating to:

- a) Transfer / transmission of shares
- b) Review of shares dematerialised and all other related matters
- c) Monitoring of expeditious redressal of investor grievances
- d) Other matters relating to shares

**(ii) Composition :**

The Committee comprises two non-executive directors and one executive director. The committee met two times during the financial year 2008-09 and the attendance of the members at the meetings was as under:

Name of Director	Status	No. of meetings attended
Shri N. L. Kagliwal	Promoter, Non Executive	Two
Shri Mahesh Mehta	Independent, Non-Executive	Two
Shri A. K. Sharma	Independent, Executive	Two

**(iii) Details of Shareholders complaints :**

There were no complaints pending for disposal as on 31<sup>st</sup> March, 2009.

**(iv) Compliance Officer :**

Shri Ramesh Phadatare is the compliance officer of the company.

**5. DISCLOSURE OF MATERIAL TRANSACTIONS TO THE BOARD :**

No transaction of material nature has been entered into by the company with the promoters, directors or the management, their subsidiaries or relatives etc. that may have a potential conflict with interest of the company.

**6. OTHER DISCLOSURES RECOMMENDED BY THE SEBI COMMITTEE**

**A Details of Annual General Meeting :**

- (i) The last three Annual General Meetings of the Company were held at Paithan Road, Aurangabad 431 005. as under :

Financial Year	Date	Time
2005-2006	29th September, 2006	11 AM
2006-2007	28th September, 2007	11 AM
2007-2008	26th September, 2008	11 AM

- (ii) Whether Special Resolutions were put through postal ballot last year No
- (iii) Are votes proposed to be conducted through postal ballot this year No

**B. Disclosure of Related Party Transactions:**

None of the "Related Party Disclosure" as per requirement of "Accounting Standard 18" took place during the year.

- C. Details of non compliance by the Company, penalties imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: **None**

**D. Means of Communication :**

The Board of Directors of the Company approves and takes on record the unaudited financial results in the manner prescribed by the Stock Exchange, Mumbai and announces the results to the stock exchanges where the company is listed.

**7. GENERAL SHAREHOLDERS INFORMATION**

1) Registered Office : Paithan Road,  
Aurangabad - 431 005

2) Annual General Meeting :

Date & Time 31<sup>st</sup> July, 2009 at 11.00 A.M.

Venue Paithan Road, Aurangabad

Pin 431 005

3) Financial Calendar (Tentative)

Annual General Meeting	31 <sup>st</sup> July, 2009
Results for quarter ending 30 <sup>th</sup> June 2009	Last week of July, 2009
Results for quarter ending 30 <sup>th</sup> Sep. 2009	Last week of Oct. 2009
Results for quarter ending 31 <sup>st</sup> Dec. 2009	Last week of Jan. 2010
Results for quarter ending 31 <sup>st</sup> March 2010	Last week of April 2010
Annual General Meeting	September 2010

4) Date of Book Closure : 29<sup>th</sup> July 2009 to 31<sup>st</sup> July 2009 (both days inclusive)

5) Listing of equity shares on Stock Exchanges at :  
Mumbai & Ahmedabad

6) Status of listing fees : Paid for the year 2009-10

7) Registrar & Share Transfer Agents :  
Bigshare Services Private Limited

8) Stock Code : Scrip Code - Bombay Stock Exchange  
- 502587  
Trading Symbol - Bombay Stock Exchange  
- RAMPUL

9) Demat ISIN Number in NSDL & CDSL for Equity  
Shares : INE777A01015

10) Stock Market Price Data :

Month	Stock Market Price on BSE		Month	Stock Market Price on BSE	
	High	Low		High	Low
April 2008	35.50	23.60	Oct. 2008	11.00	5.21
May 2008	32.85	26.25	Nov. 2008	7.24	4.25
June 2008	29.00	19.90	Dec. 2008	5.75	3.88
July 2008	26.95	16.10	Jan. 2009	7.00	4.83
Aug. 2008	23.35	15.10	Feb. 2009	5.74	3.45
Sept. 2008	19.00	9.10	Mar. 2009	4.99	3.15

Source - BSE web site : www.bseindia.com

11) Share Transfer System : The Company's Shares are covered under compulsory dematerialisation and are transferable through the Depository System. Shares sent for transfer in physical form are registered & returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

12) Distribution of Share Holding as on 31<sup>st</sup> March, 2009

No. of Equity Share Held in Rs.	No. of Share Holders	% of Share Holders	Amount in Rs.	% of Total
1-5000	3114	79.66	47,50,320	6.13
5001-10000	301	7.70	26,14,700	3.37
10001-20000	203	5.19	32,14,030	4.15
20001-30000	72	1.84	18,14,870	2.34
30001-40000	36	0.92	13,03,860	1.68
40001-50000	41	1.05	19,69,400	2.54
50001-100000	69	1.77	50,42,760	6.51
100001-above	73	1.87	5,67,90,060	73.28
Total	3,909	100%	7,75,00,000	100%

13) Shareholding Pattern as on 31<sup>st</sup> March, 2009

Sr. No.	Category	No. of shares held	% of share holding
A	Promoters	41,35,698	53.36
B	Indian Financial Institutions / Banks / Mutual Funds	15,400	0.20
C	Foreign Institutional Investors/NRI's	Nil	Nil
D	Others	35,98,902	46.44
	<b>TOTAL</b>	77,50,000	100.00

14) Plant : Plot No.293/296, Phase II,  
G.I.D.C., VAPI - 396 195  
GUJARAT.

15) Investor Correspondence :

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address and any other query relating to the shares of the company, please write to :

Bigshare Services Pvt. Ltd.  
E2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East),  
Mumbai - 400 072.

For and on behalf of the Board,

Mahesh Mehta  
Director

Place : Mumbai  
Date : 30th June 2009

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

### **1. Industry Structure and Development**

Rama Pulp & Papers Ltd., is a state-of-the art paper mill, which is strategically located at Vapi with all infrastructure facilities. The company has the flexibility of manufacturing papers from 18 gsm to 120 gsm. Presently the company is in the manufacture of various types of papers such as writing-printing, Carbon base, poster paper, wrapping paper, napkin grade tissue paper etc.

Over the years the company has established itself as a reputed paper mill and command a leading position in the specialty grade Carbon based Paper. With a dedicated and competent technical and marketing team and innovative marketing strategies, Rama Pulp, in the coming years, will occupy more space in the horizon of Indian paper industry.

### **2. Opportunities and Threats:**

Geographical location, adequate land, infrastructure facilities, flexibility of product mix, consistent availability of Power etc., are some of the strengths and opportunities of the company. Apart from this, company is into development of products like Wax Match, Thermal Paper, Electrical Grade Kraft, Maplitho, Copier Grade etc., which would be an added advantage for the company to keep going to establish itself as a diverse paper mill in the long run.

As far as the threats are concerned, the company may face some competition from the upcoming large additional capacities in and around Vapi with De-inking Facility. Uneconomical Raw Material prices due to lack of required pulping Equipments, is yet another threat factor the company may have to tackle with.

### **3. Outlook, Risk and Concerns**

The company has a broad outlook as far its customers are concerned. Company leaves no stone unturned when it comes to customer service. "Customer Satisfaction" is the main motto of the company and towards this end company continuously strives to maintain better quality, service and response to a vast customer segment. The company shall also continue its efforts towards improving the efficiency and cost control to improve the bottom line.

### **4. Internal Control Systems and their adequacy**

There is adequate internal control system in the company through internal audits and operational reviews.

### **5. Financial performance with respect to operational performance**

The company has registered EBIDTA of Rs. 298.00 Lacs and a net profit of Rs. 215.00 lacs in the current year as against the EBIDTA of Rs. 475.00 Lacs and a net profit of Rs. 401.00 lacs in the previous year.

### **6. Development in human resources / Industrial Relations front**

The company has a system oriented HRD and the employees/workmen are motivated enough to work with optimal performance. The industrial relations are also cordial.

**For and on behalf of the Board**

Mahesh Mehta  
Director

**Place: Mumbai**

**Date : 30<sup>th</sup> June, 2009**

### **AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE :**

To  
The Members of  
M/s. Rama Pulp and Papers Limited

We have examined the compliance of conditions of corporate governance by Rama Pulp and Papers Limited for the year ended 31st March 2009, as stipulated in clause 49 of the Agreements of the said company with stock exchanges in India.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation there of, 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 explanation given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except that the company is in the process of appointing a Company Secretary.

On the basis of the representation received from Registrar & Share Transfer Agents and as per the records maintained by the company which are presented to the share Transfer Approval committee, we state that no investor grievances are pending exceeding one month as on 31st March 2009.

We further state that such compliance is neither an assurance as the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For N. R. AGRAWAL & CO.,  
Chartered Accountants**

N. R. AGRAWAL  
Partner  
M.No. 30117

**Place: Mumbai**

**Date : 30<sup>th</sup> June 2009**

## AUDITORS' REPORT

### Report of the Auditors to the Shareholders of M/s. Rama Pulp & Papers Ltd.

We have audited the Balance Sheet of M/s. Rama Pulp & Papers Ltd., as at 31st March 2009, the Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

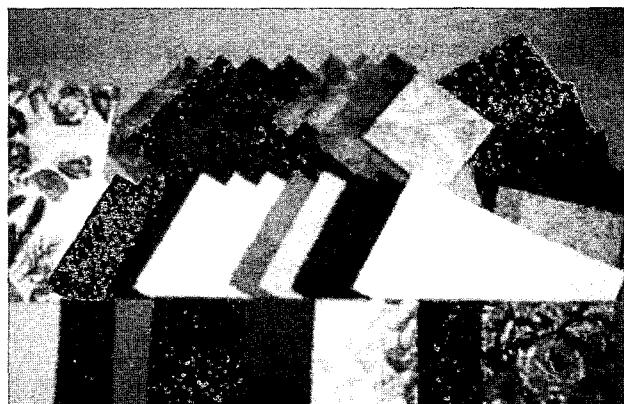
1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
3. Further to our comments in the Annexure referred to in para 1 above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, the Company has kept proper books of accounts as required by law as far as it appears from our examination of those books;
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow statement are in agreement with the books of account;

- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a Director U/s 274(1)(g) of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes appearing thereon, and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
  - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
  - (ii) In the case of Profit and Loss Account, of the Profit of the company for the year ended on that date; and
  - (iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

For **N. R. AGRAWAL & CO.**  
**Chartered Accountants**

N. R. AGRAWAL  
Partner  
M. No. 30117

**Place: Mumbai**  
**Date : 30<sup>th</sup> June 2009**



**M/s. Rama Pulp & Papers Limited**

**ANNEXURE TO THE AUDITORS' REPORT**

ANNEXURE I IN TERMS OF PARA 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s RAMA PULP & PAPERS LTD ON THE ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2009.

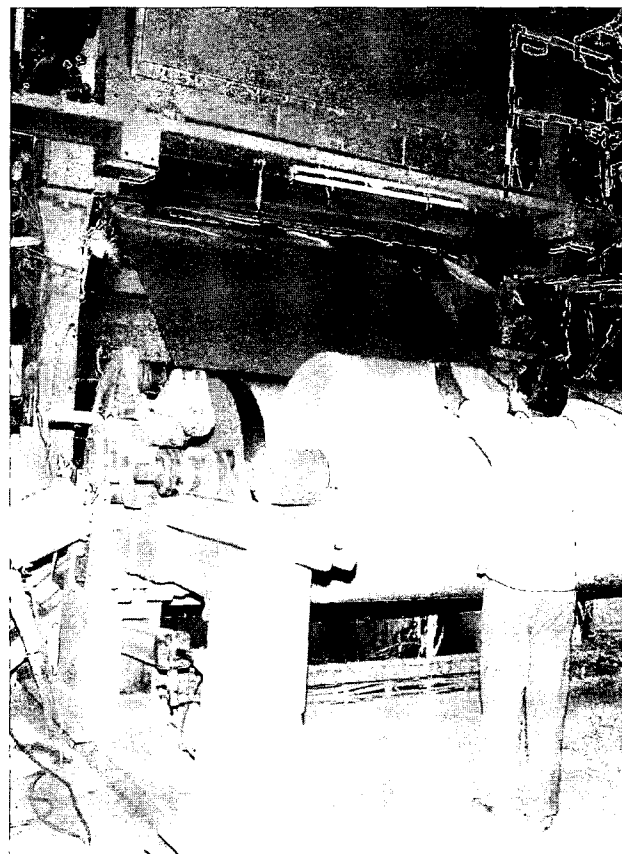
- 1) (a) The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed assets.  
(b) As informed to us, the fixed assets have been physically verified by the management during the year at reasonable intervals and we are informed that no material discrepancies have been noticed on such verification.  
(c) No substantial part of the fixed assets has been disposed off during the year.  
(d) None of the fixed assets were revalued during the year.
- 2) (a) The physical verification of goods, stores and spare parts have been conducted by the management during the year & in our opinion the frequency of verification was reasonable.  
(b) Procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification of stock as compared to book records.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of companies Act, 1956. Accordingly, the provision of other clauses of the order is not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of stores, raw material and components plant and machinery and other assets, and also for the sale of goods.
- 5) The company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956, accordingly, the provision of clauses of the order are not applicable to the Company.
- 6) The Company has not accepted any public deposits during the year within the meaning of section 58A and section 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) The company has an internal audit system commensurate with the size and nature of its business.
- 8) The company has maintained the cost records as required under section 209(1) (d) of the Companies Act, 1956 that we have broadly reviewed. We have, however not made detailed examination of this record.
- 9) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Excise Duty, Sales Tax, ESIC dues with the appropriate authorities.  
(b) According to the information & explanation given to us there are undisputed amounts payable in respect of Professional Tax Rs. 0.55 lacs and ESIC Rs. 3.07 lacs as at 31st March 2009 for a period more than six months from the date they became payable.

- (c) The details regarding the disputed statutory dues amounting to Rs. 3.00 lacs that have not been deposited as the matter is pending before appropriate authority is as under :
- Nature of Statute : Central Excise  
Nature of Dues : Interest-Excise Duty  
Amt. Involved : Rs. 3.00 Lacs.  
Forum where dispute is pending : CEGAT, Mumbai
- 10) The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- 11) The Company did not have any outstanding dues to any financial institutes, banks or debenture holders during the year.
- 12) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit/nidhi/mutual benefit funds / society,
- 14) According to the information given to us, the company is not dealing in or trading in Shares, Securities, Debentures or other investment.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its wholly owned subsidiary Company from a bank.
- 16) The Company has not raised any term loans during the year.
- 17) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company and the Fund Flow based on the Audited Accounts, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **N. R. AGRAWAL & CO.,**  
**Chartered Accountants**

**N. R. AGRAWAL**  
Partner  
M. No. 30117

**Place: Mumbai**  
**Date : 30<sup>th</sup> June, 2008**





**BALANCE SHEET AS AT 31ST MARCH 2009**

(Rs. In Lacs)

	Schedule	As at 31.03.2009	As at 31.03.2008
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Capital	1	775.00	775.00
Application Money for Warrants		56.25	-
Reserves & Surplus	2	1,915.83	<u>1,758.07</u>
		2,747.08	2,533.07
<b>LOAN FUNDS</b>			
Secured Loan	3	8.29	-
Unsecured Loan	4	349.16	<u>385.29</u>
		357.45	<u>385.29</u>
		<b>3,104.53</b>	<b><u>2,918.36</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	5,407.24	5,268.69
Less : Depreciation		3,868.35	<u>3,734.64</u>
Net Block		1,538.89	1,534.05
Capital work in Progress		0.48	-
Deferred Tax Assets		320.41	394.73
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	166.63	241.62
Sundry Debtors		799.68	804.94
Cash & Bank Balances		112.00	10.90
Loans & Advances		499.60	<u>424.67</u>
		1,577.91	1,482.13
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	7	319.67	386.27
Provisions		13.49	<u>106.28</u>
		333.16	492.55
<b>NET CURRENT ASSETS</b>			
		1,244.75	989.58
		<b>3,104.53</b>	<b><u>2,918.36</u></b>
<b>NOTES ON ACCOUNTS</b>	<b>16</b>		

Schedules 1 to 16 are attached to the Balance sheet are an integral part thereof.

As per our Report of even Date  
**For N. R. AGRAWAL & Co.**  
Chartered Accountants

**N. R. AGRAWAL**  
(Partner)  
M. No. 30117

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

For and on behalf of the Board,

**MAHESH MEHTA**  
(DIRECTOR)

**AKHILESH K. SHARMA**  
(DIRECTOR)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009** (Rs. In Lacs)

Schedule	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>INCOME :</b>		
Sales & Other Income	8 5,777.38	4,629.73
Increase / (Decrease) in Stock	9 18.21	(51.13)
	5,795.59	4,578.60
<b>EXPENDITURE :</b>		
Raw Material Consumption	10 1,486.37	890.87
Purchase of Raw Materials for Trading	67.44	109.50
Purchase of Finished Goods for Trading	1,379.41	1,037.69
Purchase of Chemicals for Trading	1428.63	917.61
Excise Duty	27.26	109.08
Employee Cost	11 103.64	84.75
Operative Expenses	12 955.03	909.46
Other Expenses	13 49.82	45.02
	5,497.60	4,103.98
Profit before Interest & Depreciation	297.99	474.62
Interest	14 23.25	24.97
Depreciation	15 56.54	47.55
	79.79	72.52
Profit before Prior year. Exp. & I. Tax	218.20	402.10
Prior year Expenses	2.79	1.00
	2.79	1.00
Profit for the year before I. Tax	215.41	401.10
Provision for Current Tax	-	48.91
Fringe Benefit Tax	0.42	0.45
Profit before Deferred Tax	214.99	351.74
Add : Deferred Tax Income	(74.32)	394.73
	140.67	746.47
Add : Balance Brought Forward from previous year	574.18	20.25
Add : Reversal for Provision of Tax previous year	48.91	-
Profit Available for Appropriation	763.76	766.72
<b>APPROPRIATIONS :</b>		
Proposed Dividend	(38.75)	38.75
Tax on Dividend	(6.59)	8.79
General Reserve	-	145.00
Total	(45.34)	192.54
Surplus carried to Balance Sheet	809.10	574.18
	763.76	766.72
Basic & Diluted Earning per Share (Rs) (Refer Para No 10 of Notes on Accounts)	2.77	4.54

As per our Report of even Date  
**For N. R. AGRAWAL & Co.**  
Chartered Accountants

**N. R. AGRAWAL**  
(Partner)  
M. No. 30117

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

For and on behalf of the Board,

**MAHESH MEHTA**  
(DIRECTOR)

**AKHILESH K. SHARMA**  
(DIRECTOR)

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009** (Rs. In Lacs)

Schedules	As at 31.03.2009	As at 31.03.2008
<b>SCHEDULE 1:</b>		
<b>Share Capital</b>		
Authorised : 1,25,00,000 Equity Shares of Rs. 10/- each	1250.00	<u>1250.00</u>
Issued, Subscribed and fully paid up 77,50,000 Equity Shares of Rs. 10/- each	775.00	<u>775.00</u>
	775.00	<u>775.00</u>
<b>SCHEDULE 2 :</b>		
<b>Reserves &amp; Surplus</b>		
Capital Subsidy	45.00	45.00
Capital Reserve	0.20	0.20
General Reserve	200.00	200.00
Transferred from Profit & Loss A/c	809.10	574.18
Revaluation Reserve	938.69	1,015.90
Less : Adjustment of Depreciation	77.16	<u>77.21</u>
	861.53	<u>938.69</u>
	1915.83	<u>1,758.07</u>
<b>SCHEDULE 3 :</b>		
<b>Secured Loans</b>		
Vehicle Loan From HDFC Bank	8.29	-
	8.29	<u>-</u>
<b>SCHEDULE 4 :</b>		
<b>Unsecured Loans</b>		
Trade Deposits	18.37	13.37
Loans form Others	330.79	314.42
Deferred Sales Tax Loan	-	57.50
	349.16	<u>385.29</u>



**SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

**SCHEDULE 5 :  
Fixed Assets**

(Rs. In lacs)

DESCRIPTION	GROSS BLOCK		DEPRECIATION				NET BLOCK	
	AS AT 01.04.2008	ADDITIONS DURING THE YEAR	AS AT 31.03.2009	AS AT 01.04.2008	FOR THE YEAR	UP TO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008
FREEHOLD LAND	3.40	-	3.40	-	-	-	3.40	3.40
LEASEHOLD LAND	270.48	0.00	270.48	18.25	2.73	20.98	249.50	252.23
BUILDING	815.23	32.49	847.72	325.77	23.13	348.90	498.82	489.46
PLANT AND MACHINERY	4107.17	92.58	4199.75	3320.59	107.23	3427.82	771.93	786.58
FURNITURE AND FIXTURE	57.39	1.92	59.31	55.01	0.37	55.38	3.93	2.38
VEHICLES	15.02	11.56	26.58	15.02	0.25	15.27	11.31	-
<b>TOTAL</b>	<b>5268.69</b>	<b>138.55</b>	<b>5407.24</b>	<b>3734.64</b>	<b>133.71</b>	<b>3868.35</b>	<b>1538.89</b>	<b>1534.05</b>
TOTAL PREVIOUS YEAR	5162.08	106.61	5268.69	3609.88	124.76	3734.64	1534.05	1552.20
CAPITAL WORK IN PROGRESS							0.48	-

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2009**

(Rs. In lacs)

Schedule	As at 31.03.2009	As at 31.03.2008
<b>SCHEDULE 6:</b>		
<b>Current Assets Loans &amp; Advance</b>		
<b>Inventories</b>		
(As valued and certified by the Management)		
Raw Materials	66.91	104.50
Coal	3.00	33.74
Stores, Spares & Tools	42.76	49.68
Chemicals	0.51	-
Finished Goods	53.45	<u>53.70</u>
	166.63	241.62
<b>Sundry Debtors</b>		
(I) Over Six Months		
Considered Good	7.32	6.74
Considered Doubtful	27.70	27.70
Less : Provision for Doubtful Debts	27.70	27.70
(II) Other Debts Considered good	792.36	<u>798.20</u>
	799.68	804.94
<b>Cash &amp; Bank Balances</b>		
Cash on hand	0.70	1.92
Balance with Scheduled Bank		
Current Accounts	111.30	<u>8.98</u>
	112.00	10.90
<b>Loans &amp; Advances</b>		
Advances recoverable in cash or in kind for value to be received :-	154.17	74.19
Sundry Deposit	301.20	301.20
Deposits with Government Bodies	44.23	<u>49.28</u>
	499.60	<u>424.67</u>
	1,577.91	<u>1,482.13</u>
<b>SCHEDULE 7 :</b>		
<b>Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Sundry Creditors	206.77	234.12
Other Liabilities	112.90	<u>152.15</u>
	319.67	386.27
<b>Provisions</b>		
Proposed Dividends	-	38.75
Provisions for Dividend Tax	-	6.59
Provisions for Income Tax Payable	-	48.91
Provisions for Fringe Benefit Tax	0.16	0.29
Provisions for Gratuity	7.47	5.46
Provisions for Leave Encashment	4.40	4.90
Provisions for Bonus	1.46	<u>1.38</u>
	13.49	<u>106.28</u>
	333.16	<u>492.55</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

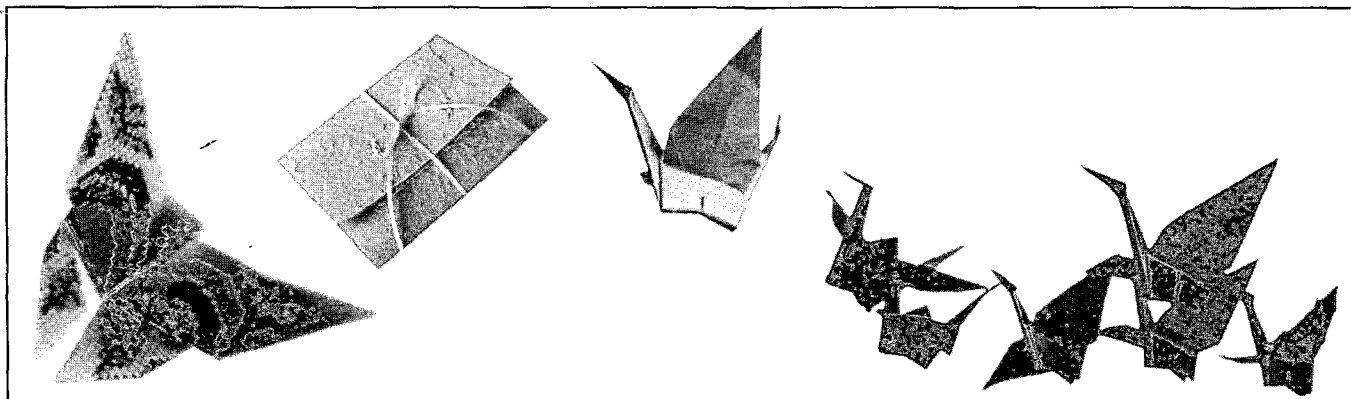
(Rs. In lacs)

Schedule	For the year ended 31.03.2009	For the year ended 31.03.2008
<b><u>SCHEDULE 8:</u></b>		
<b>Sales and Other Income</b>		
Sales	5,044.86	3,835.66
Mfg. Facility Receipt	677.08	709.65
Other Income	55.44	<u>84.42</u>
	<u>5,777.38</u>	<u>4,629.73</u>
<b><u>SCHEDULE 9 :</u></b>		
<b>Increase / (Decrease) In Stock</b>		
Closing Stock	79.59	61.38
Less : Opening Stock	<u>61.38</u>	<u>112.51</u>
	<u>18.21</u>	<u>(51.13)</u>
<b><u>SCHEDULE 10 :</u></b>		
<b>Raw Material Consumption</b>		
Raw materials :		
Opening stock	96.82	36.20
Add-Purchases	1,430.32	951.49
Less : Closing stock	40.77	<u>96.82</u>
	<u>1,486.37</u>	<u>890.87</u>
<b><u>SCHEDULE 11 :</u></b>		
<b>Employees Cost</b>		
Salaries & Wages	81.14	66.73
Cont. to Employees P.F. & Other Funds	6.76	5.71
Staff Welfare Expenses	15.74	<u>12.31</u>
	<u>103.64</u>	<u>84.75</u>
<b><u>SCHEDULE 12 :</u></b>		
<b>Operating Expenses</b>		
Consumption of Stores & Spares	75.19	64.55
Transportation & Materials Handling	17.03	21.16
Power & Coal-Lignite Cost	311.29	240.51
Manufacturing Facility Expenses	498.80	496.36
Repair to Plant & Machinery	15.57	7.04
Repair to Building	4.43	2.54
Repair to Other	1.17	2.68
Water Charges	2.63	6.19
Discount on Sales	28.92	<u>68.43</u>
	<u>955.03</u>	<u>909.46</u>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

(Rs. In lacs)

Schedule	For the year ended 31.03.2009	For the year ended 31.03.2008
<b>SCHEDULE 13 :</b>		
<b>Other Expenses</b>		
Administrative Expenses	44.36	39.45
Rent, Rates & Taxes	1.28	0.46
Insurance Charges	2.57	3.40
Internal Audit Fees	1.07	0.96
Cost Audit Fees	0.10	0.10
<b>Auditor's Remuneration</b>		
Audit Fee	0.25	0.25
Tax Audit Fee	0.15	0.15
Income Tax Matters	-	0.22
Other Services	<u>0.04</u>	<u>0.03</u>
	<u>49.82</u>	<u>45.02</u>
<b>SCHEDULE 14 :</b>		
<b>Interest &amp; Financial Charges</b>		
Interest on Loans and Others	<u>23.25</u>	<u>24.97</u>
	<u>23.25</u>	<u>24.97</u>
<b>SCHEDULE 15 :</b>		
<b>Depreciation</b>		
Depreciation for the year	133.70	124.76
Less : Adj. of dep. on Account of revaluation of Fixed Assets	<u>77.16</u>	<u>77.21</u>
	<u>56.54</u>	<u>47.55</u>



---

**NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

---

**SCHEDULE : 16**

**1. Significant Accounting Policies:**

**I. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The financial statements have been prepared primarily on the historical cost convention and in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Company Act, 1956

**II. METHOD OF ACCOUNTING:**

Accounts are maintained on accrual basis. Claims / Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.

**III. FIXED ASSETS :**

Fixed assets are shown at cost adjusted by revaluation of certain assets less depreciation. Cost comprises the purchase price and other attributable expenses and net of Cenvat / Value Added Tax.

**IV. DEPRECIATION ON FIXED ASSETS:**

- (a) The Company follows the straight-line method of charging depreciation on all its fixed assets. The depreciation has been provided in the manner and the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets.
- (b) No Depreciation has been charged on the assets, which have been fully depreciated.
- (c) Depreciation on the revalued portion of the fixed assets is charged to Revaluation Reserve Account.

**V. INVENTORIES :**

Inventories are valued at lower of cost and net realizable value. The method of arriving at cost of various categories of inventories is as below:

- (a) Raw Material - First in First out method
- (b) Stores & Spares and Packaging Material - Weighted Average Method
- (c) Finished goods and work-in progress - Weighted average cost of production which comprises direct material costs and appropriate overheads

**VI. SUNDRY DEBTORS, CREDITORS AND ADVANCES:**

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for respectively.

**VII. FOREIGN EXCHANGE TRANSACTIONS :**

Transactions made during the year in foreign currency are recorded at the exchange rate prevailing at the time of transaction. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year end are translated at the contract rates, when covered by forward cover contracts and at year end rate in other cases. Realised gains and losses on foreign exchange transactions other than those relating to fixed assets are recognized in the profit and loss account. Gain / loss on transaction of long term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of fixed assets.



#### VIII. REVENUE RECOGNITION:

- (a) Sale of goods is recognized at the point of dispatch of finished goods to customers. Sales include amount recovered towards excise duty and are accounted net of trade discount.
- (b) Income from service is recognized at the time of rendering the services.

#### IX. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the profit & loss account when an asset is identified as impaired. Reversal of impairment loss recognized in prior periods is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the assets over its remaining useful life.

#### X. BORROWING COST :

Borrowing cost is charged to Profit & Loss Account except cost of borrowing for acquisition of qualifying assets which is capitalized till the date of commercial use of asset.

#### XI. LEASES

Lease rentals in respect of assets given on finance lease are accounted for in reference to lease terms.

#### XII. INTANGIBLE ASSETS

Intangible Assets are being recognized if the future economic benefits attributable to the assets are expected to flow to the company and the cost of the assets can be measured reliably.

#### XIII. RETIREMENT BENEFITS:

Retirement benefits to employees are provided for by means of gratuity, leave encashment and provident fund.

- (a) The gratuity liability is determined based on the basis of actuarial valuation as at year end.
- (b) Provision in respect of leave encashment is made based on the basis of actual leave balance of employees at the end of the Year in accordance with Accounting Standard-15 on "Accounting for retirement Benefits in the financial statement of Employer" as issued by the Institute of Chartered Accountants of India.
- (c) Contribution to Provident fund, Pension scheme are charged to Profit & Loss Account when due.

#### XIV. TAXES ON INCOME:

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods.

**XV. SEGMENT REPORTING:**

a) Primary Segment Reporting (Business Segment)

The Company has identified two reportable business segment

- i) Manufacturing and Trading of Paper
- ii) Trading in Chemical

Taking into account nature of the products and services, the differing risk and returns. Revenue and expenses related to enterprise as a whole and are not allocable to a segment has been disclosed as un-allocable. Investments tax related assets and other assets and liabilities that can not be allocated to a segment have been disclosed as unallocable.

(Rs. in Lacs)

Particulars	Paper		Trading in Chemical		TOTAL	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>REVENUE</b>						
External Sales	4232.98	3571.20	1488.96	974.12	5721.94	4545.32
Inter segment Transfer	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>4232.98</b>	<b>3571.20</b>	<b>1488.96</b>	<b>974.12</b>	<b>5721.94</b>	<b>4545.32</b>
<b>SEGMENT RESULT</b>	<b>178.33</b>	<b>369.56</b>	<b>60.33</b>	<b>56.51</b>	<b>238.66</b>	<b>426.07</b>
Interest Expenses						
Unallocable	-	-	-	-	23.25	24.97
<b>PROFIT BEFORE TAXES</b>					<b>215.41</b>	<b>401.10</b>
Current Tax	-	-	-	-	0.00	48.91
Fringe Benefit Tax	-	-	-	-	0.42	0.45
Deferred Tax Asset	-	-	-	-	-74.32	394.73
<b>PROFIT AFTER TAX</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140.67</b>	<b>746.47</b>
<b>OTHER INFORMATION</b>						
<b>ASSETS:-</b>						
Segment Assets	2350.99	2406.94	266.69	184.57	2617.68	2591.51
Unallocable Assets	-	-	-	-	820.00	819.40
Segment Liabilities	243.92	266.34	75.75	119.93	319.67	386.27
Unallocable liabilities	-	-	-	-	370.94	491.58

**(b) Geographical reportable segment**

The company produces and sales, its products in India & also Export the same directly or indirectly to overseas countries. The overseas sales operation are managed by its office located in India. For the purpose of AS 17 regarding segment reporting secondary segment information on geographical segment is considered on the basis of revenue generated from Domestic & Export market.

Particulars	2008-2009 (Rs. in Lacs)			2007-2008 (Rs. in Lacs)		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	5258.31	463.63	5721.94	4545.32	NIL	4545.32
Carrying Amount of debtors	795.86	3.82	799.68	804.94	NIL	804.94
Carrying amount of Assets other than debtors	2638.01	0.00	2638.01	2605.97	NIL	2605.97
Addition to Fixed Assets & Intangible Assets	138.55	0.00	138.55	106.61	NIL	106.61

Due to Complexities of the operation & recording system of the company, assets other than debtors have not been apportioned segment wise, since the same are used interchangeably between the segments.

**XVI. CONTINGENT LIABILITY:**

Provisions 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.

**2. Application Money for Warrants**

The company issued 22,50,000 Nos of convertible warrants on preferential basis of Rs.10/- each at Rs. 25/- (Including a premium of Rs. 15/- per warrants) and raised Warrants Application Money of Rs. 56.25 lacs (i.e. 10% of Rs. 25/- per warrants) with an option to convert into equity shares within 18 months as per SEBI guidelines.

**3. Managerial Remuneration:**

Particulars	2008-09 (Rs. in Lacs)	2007-08 (Rs. in Lacs)
Salaries	4.40	4.00
Commission	Nil	Nil
Contribution to Provident Fund and Other Funds	0.32	0.16
Value of Perquisites & other Benefit	Nil	Nil

Note : Excludes actuarial provision of gratuity & leave encashment.

**4. Payment to Auditors (Excluding Service Tax):**

Particulars	2008-09 (Rs. in Lacs)	2007-08 (Rs. in Lacs)
Audit Fees	0.25	0.25
Tax Audit	0.15	0.15
Income Tax Matters and Other Services	0.00	0.22
Total	0.40	0.62

**5. Contingent Liabilities:**

	As at 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As at 31 <sup>st</sup> March 2008 (Rs. in Lacs)
Claims against the Company not acknowledge as debts hence not provided		
(i) Demand Notice from Gujarat Electricity Board (GEB) #	14.63	14.63
(ii) Central Excise Demands	3.00	15.01
(iii) Suits filed by creditors	4.75	4.75
(iv) Interest liability on Gujarat Sales tax loan	0.00	6.90

# stay against the demand has been obtained and suits are filed with Civil court-Pardi (Gujarat)

**6. Capital Commitments:**

Expenditure during construction/erection period is included under Capital Work-in-Progress and will be allocated to the respective fixed assets on completion of construction/erection.

	As at 31 <sup>st</sup> March 2009 (Rs. in Lacs)	As at 31 <sup>st</sup> March 2008 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account	4.00	6.25

**7. Fixed Assets**

Land, Buildings, Plant & Machinery and Furniture & Fixture were revalued for Rs. 1255.54 lacs as on 31.03.1993 and Rs. 925.77 lacs as on 31.03.2004. The revaluation in respect of these assets on based on current replacement cost by the Approved Valuer appointed for the purpose. As a result, the increased book value of such assets as above has been transferred to Revaluation Reserve in respective year.

**8. TAXATION:**

- (a) Current Income Tax & Fringe Benefit Tax is calculated at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.
- (b) As per AS-22 "Accounting for Taxes on Income" Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Assets can be realised. Deferred Tax Asset are reviewed at each Balance Sheet date.

The calculation of Deferred Tax Assets and Deferred Tax Liability is as follows :	31 <sup>st</sup> March 2009 (Rs. in Lacs)	31 <sup>st</sup> March 2008 (Rs. in Lacs)
<b>Assets</b>		
(a) Deferred tax assets arising on account of timing differences :-		
(i) Unabsorbed business loss / depreciation	383.59	444.92
(ii) Provision for Gratuity	0.69	0.34
(iii) Provision for Leave Encashment	0.00	0.68
(iv) Payment of Statutory dues	0.56	10.15
<b>Liability</b>		
(b) Deferred tax liabilities arising on account of timing differences :- Depreciation	64.43	61.36
<b>Net Deferred Tax asset</b>	<b>320.41</b>	<b>394.73</b>

**9. MISCELLANEOUS :**

- a) There are no claims for interest payment from any supplier with reference to interest on delayed payments to Small and Ancillary Industrial Undertakings Ordinance, 1992.
- b) Sales includes Manufacturing Facility Receipt of Rs. 677.08 Lac (Previous Year Rs. 709.65 Lac)
- c) Other income includes Rs. 4.89 Lac of Sundry Balances Written back, (Previous Year Rs. 31.95 Lac) interest on Fixed Deposit Rs. 2.88 Lac (Previous Year Rs. 1.73 Lac) & Others Miscellaneous income Rs. 47.67 Lac (Previous Year Rs. 50.73 Lac)
- d) The company has not identified transactions with small scale industrial undertakings during the year.

10. EARNINGS PER SHARE :	Year ended 31 <sup>st</sup> March 2009	Year ended 31 <sup>st</sup> March 2008
a) Profit after Tax (Rs. in Lacs) (Excluding Deferred Tax)	214.99	351.74
b) Weighted average number of Equity Shares outstanding during the year	77,50,000	77,50,000
c) Face value of each Equity Share (Rs.)	10	10
d) Earnings per Share - Basic & Diluted (Rs.)	2.77	4.54

**11. Disclosure as required by Accounting Standard 19, "Leases" issued by the Institute of Chartered Accountants of India are given below.**

(a) Operating Lease :

Where the Company is a Lessor :

Details in respect of assets given on operating lease: Factory Building and Plant & Machinery.

The assets given on lease are cancelable and agreed for 36 months and generally and are usually renewable by mutual consent, on mutually agreeable terms.

The total of future minimum non-cancelable lease & license fee receivable as of the Balance Sheet dates are as under:

Not later than one year - Rs. 6,00,000/-

Later than one year but not later than two years from 01.01.2009 - Rs. 6,00,000/-

In addition the company is entitled for reimbursement of expenses @ Rs. 8,500/- per hour for the usages of the manufacturing facility.

The aggregate lease rentals are recognized in the Profit & Loss account for the year Rs. 6,00,000/- and gross Manufacturing receipts of Rs. 677.08 lacs Initial direct costs are recognized as an expense in the year in which these are incurred.

**12. Additional information pursuant to paragraphs 3,4C and 4D of part II of Schedule VI to the Companies Act, 1956.**

12.1 Information regarding capacity, stocks, production and sales (As Certified by the Management)

**Manufacturing**

Description	Unit	Installed Capacity Qty./P.A.	Qty. Production	Sales		Opening Stock	Closing Stock
				Quantity	Rs. in lacs		
Industrial Poster & Writing Printing Papers	MT	23250.000	6263.134	6244.540	2029.31	127.057	145.651
Previous Year	MT	23250.000	5198.202	5226.363	1713.32	155.218	127.057

**Trading**

Description	Unit	2008 - 09		2007 - 08	
		Sales Quantity	Value (Rs. in lacs)	Sales Quantity	Value (Rs. In Lacs.)
Chemicals	MT	4610.590	1488.96	2996.290	974.12
Paper	MT	3941.390	1526.59	3217.070	1148.23

**Raw Material Consumed :**

Item Head	2008 - 09		2007 - 08	
	Quantity (MT)	(Rs. in lacs)	Quantity (MT)	(Rs. In Lacs.)
Waste Paper	8098.766	1375.24	5858.875	852.12
Chemicals & Dyes	-	111.13	-	38.75
<b>Total</b>	<b>8098.766</b>	<b>1486.37</b>	<b>5858.875</b>	<b>890.87</b>

12.2 Earnings in Foreign Exchange :  
Receipt - Against Export Goods : Rs. 526.89 Lacs.

12.3 Expenditure in foreign currency :  
Pur. of Imported Raw Materials : Rs. 649.04 Lacs.

12.4 Value of Imported & Indigenous Materials Components consumed : (on CIF basis)

Account Head	2008-09		2007-08	
	(Rs. in lacs)	Percentage	(Rs. in lacs)	Percentage
(a) Raw Material				
Imported	777.69	52.32	647.76	72.71
Indigenous	708.68	47.68	243.11	27.29
	<b>1486.37</b>	<b>100.00</b>	<b>890.87</b>	<b>100.00</b>
(b) Stores and Spare Parts				
Imported	1.77	2.35	0.00	0.00
Indigenous	73.42	97.65	64.55	100.00
	<b>75.19</b>	<b>100.00</b>	<b>64.55</b>	<b>100.00</b>

Note : Components and Spare Parts referred to in para 4 D (c) of Part II of Schedule VI to the Companies Act, 1956 are assumed to be those incorporated in goods produced and not those used for maintenance of Plant and Machinery.

13. Previous year's figures have been regrouped / recast wherever necessary.

As per our Report of even Date  
**For N. R. AGRAWAL & Co.**  
Chartered Accountants

**N. R. AGRAWAL**  
(Partner)  
M. No. 30117

Place : Mumbai  
Date : 30<sup>th</sup> June, 2009

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

**MAHESH MEHTA**  
(DIRECTOR)

**AKHILESH K. SHARMA**  
(DIRECTOR)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

(Rs. In lacs)

	2008-09	2007-08	
<b>Operating Activities</b>			
<b>Net profit before tax</b>	215.41		401.10
Adjustments for :			
Add : (a) Depreciation	56.54	47.55	
(b) Fringe Benefit Tax Paid	(0.55)	(0.41)	
(c) Rent Received	(6.00)	(6.00)	
	49.99		41.14
<b>Operating Profit before Working Capital Charges</b>	265.40		442.24
Adjustments for :			
(a) Increase/ (Decrease) in Debtors	5.25	(213.98)	
(b) Increase/ (Decrease) in Inventories	74.99	(28.95)	
(c) (Increase) /Decrease in Loans & Advance	(74.93)	(45.44)	
(d) (Increase) /Decrease in Other Current Assets	-	0.34	
(e) (Increase) /Decrease in Current Liabilities	(66.61)	37.59	
(f) (Increase) /Decrease in Provision for Exp.	1.61	(9.90)	
	(59.69)		(260.34)
<b>Net Cash flow from operating activities</b>	205.71		181.90
<b>Investing Activities</b>			
(a) (Purchase) / Sale of Fixed Assets	(138.55)	(95.56)	
(b) Increase/ (Decrease) in Capital Works in Progress	(0.48)	-	
(c) Rent Received	6.00	6.00	
<b>Net Cash Flow from Investing activities</b>	(133.03)		(89.56)
<b>Financing Activities</b>			
(a) Market Borrowings (Unsecured)	(36.12)	(10.84)	
(b) Divident & Tax	-	(77.50)	
(c) Increase / (Decrease) in Loans & Advances	-	(38.58)	
(d) Secured Loan Repaid	8.29	-	
(e) Increase / (Decrease) in Capital (Application Money for Warrants)	56.25	-	
<b>Net Cash Flow from Financing activities</b>	28.42		126.92
<b>Net (Decrease) / Increase in cash and cash Equivalents</b>	101.10		(34.58)
Cash & Cash equivalents as at the commencement of the year (Opening Balance)	10.90		45.48
Cash & Cash equivalents as the ending of the year (Closing Balance)	112.00		10.90
<b>NET (Decrease) / Increase as disclosed above</b>	101.10		(34.58)

As per our Report of even Date

**For N. R. AGRAWAL & Co.**  
Chartered Accountants

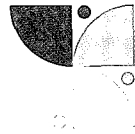
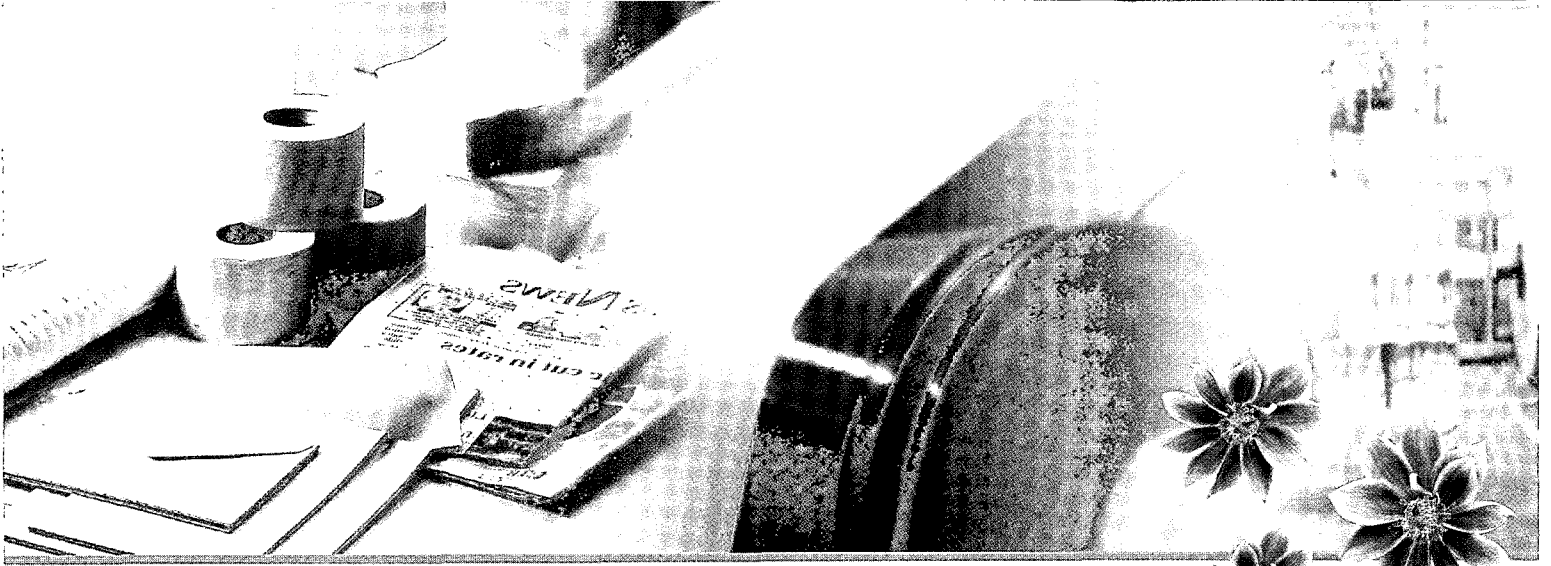
N. R. AGRAWAL  
(Partner)  
M. No. 30117

Place : Mumbai  
Date : 30<sup>th</sup> June, 2008

For and on behalf of the Board,

**MAHESH MEHTA**  
(DIRECTOR)

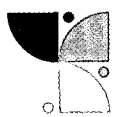
**AKHILESH K. SHARMA**  
(DIRECTOR)



# Rama Pulp & Papers Limited

An ISO 9001:2000 Company

27<sup>th</sup> Annual Report, 2008-09



Rama Pulp  
& Papers Limited

Plot No. 293, 296, G.I.D.C., Phase II,  
Vapi - 396 195, Dist. Valsad. GUJRAT

Printed on paper manufactured by Rama Pulp & Papers Limited