

**MANAGEMENT
BOARD OF DIRECTORS**

CHAIRMAN

Mr. Deepak Goel

DIRECTORS

Mr. Praveen Kumar Goel	—	Whole time Director
Mr. Amit Agarwal	—	Non-Executive Director
Mr. Shubhakar Pathak	—	Independent Director
Mr. Ankur Sangal	—	Independent Director

COMPANY SECRETARY

Mr. Pranab Kumar Roy

AUDITORS

M/s Goel Singhal & Associates
Chartered Accountants
Muzaffarnagar

BANKERS:

Oriental Bank of Commerce
H-Block, Connaught Circus,
Delhi-110 001

Bank of India
PTI Building, 4,
Parliament Street, New Delhi- 110 001

Bank of Maharashtra
Rohini, Sector-11
New Delhi

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services Ltd.
Beetal House, 3rd Floor, 99, Madangir
Near Dada Harsukhdas Mandir
New Delhi-110 062

INDEX	
Contents	Page
• Notice	1-7
• Director.....	8-9
• Management Discussion & Analysis Report.....	10-11
• Corporate Governance Report.....	12-21
• Auditor's Report	22-24
• Balance Sheet.....	25
• P & L Account.....	26
• Notes Financial Statement.....	27-36
• Cash Flow Statement.....	38
• Attendance & Proxy Form.....	39

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of the Company will be held on Thursday, 27th September, 2012 at Bipin Chandra Pal Memorial Bhavan, A-81, Chittaranjan Park, New Delhi-110019 at 10.30 A.M. to transact the following Businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31.03.2012 and the Profit & Loss Account for the year ended 31.03.2012 together with the Reports of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Parveen Kumar Goel, who retires by rotation at this meeting in pursuant of Section 256 of the Companies Act, 1956, being eligible, offer himself for reappointment.
3. To appoint a Director in place of Mr. Shubhakar Pathak, who retires by rotation at this meeting in pursuant of Section 256 of the Companies Act, 1956, being eligible, offer himself for reappointment.
4. To appoint Auditors for the Current Year and to fix 'their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) (hereinafter referred to as "the Act") and subject to the enabling provisions in the Memorandum and Articles of Association of the Company, the Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and in accordance with the applicable guidelines issued by the Securities and Exchange Board of India (SEBI) for preferential issue of Securities, or any other relevant authority and clarifications thereon issued from time to time, if any, and subject to all statutory, regulatory and Government approvals, permissions or sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions or sanctions, which may be agreed to by the Board or any Committee constituted thereof (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to issue and allot Equity Shares on the preferential basis upon such terms and conditions as laid down in the explanatory statement annexed to the notice calling the meeting.

28,57,100 (Twenty Eight Lakhs Fifty Seven Thousand One Hundred) Equity Shares of Rs. 10/- (Ten Each) each fully paid up at a premium of Rs. 15 /- (Rupees Fifteen Only) per share to the following Strategic Investors in the following manner.

16,00,000 (Sixteen Lakhs) Equity Shares of Rs. 10/- (Ten Each) each fully paid up at a premium of Rs.15 /- (Rupees Fifteen Only) per share to the strategic investors amounting to Rs. 4,00,00,000/- (Four Crores) will be by way of conversion of unsecured loan as per details mentioned below.

S.No.	NAME OF THE STRATEGIC INVESTORS	Amount of Unsecured Loan (to be converted into Equity Shares) (INR)	NO. OF SHARES
1.	Bailey Foods Private Limited	50,00,000	200000
2.	Zarf Infra Development Private Limited	50,00,000	200000
3.	Shilpkar Buildtech Private Limited (Formerly Known as Zayat Construction Private Limited)	50,00,000	200000
4.	SPB Propcon Private Limited	50,00,000	200000
5.	Ram Alloy Castings Private Limited	1,00,00,000	400000
6.	Symbolic Finance and Investment Private Limited	1,00,00,000	400000

12,57,100 (Sixteen Lakhs) Equity Shares of Rs. 10/- (Ten Each) each fully paid up at a premium of Rs.15/- (Rupees Fifteen Only) per share to the following **Strategic Investors**.

S.No.	NAME OF THE PROSPECTIVE	NO. OF SHARES
1.	Bluestar Impex Private Limited	300000
2.	Base Media Projects Private Limited	300000
3.	Nature Infosoft Private Limited	300000
4.	Vibgyor Contractors Private Limited	357100

FURTHER RESOLVED THAT the Equity Shares shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including as to dividend with the existing equity shares of the Company except that new equity shares will be subject to lock-in requirement in terms of the provisions of the SEBI Guidelines.”

FURTHER RESOLVED THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of the Directors or Director or any other Officers/Authorized Representative(s) of the Company to give effects to the aforesaid resolutions.”

6. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

“**RESOLVED THAT** pursuant to the provisions of section 198, 269, 302, 309, 310 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the approval of such other authorities including Central Government, as may be required, the consent of the Company be and is hereby accorded to revise the remuneration paid to the Executive Directors of the Company upto Rs. 1,00,000 per month for a period of five years on the existing terms and conditions.

FURTHER RESOLVED THAT the consent of the company for remuneration payable to Executive Directors be and are hereby accorded, as recommended by the Board of Directors.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto and the Board shall have absolute power to decide breakup of the remuneration within the above said maximum permissible limit and in order to give effect to the forgoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.”

By Order of the Board
For NEERAJ PAPER MARKETING LIMITED

Sd/-
PRANAB KUMAR ROY
(COMPANY SECRETARY)

DATED: 1st September, 2012
PLACE: DELHI

NOTES:

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. Members may please bring their copies of the Annual Report at the meeting.
3. Members are requested to:
 - (i) Quote their Folio/ID numbers in all correspondence with the Company.
 - (ii) Notify/send immediately to the Company Registered/Corporate Office change, if any, in their registered address along with PIN Code No.
4. Members/Proxies are requested to bring their Attendance Slips (enclosed) duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Registers will remain closed from Thursday 20.09.2012 to Thursday 27.09.2012 (Both days inclusive).
6. The Register of Directors' Shareholding maintained under Section 307 of the Companies Act, 1956, is available at the AGM for inspection by the Members.
7. Members seeking any information are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
8. Members are requested to notify to the Company any change in their address quoting ledger folio number
9. M/s Beetal Financial and Computer Services Limited is Registrar and Share Transfer Agent of the company for both physical and electronic form of shareholdings. All communications relating to shares should be directly addressed to:

Beetal Financial & Computer Services Ltd.
Beetal House, 3rd Floor, 99, Madangir
Near Dada Harsukhdas Mandir
New Delhi-110 062
10. Members holding shares in physical mode are requested to intimate all changes pertaining to nominations, power of attorney, change of address/name, etc. to the Registrar and Share Transfer Agent and in case Members are holding shares in dematerialized mode are requested to intimate all changes to their depository participant only and not to the Company's Registrar and Share Transfer Agents. Changes intimated to the depository participant will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents to provide efficient and better service to Members.

Relevant documents referred to in the accompanying Notices are open for inspection by the Members at the registered office of the Company on all working days except Saturday between 11 A. M. to 1.00 P. M. up to the date of the Meeting.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 5**

The Company its expansion of trading business arranged funds through working capital facilities from banks and partly through share capital and Unsecured Loan. The Company has already infused Rs. 10 Crores in the Equity Share Capital/Premium as per the consent/approval in the general meeting dated 18.07.2011 and rest through unsecured loan. Now, the Board recommends to issue 2857100 equity shares of Rs.10/- each at a premium of Rs. 15/- per share, partly by conversion of unsecured loan and partly in cash, the details of the strategic investors consented to contribute equity capital of the company mentioned below.

Pursuant to the provisions of Section 81(1A) and other related applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactments thereof) and enabling provision of the Memorandum and Articles of Association of the Company, the Listing agreement entered into with the Stock Exchange and subject to the provision of SEBI guidelines and other rules, regulation, guidelines or laws and /or any approval, consent, permission or sanction of Central Government, Reserve Bank of India and any other appropriate authorities, if required, which may be agreed by the Board of Directors of the Company (include any committee which the Board may have constituted or hereinafter constitute to excise its powers), and to authorized to issue and allot equity Shares, in keeping the view of prevailing Market Condition and in accordance with the applicable provisions of rules, regulation or guidelines.

Instrument and Numbers: The Company is proposing to issue 16,00,000 (Eight Lacs) equity shares to the Strategic Investors by way of conversion of Unsecured Loan and rest 1257100 equity Shares in cash.

S.No.	Name of the Company	Amount (in Rs.)	NO. OF SHARES
Conversion of Unsecured Load into Equity			
1.	Bailley Foods Private Limited	50,00,000	200000
2.	Zarf Infra Development Private Limited	50,00,000	200000
3.	Shilpkar Buildtech Private Limited (Formerly Known as Zayat Construction Private Limited)	50,00,000	200000
4.	SPB Propcon Private Limited	50,00,000	200000
5.	Ram Alloy Castings Private Limited	1,00,00,000	400000
6.	Symbolic Finance and Investment Pvt. Ltd.	1,00,00,000	400000
Issue of Shares in Cash			
1.	Bluestar Impex Private Limited	75,00,000	300000
2.	Base Media Projects Private Limited	75,00,000	300000
3.	Nature Infosoft Private Limited	75,00,000	300000
4.	Vibgyor Contractors Private Limited	89,27,500	357100
TOTAL			2857100

Issue Price:

Since the company is listed at Delhi, Jaipur and Ahmedabad Stock Exchange, and there is no trading activities in these stock exchanges since long. So share price determined as per valuation done by the appointed valuer, M/s. Goel Singhal and Associates (Chartered Accountants)".

Payment: In terms of the provisions of the SEBI Guidelines, the full consideration of the equity shares shall be payable at any the time but before the allotment of shares.

Particulars of the Allottee: Present preferential issue of equity shares is proposed to be made to following proposed Allottee:

Identity of the Strategic Investors :

NON PROMOTERS GROUP (STRATEGIC INVESTORS)			
1.	Bluetar Impex Private Limited	D-113, Gali No.4, Ganga Vihar, Delhi-110 094	U17291DL2007PTC170089 300000
2.	Base Media Projects Private Limited	E-452, Gali No.19, Khajuri Khas, Delhi-110 094	U92113DL2007PTC157759 300000
3.	Nature Infosoft Private Limited	U-203, IVth Floor, Shakarpur,	U72300DL2007PTC169752 300000
4.	Vibgyor Contractors Private Limited	A-4/1, Wazirpur Industrial Area, New Delhi-110 052	U45200DL2010PTC211359 357100
5.	Bailley Foods Private Limited	U-203, IIIrd Floor, Vikas Marg, Shakarpur, Delhi-110 092	U15400DL2010PTC197777 200000
6.	Zarf Infra Development Private Limited	4132/307, A-1, 3rd Floor, Naya Bazar, Delhi-110 006	U70200DL2010PTC204857 200000
7.	Shilpkar Buildtech Private Limited (Formerly Known as Zayat Construction Private Limited)	4132/307, A-1, 3rd Floor, Naya Bazar, Delhi-110 006	U70100DL2010PTC204849 200000
8.	SPB Propcon Private Limited	27, Kilokari Village, Opp. Thapar Business Center, Sunlight Colony, New Delhi-110 014	U70200DL2010PTC199424 200000
9.	Ram Alloy Castings Private Limited	KB-33, 2nd Floor, Sector-14 Kaushambi, Ghaziabad, Uttar Pradesh-201 010	U27108UP1989PTC010787 400000
10.	Symbolic Finance and Investment Pvt. Ltd.	City Business Centre, 3603, 1st Floor, Chamber 12, Daryaganj, Delhi-110 002	U67120DL1996PTC081475 400000
TOTAL			2857100

(All above mentioned Prospective Shareholders are Indian Companies registered under Companies Act, 1956.)

Relevant Date: The relevant date for the purpose of pricing and all other related purpose is 27.08.2012 i.e., 30 days prior to the date of annual general meeting.

Lock-in Period: The equity shares issued on preferential basis shall be lock-in as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Further, the entire pre-preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date upto a period of six months from the date of the allotment of Equity Shares.

Pre-issue & Post-issue Shareholding Pattern of the Issuer Company: Presuming 100% allotment, shareholding pattern of the Issuer Company, will be as below:

Category	Pre-issue		Post-issue	
	No. of Shares held	% of share holding	No. of Shares held	% of share holding
A. Promoters holding				
1. Promoters and Promoters Group ⇒ Indian Promoters ⇒ Foreign Promoters	3063400	37.62	3063400	27.85
Sub-total	3063400	37.62	3063400	27.85
B. Non-Promoters holding				
3. Institutional Investors	-	-	-	-
a. Mutual Funds & UTI				
b. Banks, Financial Institutions, Insurance Companies				
c. FIIs				
Sub-total	NIL	NIL	NIL	NIL
4. Others				
a. Private Corporate Bodies	3101600	38.09	5958700	54.17
b. Indian Public	1977900	24.29	1977900	17.98
c. NRIs/OCBs				
d. Any Other Clearing Member				
Sub-total	5079500	62.38	7936600	72.15
Grand Total	8142900	100	11000000	100

Objects and purpose of the Preferential Issue

The funds to be raised from proposed preferential issue of equity shares pursuant to this resolution will be utilized to finance and support the expansion, growth and diversification plans of the company and to strengthen the financial structure, working capital resources and try to fulfill the terms and conditions of the sanctions of facilities availed and renewals time to time by the Banks.

Proposed time of Allotment

The allotment of shares in the present preferential issue will be made within a period of 15 days from the date of passing of the aforesaid Special Resolution in the AGM excluding the time taken in obtaining the necessary approvals, if any, or within such further period as may be prescribed or allowed by the SEBI, stock exchange(s) or other concerned authorities.

The Statutory Auditors of the Company has certified that the present preferential issue of shares, on the above terms and conditions, is in accordance with the requirements contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended up to date. The Auditors' Certificate shall be laid before the AGM.

In terms of the provisions of the Companies Act, 1956, the consent of members by way of a special resolution is required. Your Directors recommend the resolution.

The Board recommends the resolution for adoption by the members.

None of the Directors except the Promoters Directors of the Company is interested or concerned in the proposed resolution.

Item No. 6

In view of the growth in the business activities, increased volume of work the Board of Directors considered it just, fair and reasonable to revise remuneration of the Executive Directors of the Company. Shareholders' approval is sought for the variation in terms of remuneration of Executive Directors of the Company. The Remuneration payable to them are within the limits provided under Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. The Executive Director so long as he functions as such shall not be paid any sitting fees for attending the meeting of Board or Committees thereof. This may be treated as an abstract of the terms and conditions of appointment including remuneration of an Executive Director under the provision of Section 302 of the Companies Act, 1956.

The Directors recommend the said resolution for your approval.

None of the Directors of the company is concerned or interested in the resolution

By Order of the Board

For NEERAJ PAPER MARKETING LIMITED

Sd/-

PRANAB KUMAR ROY

(COMPANY SECRETARY)

DATED: 1st September, 2012

PLACE: DELHI

DIRECTORS REPORT

Dear Members,

Your directors have pleasure in presenting you their 17th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2012.

The working of the company during the year under review has been highlighted below:

1. FINANCIAL RESULTS:

(INR in Lacs)

	CURRENT YEAR	PREVIOUS YEAR
	31.03.2012	31.03.2011
Net Sale/Income from Operations	25479.60	8372.04
Other Income	5.65	0.33
Total Expenditure	24820.31	8088.81
Gross Profit before Finance Charges & Depreciation	664.94	283.56
Finance Charges	531.30	191.34
Depreciation & Amortization	13.73	10.76
Profit Before Tax	119.91	81.46
Provision for Tax	39.75	25.48
Profit After Tax	80.16	55.98
Paid-Up Share Capital	814.29	314.29
Reserve & Surplus	740.28	160.12
Book Value per share	19.10	15.10

2. PROGRESS & PROSPECT

The performance of the company is excellent; it has achieved its Projected Turnover with Net Sales/Income from Operations of Rs. 25479.60 Lacs during the current year, an increase of 304.34% compared to last year. The Net Profit (Before Tax) of the Company is Rs 119.86 Lacs, which is an increase of 147.13% compared to Last year. For Current Financial year (2012-13) the Company has set-out its target of sales Rs.417 Crores.

4. DIVIDEND

As company required funds for business and growth, no Dividend is recommended for the year under review.

5. AUDITORS:

M/s Goel Singhal & Associates, Chartered Accountants, Muzaffarnagar retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

6. AUDITORS REPORT:

The notes to the accounts referred to in Auditors Report are self explanatory and, therefore, do not call for any further explanation Under Section 217(3) of the Companies Act, 1956.

7. DIRECTORS:

In accordance with the provisions of Companies Act, 1956 and Articles of Association of the Company, Mr. Parveen Kumar Goel, Director of the Company retire by rotation at this meeting and being eligible offer himself for re-appointment.

8. DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of section 58-A of the Companies Act, 1956 and rules framed thereunder.

9. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

As required under clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion and Analysis Report forms part of this report and is annexed herewith

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2012; the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'going concern' basis.

11. PARTICULARS OF EMPLOYEES:

During the year, there has been no employee in receipt of remuneration in excess of the amount mentioned under section 217(2A) of the Companies Act, 1956.

12. AUDIT COMMITTEE:

The Board of the Company has constituted an Audit Committee consisting of three directors viz:

Mr. Shubhakar Pathak, Chairman,

and members are:

Mr. Deepak Goel,

Mr. Ankur Sangal

The terms of reference stipulated by the Board to the audit committee and includes-review the Company's financial reporting process and its financial statements,-review the accounting and financial policies,-review the efficacy of the internal control mechanism and monitor risk management, -review the reports furnished by internal and statutory auditors and ensure that suitable follow up & action is taken, -examine accountancy, taxation and disclosure aspects of all significant transaction.

13. CORPORATE GOVERNANCE - Particulars & Disclosers attached.**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The Company being engaged in trading activities only, the requirements for disclosure of particulars with respect to Conservation of energy & Technology absorption are not applicable to the company.

15. FOREIGN EXCHANGE:

During the year under review, the company has not used or earned any foreign exchange.

16. ACKNOWLEDGMENT:

Your Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-Operation extended to the Company by all valued Customers, Bankers and various departments of government and local authorities.

Your Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Company employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the Company During the Year under review.

DATED: 28th May, 2012

PLACE: DELHI

On behalf of the Board

For NEERAJ PAPER MARKETING LIMITED

Sd/-

DEEPAK GOEL

(CHAIRMAN)

ANNEXURE TO DIRECTORS REPORT**MANAGEMENT DISCUSSION & ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT**

The paper industry has an important social role to play for the country. Use of paper is considered as an index of cultural growth. The paper industry is also contributing towards fulfillment of various requirements of the industry as a whole like information dissemination, publicity etc. which in turn stimulate industrial growth of the country. The paper industry has, thus, a catalytic role to play not only for the overall growth of the industry but also for the living standards of the people. The primary products sector include manufacturing pulps from wood and other cellulose fibers, and from rags; the manufacture of paper and paperboard; and the manufacture of paper and paperboard into converted products, such as paper coated off the paper machine, paper bags, paper boxes, and envelopes and other commodity grades of wood pulp, printing and writing papers, sanitary tissue, industrial-type papers, containerboard, and boxboard. In the last few years, India's paper industry has grown by 6 per cent annually. In the coming years, this growth rate will go up to 10 per cent because of huge spurt in demand for writing and printing paper. The domestic demand for paper is set to far surpass supply, with the growing emphasis on education and alternative uses of paper. The demand for upstream market of paper products, like, tissue paper, tea bags, filter paper, light weight online coated paper, medical grade coated paper, etc., is growing up. These developments are expected to give fillip to the industry. Improvement of key ports, roads and railways and communication facilities will help the entire industrial sector including pulp & paper. As paper use grows, paper waste continues to rise as well. Today a major part of municipal waste is made up of paper and paper products. Around one-third of all household waste is paper. To produce paper it is necessary to cut down trees. Recycling paper and creative use of paper waste saves environment and slows down the rate that landfill sites are filling. The decomposing paper releases 20 times more potent greenhouse gas (methane gas) than carbon dioxide. Another benefit of recycling waste paper is that keeping paper out of landfills reduces greenhouse gases and this will help to slow down global warming.

Opportunities and threats

The demand of paper is multiplying with increasing population, adoption of latest technologies and increasing advertisement in various sectors. All this has always shown an upward trend in the requirement of paper, which our company is taking maximum advantage of and is trading more & more products and varieties in order to cater the needs of the industry as well as the consumers.

Considering the fast pace of growth rate in the paper sector, the company looks forward to build up a good distribution network and tap the uncovered areas.

The huge demand for waste paper in India, several companies have started to enter this space. Waste paper bought from households and commercial areas, would reach the sorting facility, where it gets sorted into different grades and gets baled. Baled material gets sold to mills.

Opportunities:

- The company has the opportunity to go for the addition in traded products of the company for capture the market and growth in the business of the company.
- The company will use the expertise of the promoters and its experienced professional team supported by the adequate infrastructure facilities of the existing business.

THREAT:

- There are no threats anticipated towards our business being trading business of paper except competition.

SEGMENT-WISE /PRODUCT WISE PERFORMANCE

Company is engaged mainly in trading of paper and waste paper other item includes cotton fabric, steel. Other item

contributed 29% in the gross turnover of the Company.

OUTLOOK

Keeping in mind the growing demand of the Paper Product, company already started expansion of its business and established many profit centers in the north and eastern region in India and got good response from the new areas of operation. Company is also working and develops the trading activities of Iron and Steel and cotton fabric in the local area mainly in Delhi and NCR.

An integrated risk management process is being adopted by the company that works towards the evaluation of the associated business risk and enables the company to survive in the competitive environment.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The internal control system of the company is commensurate to the size of its business. The system ensures compliance with the respective laws & regulations, proper and adequate financial reporting at all the levels of the organization.

The Audit Committee of the company also reviews the internal control system prevalent at each level of the organization and passes on its recommendation to the management in respect of the areas, which requires the correction.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial and operative performance is already elaborated in Directors Report.

HUMAN RESOURCES

The company continuously works on the development of the employees at various levels. The management makes sure that the employee morale and dedication remains high and that they contribute their fullest and best to the organization. The recreational activities like seminars/vacations are planned for the employees at regular intervals.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis and in the Directors' Report, describing the company's objectives, projections and estimates, results may vary materially from those expressed or implied by the forward looking statements due to risks or uncertainties associated therewith depending upon economic conditions, government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward-looking statements.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The company has been following the business practices based on the Corporate Governance Philosophy, which is based on fair and prudent principles. Your company has been continuously making efforts to institutionalize sound governance practices that are acceptable and for the benefit of the shareholder/ creditors/ other dealing authorities.

BOARD OF DIRECTORS

The Board of Directors of the company review the strategic policies and confirm that they are implemented in the manner that is acceptable in terms of the regulations of the country and enhances the shareholder's value and the confidence of the outside parties relating to the company.

The agenda papers for the meetings of the Board of Directors are circulated to Board members within the reasonable time period.

A) Composition of the Board & their Responsibility

As on 31st March, 2012, the Board consists of 5 Directors, of whom three are Non-Executive Directors. The directors bring to the board wide range of experience and skills. The category, composition, attendance of each director at the Board Meeting, Last Annual General Meeting and the number of other directorship and chairmanship/ Membership of committees of each Director in various companies as on 31st March, 2012 is given hereunder.

Chairman

Executive Director

Mr Deepak Goel (Executive Director)

Mr. Praveen Kumar Goel

Non Executive Director

Mr. Amit Agarwal

Mr. Shubhankar Pathak (Non executive Independent Director)

Mr. Ankur Sangal (Non executive Independent Director)

Name of Director	<u>Attendance Particulars</u>		<u>No. of Other Directorships/ Committee Memberships/Chairmanships in all Cos.</u>		
	Board Meetings	AGM	Other Directorship	Committee Members	Chairmanships
Mr. Deepak Goel	20	Present	4	-	-
Mr. Praveen Goel	20	Present	4	-	-
Mr. Amit Agarwal	17	Present	4	-	-
Mr. Shubhakar Pathak	8	Present	-	-	-
Mr. Ankur Sangal	6	Present	5	-	-

Note:

- a) Board of director of company comprises of 5 directors out of which 2 are executive and other 3 are non executive one of whom is non executive independent Director. The company is always doing efforts to fill vacancies of Independent Director for good corporate governance.
- b) Number of other directorships/ committee membership/ chairmanship indicated above is exclusive of directorships, committee membership and chairmanship in Neeraj Paper Marketing Limited and on the Board of Private Limited Companies and non-body corporate institutions

B) Non executive directors' compensation and disclosures

No compensation is being paid to non-executive Director

C) No. of Board Meetings Held and Dates

During the financial year 2011-12, the Board of Neeraj Paper Marketing Limited had met 20 times. The dates of the meeting are 09.04.2011, 28.04.2011, 21.06.2011, 08.07.2011, 30.07.2011, 08.08.2011, 01.09.2011, 19.09.2011, 30.09.2011, 20.10.2011, 29.10.2011, 21.11.2011, 02.12.2011, 02.01.2012, 04.01.2012, 23.01.2012, 30.01.2012, 01.02.2012, 06.02.2012, 01.03.2012.

D) CODE OF CONDUCT

Declaration of the Chairman in respect of compliance of the code of conduct forms part of the Annual report.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted the following Committees:

- Audit Committee
- Shareholders Grievance & Transfer Committee

AUDIT COMMITTEE

As on 31st March, 2012, the Audit Committee of the company comprises of Mr. Amit Agarwal (Non-Executive Director), Mr. Ankur Sangal (Non-Executive Director) and Mr. Shubhakar Pathak, Chairman (Non-Executive independent Director).

The Powers and the role of the Audit Committee are as per the guidelines provided in the revised clause 49 of the Listing agreement which inter-alias include the overview of Company's Financial reporting process, review of quarterly, half yearly and Annual financial statements, adequacy of internal control, review of related party transactions etc.

A) Composition

As on 31st March, 2012, the Audit Committee comprised of the following members:

- Mr. Shubkhar Pathak, Non-Executive Independent Director -Chairman
- Mr. Ankur Sangal, Non-Executive Director -Member
- Mr. Amit Agarwal, Non-Executive Director -Member

B) Meetings and Attendance:

During the financial year ended 31st March, 2012 the audit committee has met 4 times: 30.06.2011 30.07.2011, 31.10.2011 and 30.01.2012

Attendance of the Directors at the Audit Committee as on 31st March, 2012 is as follows:

Director	Category	No. of Meetings Held	
		Held	Attended
Mr. Shubhakar Pathak	Chairman	4	4
Mr. Amit Agarwal	Member	4	4
Mr Ankur Sanghal	Member	4	4

C) Power and Role of Audit committee

The role of the audit committee includes of the following:

- It shall have authority to investigate any matter in relation to the items specified in section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

