RAMA PAPER MILLS LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY
Shri Pankaj Misra

BANKERS
Bank of Baroda

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

COST AUDITORS
Aseem Jain & Asso.
Cost Accountant
New Delhi

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

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

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

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Chairman's Message

Dear Stakeholders,

2008-09 was a year of two phases. While, the first half of the year witnessed sharp increases in the prices of all commodity classes, with inflation reaching new hights (11%) and crude oil touching US$145 per barrel, the second half of the year witnessed a financial turmoil in the western world leaving its scars on the Indian economy. What started as a housing crisis and the sub-prime crisis in the US has unexpectedly been contagious to all economies of the world, sucking out liquidity and severely restricting credit. Although Central Banks across the world intervened in an unprecedented manner hitherto, the crisis is yet to abate fully.

Your Company has sustained its growth path by achieving 25.96% increase in the turnover as compared to the previous year. We are putting all our efforts for manufacturing quality product and thus to cater more and more market and also fetch better realization for the products of your Company. Moreoyer, in spite of sharp hike in raw material rates in the previous year, which could not be responded proportionately by the market, your Company succeeded to retain the Profit Before Tax (PBT) to a reasonable extent by adopting cost effective techniques. These are commendable achievements which, I feel confident, will be better in the coming years.

Your Company achieved almost 100% capacity utilization and stagnation in growth. Your Company foresee the market of Tissue/ Poster Paper in India and MG Machine Project of your Company having capacity of 16320 TPA, of course with the financial assistance of Bank of Baroda, is at very advanced stage of its installation and we do hope to get the trial production by August 2009. Moreover, your Company also commissioned modernization & up-gradation project in all its existing three units. The modernization mainly envisaged replacement of old and obsolete equipments by technologically superior, high speed and energy efficient equipments, which will not only increased the speed of the lines but also result in manufacture of better quality paper. Your Company is proposing to produce and market complete range of quality products post modernization. With completion of all the projects the total production capacity would go up to around 60000 TPA.

Paper prices look to be firm, the comparative higher capacities, better quality and saving in power cost will enhance sales and profits. Though the full impact of expansion and modernization program will surface in 2009-10, still I believe that 2008-09 was reasonably good year for your company.

In conclusion, I would like to express my most heartfelt thanks to all our business partners, customers and bankers for their faith in us. My special thanks to the entire RPML team for all their valued sacrifices and unitedly facing an incredibly difficult year. I believe that, together, we will succeed in our efforts to sail through this rough tide.

With kind regards

Yours sincerely

Pramod Agarwal
Chairman & Managing Director

08.08.2009

EXECUTIVE DIRECTOR'S COMMUNIQUE

Dear Members,

I wish you and your family in hale & hearty.

At the outset, I wish to convey my heartiest thanks to the Shareholders of the Company, Bankers, Central and State Government, Local Bodies, Customers and the Employees of the Company at all the levels.

The continued untiring and persistent efforts of the management, coupled with the whole hearted support of all concerned with your company, who are associated in its well being directly or indirectly, have profounded its results in the financial year 2008-09 and your Company achieved turnover of Rs. 107.19 Crore and the profit after tax of Rs. 2.90 Crore. The Management of your Company is further endeavoring all its attempts to retain and sustain its path of achievements in future as well. The Tissue/ Poster Paper Manufacturing Machine (MG) Project to increase production capacity by another 16320 TPA is at very advanced stage of installation and we do hope to get trial run by August 2009. Moreso, to strengthen quality base, your company has installed balancing equipments in all its three units having cost of project of Rs.13 Crore. Of course, the Bank of Baroda has kind enough to part-finance both the above projects by way of term loan.

I am confident that the above highly promotional steps of the Management, coupled with saving in power cost, will give further heights of success to the performance of your Company in the years to come.

I am very pleased to inform that the 6 MW Bio-mass based Co-generation Project of your company has been registered with United Nations Framework Convention on Climate Change (UNFCCC) February 1, 2008 under Kyoto Protocol for getting the benefits of carbon credits under Clean Development Mechanism (CDM) The UNFCCC Reference Number is 1181. The project has been registered for a renewable period of seven years for 24640 Tons Certified Emission Reduction per annum. The First Verification period commencing from 01st February 2008 to 31st December 2008 has already been over and the monitoring report has been submitted to the SGS (DOE appointed by UNFCCC) and we hope to get it validated by September 2009.

I trust that with the continued support and patronage of all concerned, your Company will touch the heights of success in the coming years.

Thank you very much.

With best regards,

Arun Goel

08.08.2009

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Tuesday, the 8th September, 2009 at 10.00 A.M at the Registered Office of the Company at Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2009, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Amar Mittal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the Shares of the Company are listed and subject to all necessary approvals, permissions and sanctions as may be required from any Governmental or regulatory authority and / or all other Institutions and bodies and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution), the consent and approval of the Company be and is hereby accorded to the Board to issue and allot 33,33,334 (Thirty Three Lacs Thirty Three Thousand Three Hundred Thirty Four) Equity Shares of Rs. 10/- each of the aggregate nominal value of Rs.3,33,33,340/- (Rupees Three Crores Thirty Three Lacs Thirty Three Thousand Three Hundred Forty only) at a price of Rs. 15/- per Share, which is higher than the price determined in accordance with the applicable Guidelines and Regulations issued by SEBI, to the holders of 6% Non-Cumulative Convertible Preference Shares (hereinafter referred to as the "Preference Shares") of Rs. 100/- each upon exercise of conversion rights attached to the said Preference Shares and upon such other terms and conditions as may be deemed appropriate by the Board and permitted under the relevant guidelines in force at the time of issue of such Equity Shares upon conversion."

"RESOLVED FURTHER THAT the Equity Shares so allotted upon conversion of Preference Shares shall rank pari-passu in all respects with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of computing the price for issue and allotment of Equity Shares would be 08th August, 2009.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to enter into arrangements/ agreements and to settle all questions, difficulties or doubts that may arise with regard to such issue and take all steps which are incidental, consequential, relevant or ancillary in this connection."

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

"**RESOLVED THAT** pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the 'Act') including any statutory modification(s) or re-enactment thereof for the time being in force and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchange(s) where the Shares of the Company are listed and subject to all necessary approvals, permissions and sanctions as may be required from any Governmental or regulatory authority and / or all other Institutions and bodies and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any Committee which the Board may constitute to exercise its powers conferred by this resolution), the consent and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot on preferential basis 6,84,108 (Six Lacs Eighty Four Thousand One Hundred and Eight) Equity Shares of Rs. 10/- each of the aggregate nominal value of Rs. 68,41,080/- (Rupees Sixty Eight Lacs Forty One Thousand Eighty only) at a price of Rs.15/- per Share, which is higher than the price determined in accordance with the applicable Guidelines and Regulations issued by SEBI to the 'Promoter Group' (which expression shall mean and include the Promoters and present Management in control of the Company and their Friends, Associates, Companies controlled by them or in which they are Directors or Shareholders, hereinafter referred to as 'Promoter Group') and upon such other terms and conditions as may be deemed appropriate by the Board and permitted under the relevant guidelines in force at the time of issue of such Equity Shares."

"**RESOLVED FURTHER THAT** the Equity Shares so allotted on preferential basis shall rank pari-passu in all respects with the existing Equity Shares of the Company."

"**RESOLVED FURTHER THAT** the 'Relevant Date' for the purpose of computing the price for issue and allotment of Equity Shares would be 08th August, 2009.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to enter into arrangements/ agreements and to settle all questions, difficulties or doubts that may arise with regard to such issue and take all steps which are incidental, consequential, relevant or ancillary in this connection."

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

"**RESOLVED THAT** pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Members be and is hereby accorded to the Board of Directors of the Company for undertaking and commencing all or any of the businesses as specified in the Sub-clauses 39, 51 and 54 under Clause III (C) Other Objects Clause of the Memorandum of Association of the Company as reproduced hereunder as and when deemed fit and considered most appropriate by the Board of Directors of the Company;

39. To produce, manufacture, purchase, prepare, crush, raise, dress, treat, turn to account, purchase, sell, amalgamate, manipulate, export, import or otherwise deal with either as principals or agents, either solely or in partnership with others, foodstuffs such as wheat, grain, barley, rice, corn, maize, millets, all kind of grains, cereals, spices of all kinds, and oil seeds and for the purpose of which to purchase, acquire, erect and install factories, Roller Flour Mills, Dal Mills, Rice Mills, Oil Presses and Solvent Extraction Plants.

51. To establish, own or acquire steel rolling and/or steel rolling mills and electric steel scrap melting furnace and to carry on business as manufacturers of and dealers in M.S. Bars, light and heavy steel structurals and other special sections of steel ingots and billets, special and other alloy steel engineering goods, tools and implements, machine part hardware and non-ferrous C.I. and steel casting and steel fabrications of all kinds and manufacture, search for extract, raise, process, buy, sell and otherwise deal in alloys, metals and scrap.

54. To carry on business of purchase, manufacture, produce, refine, prepare, import, export, sale and generally to deal in sugar, sugar beets, sugarcanes, molasses, cattle food and melada and all products or bye products thereof, generally and in connection therewith to acquire, to plant, cultivate, produce or raise or purchase sugarcane, maize, sugar beets, distillers, breweries, manufacturers of wines, alcohol and spirit and allied products and bye products thereof and to purchase, sale, import, export and otherwise deal in all such products and raw material relating thereto

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation to enter into arrangements/ agreements and to settle all questions, difficulties or doubts that may arise with regard to such issue and take all steps which are incidental, consequential, relevant or ancillary in this connection."

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

"**RESOLVED THAT** pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to approval of Central Government as required, consent of the Company be and is hereby accorded to the re-appointment of Shri Pramod Agarwal as the Chairman & Managing Director of the Company for a period of Five years with effect from 1st October, 2009 on the following terms and conditions as approved by the Remuneration Committee:

I. SALARY

Rs. 5,00,000/- (Rupees Five Lacs only) per month (in the scale of Rs. 5,00,000 – 1,00,000 – 10,00,000).

II. COMMISSION

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

III. PERQUISITES
CATEGORY – A: -

I. HOUSING: The expenditure by the company on hiring unfurnished accommodation for the Chairman & Managing Director or House Rent Allowance subject to 60% of salary over and above ten percent payable by the Chairman & Managing Director.

II. Soft-furnishing worth Rs. 2 Lacs once in 3 years.

III. Reimbursement of cost of two support staff at residence, upto Rs. 60,000/- per annum.

IV. FURNISHING GAS ETC. The expenditure incurred by the company on Gas, Electricity, Water, furnishing including, Air Conditioners, Geysers shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary of the Chairman & Managing Director.

V. MEDICAL REIMBURSEMENT: Expenses incurred for the Chairman & Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

VI. LEAVE TRAVEL CONCESSION: For Chairman & Managing Director and his family once in a year to and from New Delhi to any place in India subject to the condition that only actual Rail (Ist AC) or Air fare by the shortest route and no hotel expenses.

VII. CLUB FEES: Fees of the club subject to a maximum of two clubs. This will not include admission and life membership fees.

VIII. PERSONAL ACCIDENT INSURANCE: Premium not to exceed Rs. 12,000/- per annum.

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

CATEGORY 'B':-

I. CONTRIBUTION TO PROVIDENT FUND: As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

II. COMPANY'S CONTRIBUTION TOWARDS PENSION / SUPER ANNUATION FUND: As per rules of the Company but not exceeding (together with Company's contribution to the provident fund) 25% of the salary as laid down under the Income Tax Rules, 1962.

GRATUITY: Half a month's salary for each completed year of service. Contribution to provident fund and superannuation fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.

IV. LEAVE: The Chairman & Managing Director shall also be entitled to leave on full pay and allowance as per rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves accumulated but not availed of will not be allowed to be encashed during the currency of service (encashment allowed at the end of tenure).

V. The Chairman & Managing Director will be entitled to free use of Company's Cars with drivers for use of Company's business.

VI. Free Telephone facility will be provided to the Chairman & Managing Director at his residence.

VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.

VIII. Educational support to dependent children including their travel, hostel and tution fees, subject to maximum of Rs. 50,000/- (Rupees Fifty Thousand only) in the aggregate, in a year.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT where in any Financial Year during the currency of tenure of Chairman & Managing Director, the Company has adequate profits, Shri Pramod Agarwal, Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites which is over and above limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to approval of Central Government.

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

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

"RESOLVED THAT pursuant to provisions of Section 269, 198, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act and subject to approval of Central Government, consent of the Company be and is hereby accorded to the re-appointment of Shri Arun Goel as the Whole-time Director designated as Executive Director of the Company for a period of Five years with effect from 1st October, 2009 on the following terms and conditions as approved by the Remuneration Committee:

I. SALARY

Rs. 5,00,000/- (Rupees Five Lacs only) per month (in the scale of Rs. 5,00,000 – 1,00,000 – 10,00,000).

II. COMMISSION

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

III. PERQUISITES

CATEGORY – A: -

I. HOUSING: The expenditure by the company on hiring unfurnished accommodation for the Executive Director or House Rent Allowance subject to 60% of salary over and above ten percent payable by the Executive Director.

II. Soft-furnishing worth Rs. 2 Lacs once in 3 years.

III. Reimbursement of cost of two support staff at residence, upto Rs. 60,000/- per annum.

IV. FURNISHING GAS ETC. The expenditure incurred by the company on Gas, Electricity, Water, furnishing including, Air Conditioners, Geysers shall be valued as per Income Tax Rules, 1962 subject to a ceiling of 10% of the salary of the Executive Director.

V. MEDICAL REIMBURSEMENT: Expenses incurred for the Executive Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

VI. LEAVE TRAVEL CONCESSION: For Executive Director and his family once in a year to and from Kiratpur to any place in India subject to the condition that only actual Rail (Ist AC) or Air fare by the shortest route and no hotel expenses.

VII. CLUB FEES: Fees of the club subject to a maximum of two clubs. This will not include admission and life membership fees.

VIII. PERSONAL ACCIDENT INSURANCE: Premium not to exceed Rs. 12,000/- per annum.

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

CATEGORY 'B':-

I. CONTRIBUTION TO PROVIDENT FUND: As per rules of the Company but not exceeding 12% of the salary as laid down under the Income Tax Rules, 1962.

II. COMPANY'S CONTRIBUTION TOWARDS PENSION / SUPER ANNUATION FUND: As per rules of the Company but not exceeding (together with Company's contribution to the provident fund) 25% of the salary as laid down under the Income Tax Rules, 1962.

III. GRATUITY: Half a month's salary for each completed year of service. Contribution to provident fund and super annuation fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income Tax Act.

IV. LEAVE: The Executive Director shall also be entitled to leave on full pay and allowance as per rules of the Company not exceeding one month's leave for every eleven months of service subject to the condition that leaves accumulated but not availed of will not be allowed to be encashed during the currency of service (encashment allowed at the end of tenure).

V. The Executive Director will be entitled to free use of Company's Cars with drivers for use of Company's business.

VI. Free Telephone facility will be provided to the Executive Director at his residence.

VII. Corporate Relation Expenses reimbursement for an amount of Rs. 25,000/- per annum.

Educational support to dependent children including their travel, hostel Fee and tution fees, subject to maximum of Rs. 50,000/- (Rupees fifty thousand only) in the aggregate, in a year.

MINIMUM REMUNERATION

RESOLVED FURTHER THAT where in any Financial Year during the currency of tenure of Executive Director, the Company has adequate profits, Shri Arun Goel, Executive Director shall be entitled to remuneration by way of salary and perquisites which is over and above to the overall limits laid down in Schedule XIII of the Companies Act, 1956 as in force from time to time, as minimum remuneration, subject to approval of Central Government.

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

By Order of the Board
For RAMA PAPER MILLS LIMITED

(PANKAJ MISRA)
Company Secretary

Place: New Delhi
Date: 08.08.2009

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and The proxy need not be a member of the company.Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. The Explanatory Statement pursuant to the provisions of Section 173 (2) of the Companies Act, 1956 in respect of the Special business (es) under Item Nos. 4 to 8 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 05th September, 2009 to Tuesday, the 08th September, 2009, both the days inclusive.
4. It may be noted that Dividends, which remain unpaid or unclaimed for a period of Seven years from the date they became due for payment shall be transferred by the Company to the "Investor Education and Protection Fund" established by the Government of India and that thereafter no claim shall lie against the Fund or the Company in respect of the amount so transferred. Members who have not so far encashed dividend warrant(s) may send their outdated dividend warrants to the Company or to the Registrars and Transfer Agents, M/s Indus Portfolio Private Limited for issue of duplicate warrant(s) in lieu thereof.
5. Members seeking any information regarding Accounts should write to the Company at its Registered Office at least seven days before the date of the Meeting so as to enable the management to keep the information ready, if the Chairman so permits.
6. The Members are requested to intimate to the Registrar of the Company immediately any change in their address alongwith the Pin Code Number indicating their Folio Number to "M/s Indus Portfolio Private Limited" G-65, Bali Nagar, New Delhi.
7. The Members holding Shares in the physical form, who are desirous of making nominations as permitted under Section 109A of the Companies Act, 1956 in respect of the Shares held by them may write to the RTA for the prescribed form.
8. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

ANNEXURE TO NOTICE

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

Item No. 4:

The existing Preference Shares of the Company were allotted on 10th December, 2002 carrying a coupon rate of 12% p.a. The rights attached to the Preference Shares were subsequently varied with the approval of Preference Shareholders thereby, the coupon rate was reduced to 6% and the same were made non-cumulative and redeemable after the expiry of seven years but before the expiry of ten years from the date of allotment. The Company has undertaken various expansion and modernization programs, which need further infusion of funds. With a view to strengthen the capital base, improve the cash flow position and discharge the impending liability on account of redemption of Preference Shares, the Board of Directors of the Company considered it appropriate to vary the rights of Preference Shareholders so as to make them convertible into Equity Shares.

The Board of Directors of the Company after obtaining approval of the Preference Shareholders and also the Equity Shareholders of the Company varied the rights attached to the Preference Shares making them convertible into Equity Shares in such mode and manner, terms and conditions and price having regard to the prevailing Rules, Regulations and Guidelines. The Board of Directors of the Company at its Meeting held on 08th August, 2009 has accordingly, decided to convert the Preference Shares into Equity Shares as under:-

- The Company shall issue of 200 (Two Hundred) Equity Shares of Rs.10/- each at a premium of Rs.5/- per share for every 30 (Thirty), 6% Non-Cumulative Convertible Preference Shares of Rs. 100/- each.
- The Equity Shares allotted upon conversion shall be locked in as per the provisions of Chapter XIII (Guidelines for Preferential Issues) of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
- That upon conversion of Preference Shares into Equity Shares, the Company's liability for redemption of Preference Shares shall stand fully discharged.

The intimation as required under SEBI (Disclosure and Investor Protection) Guidelines, 2000 is as under:-

1. **Objects of the Issue:**
   To augment the long term resources of the Company and to discharge the liability of Preference Shares.

2. **Pricing of the Issue:**
The issue price of Equity Shares of Rs. 10/- each to be allotted upon conversion of Preference Shares, shall be Rs. 15/- per Equity Share. This price is higher than the price of Rs. 10.41 determined as per SEBI Guidelines considering 08th August, 2009 as the 'Relevant Date'.

3. **Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:**
The Issue of Equity Shares is being made to the holders of Preference Shares against exercise of conversion rights attached to Preference Shares held by them and such Preference Shareholders do not belong to the Category of Promoters, Directors and Key Managerial Persons.

4 **Shareholding Pattern before and after the offer**
Shareholding Pattern before and after exercise of conversion rights attached to Preference Shares shall be as under:-

SHAREHOLDING PATTERN

Category	Before the proposed Conversion		After the proposed conversion.	
	No. of Shares	% of Equity Share Capital	No. of Shares	% of Equity Share Capital
PROMOTERS' HOLDING				
Promoters				
- Indian Promoters	3466233	35.86	3466233	26.67
- Foreign Promoters	—	—	—	—
Sub-Total	3466233	35.86	3466233	26.67
NON – PROMOTERS' HOLDING				
Institutional Investors	—	—		
Mutual Funds and UTI	3600	0.04	3600	0.03
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	—	—	—	—
FIIs	—	—	—	—
Sub-Total	3600	0.04	3600	0.03
OTHERS				
Private Corporate Bodies	1383680	14.32	4717014	36.29
Indian Public	4212900	43.59	4212900	32.41
Directors & their relatives	508400	5.26	508400	3.91
NRIs / OCBs	89920	0.93	89920	0.69
GDRs	—	—	—	—
Sub-Total	6194900	64.10	9528234	73.31
GRAND TOTAL	**9664733**	**100**	**12998067**	**100**

Note:
The Proposed Allotment will not result in any change in the Management control. However, voting rights may change according to change in Shareholding Pattern mentioned above.

5. **Proposed time within which Allotment will be completed:**
The issue and allotment of 33,33,334 Equity Shares as proposed under Special Resolution will be completed within 15 days period from the date of this Meeting, or such other extended time as may be prescribed or permitted under the SEBI Guidelines.

6. **Identity of Allottees with percentage of expanded Capital to be held by them:**
The details relating to the proposed Allottees for 33,33,334 Equity Shares and their pre and post Conversion Equity Shareholding in the Company are as under:-

Proposed Allottee	Pre – conversion		Post – conversion	
	No. of Shares	% of Equity Share Capital	No. of Shares	% of Equity Share Capital
Ram Singh Steels Pvt. Ltd.	275000	2.85	1941667	14.94
PKA Projects Pvt. Ltd.	275000	2.85	1941667	14.94

Section 81 of the Companies Act, 1956, provides, inter-alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further Shares, such further Shares shall be offered to the persons, who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the Capital paid-up on those Shares as on that date unless the Shareholders in a General Meeting decide otherwise. The Listing Agreement executed by the Company with the various Stock Exchange(s) also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders in a General Meeting decide otherwise.

As the Equity Shares are proposed to be issued and allotted to the preference Shareholders upon exercise of conversion rights, consent of the Shareholders by way of a Special Resolution is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the SEBI (Disclosure and Investor Protection) Guidelines and the Listing Agreement(s) executed by the Company with the Stock Exchange(s) where the Company's Shares are listed.

A Copy of the Certificate of the Auditors of the Company certifying the adherence to SEBI's Guidelines for Preferential Issues, being Chapter XIII to the SEBI's (Disclosure and Investor Protection) Guidelines, 2000 for the proposed issue shall be laid before the Shareholders at the ensuing Annual General Meeting.

The Directors recommend the above Special Resolution for approval.

None of the Directors of the Company, are in any way, concerned or interested in the proposed resolution.

Item No. 5:

In order to part finance the expansion and modernization Programs undertaken by the Company, the Company intends to raise funds by issue of fresh Capital. To meet the immediate requirement of funds, the Board of Directors has decided to raise resources by issue of Equity shares on preferential basis. Accordingly, it is proposed that the Promoter's Group be offered the opportunity to subscribe to further new capital on a preferential basis by allotment up to 6,84,108 Equity Shares at a price of Rs. 15/- each, which is higher than the price determined in accordance with the guidelines issued by SEBI.

The intimation as required under SEBI (Disclosure and Investor Protection) Guidelines, 2000 is as under:-

1. **Objects of the Issue:**
   To augment the long term resources of the Company and to fund ongoing expansion and modernization programmes.
2. **Pricing of the Issue:**
   The issue price of Equity Shares of Rs. 10/- each to be allotted on preferential basis is Rs. 15/- per Equity Share. This price is higher than the price of Rs. 10.41 determined as per SEBI Guidelines considering 08th August, 2009 as the 'Relevant Date'.
3. **Intention of Promoters / Directors / Key Management Persons to subscribe to the Offer:**
   The proposed issue of Equity Shares on Preferential basis is being made to the Promoters/ Directors and their Relatives.
4. **Shareholding Pattern after proposed allotment of Equity Shares on preferential basis shall be as under:-**

Category	Before the proposed Conversion		After the proposed conversion	
	No. of Shares	% of Equity Share Capital	No. of Shares	% of Equity Share Capital
PROMOTERS' HOLDING				
Promoters				
- Indian Promoters	3466233	26.67	4150341	30.33
- Foreign Promoters	—	—	—	—
Sub-Total	**3466233**	**26.67**	**4150341**	**30.33**
NON – PROMOTERS' HOLDING				
Institutional Investors	—	—	—	—
Mutual Funds and UTI	3600	0.03	3600	0.03
Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	—	—	—	—
FIIs	—	—	—	—
Sub-Total	**3600**	**0.03**	**3600**	**0.03**
OTHERS				
Private Corporate Bodies	4717014	36.29	4717014	34.48
Indian Public	4212900	32.41	4212900	30.79
Directors & their relatives	508400	3.91	508400	3.72
NRIs / OCBs	89920	0.69	89920	0.66
GDRs	—	—	—	—
Sub-Total	**9528234**	**73.31**	**9528234**	**69.64**
GRAND TOTAL	**12998067**	**100**	**13682175**	**100.00**

* Taking into consideration issue of Equity Shares upon conversion of Preference Shares.

NOTE:
The proposed Preferential Allotment will not result in any change in the Management Control. However, voting rights may change according to the change in the Shareholding Pattern mentioned above.

5. **Proposed time within which Allotment will be completed:**
The issue and allotment of 6,84,108 Equity Shares on preferential basis will be completed within 15 days period from the date of this meeting or such extended time as may be prescribed or permitted under the SEBI Guidelines on Preferential Issues.

6. **Identity of Allottees with percentage of expanded Capital to be held by them:**
The details relating to the proposed Allotees for 6,84,108 Equity Shares and their pre and post preferential issue Shareholding in the Company are as under:-

Proposed Allottee	Before the proposed Preferential Issue		After the proposed Preferential Issue	
	No. of Shares	% of Equity Share Capital	No. of Shares held	% of Equity Share Capital
Shri Pramod Agarwal	299605	2.30	641659	4.69
Smt. Rachna Goel	190361	1.46	532415	3.89

Section 81 of the Companies Act, 1956, provides, inter-alia, that where it is proposed to increase the Subscribed Share Capital of the Company by allotment of further Shares, such further Shares shall be offered to the persons, who at the date of the offer are holders of the Equity Shares of the Company, in proportion to the Capital paid-up o those Shares as on that date unless the Shareholders in a General Meeting decide otherwise. The Listing Agreement executed by the Company with the various Stock Exchange(s) also provide that the Company shall issue or offer in the first instance all Securities to the existing Equity Shareholders of the Company unless the Shareholders in a General Meeting decide otherwise.

As the Equity Shares are proposed to be issued and allotted on preferential basis, consent of the Shareholders by way of a Special Resolution is being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the SEBI (Disclosure and Investor Protection) Guidelines and the Listing Agreement(s) executed by the Company with the Stock Exchange(s) where the Company's Shares are listed.

A Copy of the Certificate of the Auditors of the Company certifying the adherence to SEBI's Guidelines for Preferential Issues, being Chapter XIII to the SEBI's (Disclosure and Investor Protection) Guidelines, 2000 for the proposed issue shall be laid before the Shareholders at the ensuing Annual General Meeting.

The Directors recommend the above Special Resolution for approval.

None of the Directors of the Company, except Shri Pramod Agarwal and Shri Arun Goel may be considered as concerned or interested in the Special Resolution as the Shares are being offered to them and their relatives forming part of the Promoters' Group.

Item No. 6:

As the members are aware, the company was incorporated to carry on the business in the field of Paper. There may be some opportunities to carry on the business as stated in sub-clauses 39, 51 and 54 of Clause III-C (Other Objects) of the Memorandum of Association of the Company. Section 149(2A) of the Companies Act 1956 requires prior approval of shareholders by passing Special Resolution for commencement of any business covered under Other Objects Clause of the Memorandum of Association.

Your Directors recommend the resolutions as set out above for your approval.

A copy of Memorandum & Articles of Association is open for inspection by members on any working day during 11.00 A.M. to 1.00 P.M. up to the date of ensuing Annual General Meeting at the registered office of the Company.

None of the Directors of the Company are, in any way concerned or interested in the aforesaid resolution.

Item Nos. 7 & 8

Shri Pramod Agarwal and Shri Arun Goel were re-appointed by the Board as the Managing Director and Executive Director respectively of the Company for a period of Three years w.e.f. 1st February, 2008. Shri Pramod Agarwal, the Chairman & Managing Director of the Company has around 29 years of experience in Paper Industry and has been associated with the Company since its incorporation. Shri Arun Goel, the Executive Director of the Company has around 17 years of experience in Paper Industry and has been associated with the Company since 1992. Both of them have played significant role in turning around the Company. It is now proposed to re-appoint Shri Pramod Agarwal and Shri Arun Goel as the Chairman & Managing Director and Executive Director of the Company for a further period of Five years w.e.f 1st October, 2009 on the terms and conditions, which had earlier been approved by the Remuneration Committee.

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

I. GENERAL INFORMATION:

(i) Nature of Industry : Manufacturing of Paper and other allied products.

(ii) Date or expected date of Commencement of commercial Production : The Company is in operation.

(iii) In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing In the prospectus : -N.A-

(iv) Financial Performance based on the given indicators for the F.Y. ended 31.03.2009 :

	(Rs. in Lacs)
Turnover	**10719.34**
Profit /Net (Loss)	290.35
Net worth (excluding Revaluation reserve)	4048.96
Book Value per Share (excluding revaluation reserve)	41.89

(v) Export performance and net Foreign exchange earnings : NIL

(vi) Foreign investment or collaboration, if any. : NIL

II. INFORMATION ABOUT THE APPOINTEES:

Name	Background Details	Previous Remuneration	Proposed Remuneration	Job Profile
Shri Pramod Agarwal	Age 55 Yrs. LL.B. Having 29 years of experience In Paper Industry.	Rs. 2,75,000/- p.m plus perquisites	Rs. 5,00,000/- per month plus perquisites	(Managerial) [responsible for overall management of the affairs of the Company].
Shri Arun Goel	Age 41. Yrs. B.Com. Having 17 years of experience in Paper Industry.	Rs. 2,75,000/-p.m plus perquisites	Rs. 5,00,000/- per month plus perquisites	(Managerial) [responsible for Administrative and operational functions].

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

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

III. OTHER INFORMATION:

(i) Reasons for inadequate Profit:

The Company was earlier declared as a Sick Industrial Company and came out of the purview of BIFR in the Year 2005. Since then the Company has remarkable progress and started generating profits. It has undertaken Expansion and modernization programmes after the implementation of which the performance of the Company is expected to improve further.

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

The Company has undertaken expansion cum modernization programmes, which are to have positive impact on Company's Performance.

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

It is only because of tremendous efforts put in by the Chairman & Managing Director and Executive Director, the financial performance of the Company has improved significantly as reflected in financial turnaround. The expected increase in productivity in measurable term being indeterminate cannot be quantified.

IV. DISCLOSURES:

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

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

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

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

By Order of the Board
For RAMA PAPER MILLS LIMITED

Date: 08.08.2009
Place: New Delhi

(PANKAJ MISRA)
Company Secretary

DIRECTORS' REPORT

To
The Members,
The Directors are pleased to present their 24th Report alongwith the Audited Accounts for the year ended 31st March, 2009

Financial Results

Particulars	2008-09	2007-08
Turnover	1,07,19,34,253	85,09,59,643
Profit before Financial Charges & Depreciation	13,99,44,088	15,80,38,225
Less: Financial Charges	5,91,70,511	5,26,79,425
Less: Depreciation	3,95,81,311	4,00,06,368
Profit before Tax	4,11,92,266	6,53,52,432
Add/Less: Deferred Tax Liability reversed	-	-
Less: Provision for Tax (MAT)	46,14,550	84,96,127
Add: MAT Credit Entitlement	46,14,550	-
Less: Provision for F.B.T.	4,63,674	4,24,907
Less: Provision for Deferred Tax Liability	1,16,93,000	2,59,20,000
Profit After Tax	2,90,35,592	3,05,11,398
Profit / Loss brought forward from previous year	11,24,82,630	8,19,71,232
Balance carried to Balance Sheet	14,15,18,222	11,24,82,630

Operations

Your Company has undertaken an imported MG Machine Project having capacity of 16320 TPA. The Project would cost Rs. 24.75 Crore and your Company has been sanctioned term loan of Rs.13.40 Crore from Bank of Baroda. The Project is at very advanced stage of installation and your Directors do hope to get the trial runs by August 2009.

Moreover, your Company has also commissioned modernization project to upgrade the quality in all its existing three units. The modernization mainly envisages replacement of old and obsolete equipments by technologically superior, high speed and energy efficient equipments, which would not only increase the speed of the lines but also result in manufacture of better quality paper. The Cost of the Project has been Rs.13 Crore and the term loan of Rs.7 Crore has been sanctioned by the Bank of Baroda.

Dividend

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

Directors

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

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

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

Corporate Governance and Management Discussion and Analysis Reports

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

Statutory Auditors and Auditors' Report

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

The Boards recommend their appointment.

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

Directors Responsibility Statement

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

a) In the preparation of the Annual Accounts for the year ended 31st March, 2009 the applicable accounting standards have been followed along with proper explanations relating to material departure.

b) Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Companies as at 31st March, 2009 and of the Profit of the Company for the year ended 31st March, 2009.

c) Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The financial statements have been prepared on a going concern basis.

Particulars of Employees

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

Fixed Deposits

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

Industrial Relations

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

Acknowledgements

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

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

Sd/
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Dated: 05th August 2009
Place: New Delhi

Annexure "A" to the report of Board of Directors

Information as required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2009

CONSERVATION OF ENERGY

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

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

"FORM-A"

Disclosure of Particulars with respect to Conservation of Energy

Particulars	Current Year 2008-2009	Previous Year 2007-08
A. Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit	511734	9165144
Total Amount Rs.	8566202	38827665
Rate/Unit	16.74*	4.24
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
b) Own Generation		
Through Diesel Generator Unit	1666440	8945316
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	8.38	7.89
c) Through Steam Turbine/Generator Unit	14239887	13450560
2. Husk & Buggasse		
Qty (tonnes)	79876.126	49862.255
Total Cost	191369074	76553642
Average Rate	2395.82	1535.30
Consumption Per Unit of Production (In One Ton)		
Product Details & Unit (If Any)		
News Print , Duplex Board and Wrinting Paper	43815.037	41386.3387
Electricity (Units) - Including Units from Turbine	336.68	221.45
Husk & Buggasse (MT)	1.82	1.20

"FORM-B"

Technology Absorption, Adaptation and Innovation

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

"FORM-C

Research and Development

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

"FORM-D"

Foreign Exchange Earnings and Outgo

Foreign exchange outflow on account of import of capital goods and raw material amounted to Rs. 10,95,45,832/- (PY Rs. 6,44,43,164/-). Earnings in Foreign Exchange i

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

Sd/
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR

Dated: 8th August 2009
Place: New Delhi

Annexure "B" to Director's Report

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

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

Sl. No.	Name	Designation	Qualification	Experience (Yrs)	Age (Yrs)	Date of Commencement of employment	Remuneration received (Rs.)	last Employer's name	employment Post held
1.	Agarwal Pramod	Chairman & Managing Director	Post graduate in law	29	55	since Incorp.	33,00,000	N.A.	N.A.
2.	Goel Arun	Executive Director	Commerce Graduate	17	41	20.05.92	33,00,000	N.A.	N.A.

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

Sd/
PRAMOD AGARWAL
CHAIRMAN &. MANAGING DIRECTOR

Dated: 08th August 2009
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SALES

During the year ended 31st March, 2009 your Company has sales (excluding excise duty) of Rs.1,07,00,67,988/- as against Rs. 84,50,05,060/- during the previous year. This represents 26.63% growth of the Company.

PRODUCT CHARACTERISTICS

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

COMPETITIVE SITUATION

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

IMPACT OF GOVERNMENT REGULATIONS / LEGISLATION / DIRECTIVES

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

REPORT ON CORPORATE GOVERNANCE

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

Company Philosophy

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

Board of Directors

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

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

Composition of the Board

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

Board Procedures

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

Number of Board Meetings

During the financial year 2008-09, the Board of Directors of the Company met seven times on 30.04.2008, 11.07.2008, 30.07.2008, 31.07.2008, 31.10.2008, 26.02.2009 and 31.01.2009.

Information relating to Directors

The composition of the Board of Directors and related information as on 31st March, 2009 is as follows :

Name of the Directors & Designation	Executive/Non Executive/ Independent	No of Board Meeting Attended	Attendance at the last AGM on 25.08.2006	Directorship in other Companies Incorporated in India	No of Board Committees of which Member or/Chairman
Shri Pramod Agarwal Chairman & Managing Director	Executive	7	Present	3	2
Shri Arun Goel Executive Director	Executive	7	Present	2	2
Shri Amar Mittal (Director)	Non Executive	4	Absent	Nil	0
Shri Prabhat Agarwal (Director)	Non Executive	5	Absent	Nil	3
Shri H. S. Bhim Rao (Director)	Non Executive	Nil	Absent	Nil	2

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

Information provided to the Board

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

Details of Directors being appointed / re- appointed

Shri Amar Mittal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for the reappointment. He is associated with the Company since 2006. His Directorship and membership in other Public Limited Companies and/or its Committees are reported to be NIL

Code of Conduct

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

COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Board was first constituted in the year 2001 with Shri Pramod Agarwal as the Chairman. There are no changes in the composition of the Audit Committee. The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter alia including the overview of the company's financial reporting process, review of the Quarterly and annual financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal function etc. During the financial year 2008-09, the Audit Committee met four times on 30.04.2008, 31.07.2008, 31.10.2008, and 31.01.2009.

Composition and Attendance

The Audit Committee consists of three Directors of whom there is one Managing Director and two Independent Directors. During the year ended 31st March, 2009, four meetings of Audit Committee were held.

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

Sl. No.	Name of Member	No of Meeting Attended
1	Shri Pramod Agarwal	4
2	Shri H. S. Bhimrao	4
3	Shri Prabhat Agarwal	4

B. REMUNERATION COMMITTEE

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

During the year ended March 31st, 2009 only no Meeting of Remuneration Committee was held. However, there has been one meeting on 31.07.2009. The record of attendance of each member of the Committee is given below:

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

C. INVESTOR GRIEVANCE COMMITTEE

The members of the committee are Shri Pramod Agarwal , Shri Arun Goel, Shri Prabhat Agarwal and Shri Pankaj Misra, During the year ended March 31, 2009 Four meeting of investor grievance committee were held. The attendance of each member of the committee at the investors grievance committee meeting held is as under:

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

Compliance Officer

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

4. Details of Remuneration paid/ payable to the Directors for the year ended 31st March, 2009.

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

5. General Body Meetings

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

S.No	Year	Day	Date	Time
1	2008	Friday	September 19, 2008	10.00 A.M.
2	2007	Tuesday	September 25, 2007	10.00 A.M.
3	2006	Friday	August 25, 2006	10.00 A.M.

Details of Special Resolutions:

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

AGM Held on	Whether Special Resolution passed	Summary
05.03.2007 (EGM)	Yes	Issue of Shares on preferential basis to the Promoters Group under section 81(1A) of the Companies Act 1956
25.09.2007	Yes	Resolution under section 81 (1A) of the Companies Act 1956
21.07.2008 (EGM)	Yes	Resolution Pursuant to Section 106 and other applicable provision of the Companies Act, 1956.
19.09.2008	Yes	Issue of Equity Shares of aggregate nominal value not exceeding Rs. 50 Crores under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Issue of 22,72,726 Equity Shares on conversion of Preference Shares into Equity Shares under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Issue of 6,28,286 Equity Shares on Preferential Basis to the Promoter Group under section 81(1A) of the Companies Act 1956
19.09.2008	Yes	Re-appointment of Managing Director and Executive Director for a period of three years

Postal Ballot

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

Disclosure of related party transactions

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

Details of non-compliance by the Company

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

CEO Certification

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

Means of Communication of Financial Results

The Quarterly, Half Yearly, and Annual financial Results are faxed to the Bombay Stock Exchange, where the Company's Shares are listed, after the conclusion of the Board Meeting at which the results are taken on record. The results are published normally in two or more national and vernacular dailies such as Economic Times, Business Standard and Uttar Bharat Times the regional Newspaper of Uttar Pradesh, where the registered Office of the Company is situated, within 48 hours as required under the listing Agreement with the Stock Exchange

Auditor's Certificate on Corporate Governance

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

Shareholders Information

The Annual General Meeting Date & Time	: Tuesday, The 08th September, 2009 at 10:.00 A.M.
Venue	: Rama Paper Mills Ltd. 4th KM Stone, Najibabad Road; Kiratpur - 246 731 Dist.Bijnor (U.P)
Financial Year	: 1st April 2008 to 31st March 2009
Adoption of Quarterly Results for the Quarter ending	
1st Quarter ended 30th June, 2008	: July 2008 (4th Week)
2nd Quarter ended 30th September, 2008	: October 2008 (4th Week)
3rdQuarter ended 31st December, 2008	: January 2009 (4th Week)
4th Quarter ended 31st March, 2009	: April 2009 (4th Week)
Book Closure Date	: Saturday, the 05th September, 2009 to Tuesday, the 08th September, 2009 both the days inclusive
Stock Exchange where Company shares are Listed.	: Mumbai Stock Exchange In Demate Mode ISIN No. : INE 425EO1O13
Scrip Code	: 500357 (BSE)

Registrar and Transfer Agents.

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

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

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

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

Connectivity in National Services Depository Limited (NSDL)

The company has got connectivity from NSDL for activation of ISIN under the ISIN No. INE425EOIO13, which company already possess, dated 12th May, 2009

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2009

S.No	CATEGORY	No. of Shares Holders	No. of Shares	% of Total
1.	Promoters, Relatives & their Associates	47	3963433	41.01%
2.	Corporate Bodies	167	2654416	27.46%
3.	Mutual Fund	1	4200	0.04%
4.	NRI	16	4200	0.46%
5.	Other Public	10057	2998602	31.03%
	TotaL	10288	9664733	100.00%

Communication

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

Dematerialization of Shares & liquidity

80.63% of the shares of the company have been dematerialized as on 30.06.2009.

Market Price Data:

Monthly highest and lowest share price during the financial year 2008-09 at Mumbai Stock Exchange.

Month	High	Dated	Low	Dated
April, 08	28.45	30.04.2008	22.60	04.04.2008
May, 08	29.70	02.05.2008	21.05	16.05.2008
June, 08	24.40	05.06.2008	16.00	30.06.2008
July, 08	17.50	31.07.2008	14.50	02.07.2008
August, 08	24.85	06.08.2008	15.70	28.08.2008
September, 08	19.90	09.08.2008	12.35	30.09.2008
October, 08	15.45	03.10.2008	07.16	31.10.2008
November, 08	09.50	04.11.2008	06.00	28.11.2008
December, 08	09.74	22.12.2008	06.05	01.12.2008
January, 09	08.50	06.01.2009	06.15	27.01.2009
February, 09	08.90	09.02.2009	06.20	25.02.2009
March, 09	07.50	02.03.2009	04.75	17.03.2009

*** Source Mumbai Stock Exchange**

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

Sd/
PRAMOD KUMAR
CHAIRMAN & MANAGING DIRECTOR

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
RAMA PAPER MILLS LIMITED,

We have examined the compliance of conditions of Corporate Governance by RAMA PAPER MILLS LIMITED for the year ended on March 31, 2009 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.
The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company of ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company have complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For **SHIAM & CO.**
Chartered Accountants,

Sd/-
PARTNER

Dated: 31-7- 2009
Place: New Delhi

AUDITORS' REPORT

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

Gentlemen,

We have audited the attached Balance Sheet of **RAMA PAPER MILLS LIMITED, KIRATPUR, DISTT. BIJNOR** as on 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4-A) of Companies Act, 1956 we give in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

2. Further to our comments in the Annexure referred to above, we report that:
   (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.

   (iii) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account of the Company.

   (iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section 3(C) of section 211 of the Companies Act, 1956;

   (v) On the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to and read together with notes on accounts, accounting policies and additional information given in Schedule No. 19, give the information required by the Companies Act,1956,in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
      (b) in the case of Profit & Loss Account, of the Profit for the year ended on that date.
      (c) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **SHIAM & CO.**
Chartered Accountants,

Sd/-
PARTNER

Dated: 31st July 2009
Place: New Delhi

ANNEXURE TO THE AUDITORS' REPORT

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

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

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us , the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business. No Material discrepancies were noticed on such verification.

(c) During the year, the Company has not made any substantial disposals of fixed assets during the year.

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

(a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.

(iii) In respect of loans, secured or unsecured, granted/taken by the company to or from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956:

(a) The Company had taken loan from two party. The maximum amount involved during the year was Rs 85.00 lacs and the year-end balance of loans taken from such parties was Rs.75.00 lacs .
(b) In our opinion and according to the information and explanations given to us, the rate of interest wherever applicable and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.
(c) The Company is regular in repaying the principal amounts and interest as stipulated.
(d) There is no overdue amount in respect of loans taken by the company.
(e) The Company had not granted any loan secured or unsecured to companies, firm or other parties. Accordingly, clauses (iii) (b) to (iii) (d) of paragraph 4 of the Order are not applicable to the Company for the year.

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal controls.

(v) In respect of transactions covered u/s 301 of the Companies Act, 1956: -

(a) According to the information and explanations give to us, we are of the opinion that the particulars of contracts or arrangements have been entered in the register maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the company has complied with the provisions of Section 58 A and 58 AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) As informed by the management, cost records for the year are under preparation.

(ix) **In respect of statutory dues: -**

(a) According to the records of company and information and explanation to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues with appropriate authorities during the year. There is no undisputed amounts payable, as at 31.03.2009 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there is no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, cess which have not been deposited on account of any dispute.

(x) The company has no accumulated losses as at 31.03.2009 and it has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks.

(xii) In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the provision of clause 4(xii) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.

(xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/ society. Therefore the provision of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.

(xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Therefore the provision of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors Report) (Amendment) Order, 2004 are not applicable to the company.

(xv) In our opinion, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) According to the information and explanations given to us, term loan availed by the company were, prima facie, applied by the company during the year for the purpose for which loans were obtained.

(xvii) According to the Cash Flow Statement and records examined by us and according to information and explanations given to us, on an overall basis, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.

(xviii) According to information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to information and explanation given to us, the company has not issued any debentures during the year.

(xx) According to information and explanation given to us, the company has not raised any money from public issue during the year.

(xxi) According to information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For **SHIAM & CO.**
Chartered Accountants,

Sd/-
PARTNER

Dated: 31st July 2009
Place: Delhi

RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
BALANCE SHEET AS AT 31st MARCH, 2009

PARTICULARS	SCHEDULE NO		CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	146,647,330		146,647,330	
Reserves & Surplus	2	258,248,892	404,896,222	229,213,300	375,860,630
LOAN FUNDS					
Secured Loans	3	621,843,615		495,340,067	
Unsecured Loans	4	8,974,000	630,817,615	11,549,000	506,889,067
DEFERRED TAX			109,806,000		98,113,000
	TOTAL Rs.		**1,145,519,837**		**980,862,697**
APPLICATION OF FUNDS					
FIXED ASSETS	5				
Gross Block		915,574,747		782,808,779	
Less: Depreciation		312,196,828		281,846,878	
Net Block		603,377,919		500,961,901	
Add: Capital Work in Progress		244,161,405	847,539,324	200,071,338	701,033,239
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	6	89,118,524		46,150,012	
Sundry Debtors	7	300,297,291		312,541,434	
Cash & Bank Balances	8	7,426,819		11,746,306	
Loans & Advances	9	56,386,653		42,841,696	
		453,229,287		413,279,448	
Less:Current Liabilities & Provisions	10	155,248,774		133,449,990	
Net Current Assets			297,980,513		279,829,458
	TOTAL Rs.		**1,145,519,837**		**980,862,697**

NOTES ON ACCOUNTS

Schedule 1 to 10 and
19 relates to Balance Sheet 19

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

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,

Dated : 31-07-2009
Place : Delhi

PARTNER

RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

PARTICULARS	SCHEDULE NO		CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
INCOME					
Sales		1,071,934,253		850,959,643	
Less: Excise Duty		1,866,265	1,070,067,988	5,954,583	845,005,060
Other Income	11		415,253		570,535
Accretion/(Decretion) in Stocks	12		5,099,847		(486,224)
		TOTAL Rs.	**1,075,583,088**		**845,089,371**
EXPENDITURE					
Raw Material Consumed	13		511,270,381		350,350,576
Manufacturing Expenses	14		320,770,130		269,268,987
Staff Costs	15		39,306,859		27,634,975
Administrative Expenses	16		28,532,598		22,781,380
Selling & Distribution Expenses	17		35,759,032		17,015,228
Finance Charges	18		59,170,511		52,679,425
Depreciation	5		39,581,311		40,006,368
	TOTAL Rs.		**1,034,390,822**		**779,736,939**
PROFIT FOR THE YEAR			41,192,266		65,352,432
Paid/provision for Tax					
Current Tax		4,614,550		8,496,127	
Mat Credit Entitlement		(4,614,550)			
Fringe Benefit Tax		463,674		424,907	
Deferred Tax		11,693,000	12,156,674	25,920,000	34,841,034
PROFIT AFTER TAX			29,035,592		30,511,398
Add : Profit brought forward from previous year			112,482,630		81,971,232
BALANCE CARRIED OVER TO BALANCE SHEET			141,518,222		112,482,630

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

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

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,

Dated : 31st July 2009
Place : Delhi

PARTNER

RAMA PAPER MILLS LIMITED, KIRATPUR (BIJNOR)
SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

PARTICULARS	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
22000000 Equity Shares of Rs.10/- Each	220,000,000	220,000,000
500000 Preference Shares of Rs.100/- Each	50,000,000	50,000,000
TOTAL Rs.	**270,000,000**	**270,000,000**
Issued, Subscribed & Paid-Up		
9664733 Equity Shares of Rs.10/- Each fully paid-up	96,647,330	96,647,330
500000 Cumulative Redeemable Preference Shares of Rs.100/- Each fully paid-up	50,000,000	50,000,000
TOTAL Rs.	**146,647,330**	**146,647,330**
SCHEDULE - 2		
RESERVES AND SURPLUS		
Capital Reserves	64,000	64,000
Share Premium Account	116,666,670	116,666,670
Profit & Loss Account	141,518,222	112,482,630
TOTAL Rs.	**258,248,892**	**229,213,300**
SCHEDULE - 3		
SECURED LOANS		
BANK OF BARODA		
Term Loan	412,451,483	311,774,465
Bank Borrowings	207,668,797	182,270,500
DEFERRED LIABILITIES	1,723,335	1,295,102
TOTAL Rs.	**621,843,615**	**495,340,067**
SCHEDULE - 4		
UNSECURED LOANS		
Promoters & their Relatives	7,500,000	
Inter Corporate Deposits	950,000	11,025,000
Security Deposits	524,000	524,000
TOTAL Rs.	**8,974,000**	**11,549,000**

SCHEDULE -5

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
PARTICULARS	AS ON 31.03.2008	ADDITIONS	SALE/ ADJUST-MENT	AS ON 31.03.2009	AS ON 31.03.2008	FOR THE YEAR	SALE/ ADJUST-MENT	AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
Land	11,039,177	2,605,685	209,840	13,435,022	—	—	—	—	13,435,022	11,039,177
Factory Building	58,175,291	—	—	58,175,291	23,649,265	1,943,055	—	25,592,320	32,582,971	34,526,026
Building (Staff Colony)	7,279,437	790,150	—	8,069,587	1,634,639	118,690		1,753,329	6,316,258	5,644,798
Plant & Machinery	440,845,403	138,056,444	14,874,875	564,026,972	233,267,829	22,741,818	8,475,107	247,534,540	316,492,432	207,577,574
Vehicles	7,757,289	2,699,227	2,530,119	7,926,397	2,044,369	782,523	756,254	2,070,638	5,855,759	5,712,920
Furniture & Office Equipments	10,364,183	467,957	—	10,832,140	6,770,347	669,176	—	7,439,523	3,392,617	3,593,836
Turbine & Boiler	245,757,716	5,503,409	—	251,261,125	12,981,893	13,040,025	—	26,021,918	225,239,207	232,775,823
Computers	1,590,283	257,930		1,848,213	1,498,536	286,024		1,784,560	63,653	91,747
Total Rs.	782,808,779	150,380,802	17,614,834	915,574,747	281,846,878	39,581,311	9,231,361	312,196,828	603,377,919	500,961,901
Previous year	791,109,233	5,704,411	14,004,865	782,808,779	243,225,792	40,006,368	1,385,282	281,846,878	500,961,901	547,883,441

PARTICULARS		CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEE
SCHEDULE - 6				
INVENTORIES				
(As taken, valued & certified by the management)				
Raw Materials		37,017,430		4,840,274
Stores, Chemicals and Spare Parts etc.		31,955,860		30,410,426
Finished Goods		12,066,119		7,940,452
Semi Finished Goods		1,480,740		1,122,960
Stock in Process		2,452,300		1,835,900
Goods in Transit		4,146,075		-
	TOTAL Rs.	**89,118,524**		**46,150,012**
SCHEDULE - 7				
SUNDRY DEBTORS				
(Unsecured but considered good)				
Debt outstanding for a period Exceeding Six Months		32,001,794		45,624,384
Others		268,295,497		266,917,050
	TOTAL Rs.	**300,297,291**		**312,541,434**
SCHEDULE - 8				
CASH & BANK BALANCES				
Cash in hand		1,502,391		3,770,635
Cheque in hand		4,035,462		4,500,642
Balances With Scheduled Banks in :-				
Current Accounts	1,637,566		3,348,629	
Fixed Deposit Accounts	251,400	1,888,966	126,400	3,475,029
	TOTAL Rs.	**7,426,819**		**11,746,306**
SCHEDULE - 9				
LOANS AND ADVANCES				
(Unsecured but Considered Good)				
Advances recoverable in cash or in kind or for value to be received		51,133,094		33,118,137
Security Deposits with :-				
Government Department	3,106,400		8,106,400	
Others	2,147,159	5,253,559	1,617,159	9,723,559
	TOTAL Rs.	**56,386,653**		**42,841,696**
SCHEDULE - 10				
CURRENT LIABILITIES & PROVISIONS				
Current Liabilities				
Sundry Creditors		108,407,306		96,744,137
Advances from Customers		19,976,167		9,670,714
Cheque issued but not presented		5,552,575		1,894,692
Other Liabilities		16,234,502		17,393,438
Provision for:				
Income Tax	4,614,550		7,404,430	
Fringe Benefit Tax (net)	463,674	5,078,224	342,579	7,747,009
	TOTAL Rs.	**155,248,774**		**133,449,990**
SCHEDULE - 11				
OTHER INCOME				
Interest received		415,253		570,535
	TOTAL Rs.	**415,253**		**570,535**
SCHEDULE - 12				
ACCRETION IN STOCKS				
Opening Stock:				
Finished Goods	7,940,452		8,029,764	
Semi Finished Goods	1,122,960		1,253,972	
Stock in Process	1,835,900	10,899,312	2,101,800	11,385,536
Closing Stock:				
Finished Goods	12,066,119		7,940,452	
Semi Finished Goods	1,480,740		1,122,960	
Stock in Process	2,452,300	15,999,159	1,835,900	10,899,312
	TOTAL Rs.	**5,099,847**		**(486,224)**

PARTICULARS		CURRENT YEAR RUPEES		PREVIOUS YEAR RUPEES
SCHEDULE - 13				
RAW MATERIALS CONSUMED				
Opening Stock		4,840,274		58,847,873
Add: Purchases		543,447,537		296,342,977
		548,287,811		355,190,850
Less: Closing Stock		37,017,430		4,840,274
	TOTAL Rs.	**511,270,381**		**350,350,576**
SCHEDULE - 14				
MANUFACTURING EXPENSES				
Power & Fuel		215,453,371		187,202,515
Chemicals		60,914,350		48,404,510
Stores and Spares		29,889,775		24,806,913
Packing Material		9,725,341		7,058,297
Repair to Plant & Machinery		4,654,639		1,995,619
Excise Duty Provided on stock		132,654		(198,867)
	TOTAL Rs.	**320,770,130**		**269,268,987**
SCHEDULE - 15				
STAFF COSTS				
Salary, Wages & Allowances		33,364,920		23,372,555
Contribution to Provident Fund		800,130		811,748
Workman & Staff Welfare		383,267		496,311
Watch & Ward		2,040,000		1,980,000
Gratuity		2,718,542		974,361
	TOTAL Rs.	**39,306,859**		**27,634,975**
SCHEDULE - 16				
ADMINISTRATIVE EXPENSES				
Printing & Stationery		386,967		340,766
Postage & Telephone		1,320,442		1,145,055
Insurance		2,239,909		2,435,675
Travelling & Conveyance		4,241,259		3,646,103
Rent, Rates & Taxes		4,710,120		5,561,140
Sales Tax		161,325		145,169
Legal & Professional		1,314,435		1,556,635
Directors' Remuneration		6,600,000		5,100,000
Auditors' Remuneration		84,270		84,270
Hire Charges		36,000		36,000
Loss on sale of Fixed Assets		5,014,643		163,639
Repair & Maintenance				
- Building	933,665		974,556	
- Others	737,766	1,671,431	414,388	1,388,944
Miscellaneous		751,797		1,177,984
	TOTAL Rs.	**28,532,598**		**22,781,380**
SCHEDULE - 17				
SELLING & DISTRIBUTION EXPENSES				
Rebate & Discount		20,366,366		7,821,262
Commission on Sales		6,170,336		4,947,581
Freight & Forwarding		9,222,330		4,246,385
	TOTAL Rs.	**35,759,032**		**17,015,228**
SCHEDULE - 18				
FINANCE CHARGES				
INTEREST :				
Term Loans	29,883,999		29,093,565	
Bank Borrowing & Others	28,281,181	58,165,180	22,086,431	51,179,996
Bank Charges		1,005,331		1,499,429
	TOTAL Rs.	**59,170,511**		**52,679,425**

SCHEDULE - 19

ACCOUNTING POLICIES, NOTES AND ADDITIONAL INFORMATION

I. ACCOUNTING POLICIES

A. **BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

i) The financial statements have been prepared under the historical cost conventional method in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 as adopted consistently by the company.

ii) The Company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

B. **FIXED ASSETS**

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

C. **DEPRECIATION**

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

D. **VALUATION OF INVENTORIES**

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

E. **SALES**

Sales are inclusive of excise duty.

F. **EXCISE DUTY**

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

G. **RETIREMENT BENEFIT**

(i) Contribution to Provident Fund is accounted for on accrual basis.

(ii) Gratuity under the Payment of Gratuity Act is provided for on actuarial basis.

H. **INSURANCE CLAIMS**

Insurance Claim is accounted for on receipt basis.

I. **BORROWING COST**

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

II. NOTES FORMING PART OF ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.580.91 Lacs (Previous Year Rs. 687.46 lacs) against which advance of Rs.580.91 Lacs (Previous Year Rs. 634.12 lacs) has been given.

2. **CONTINGENT LIABILITIES NOT PROVIDED FOR:**

	CURRENT YEAR RUPEES	PREVIOUS YEAR RUPEES
(i) Counter Guarantee	1000000.00	500000.00

3. Term loan from Bank of Baroda is secured against hypothecation of Plant & Machinery, Land & Building (both present & future) of the Company and extension of hypothecation over stock & book debts of the company and also personal guarantee of Directors/Promoters of the Company.

4. Term loan from IDBI Bank is secured against:-
i. First charge on the Carbon Credits receivables of the sale of Carbon Credits in a manner satisfactory to IDBI Bank. The company to obtain NOC from Bank of Baroda (BoB) and other charge holders, if any, to perfect the security.

ii. Unconditional and irrevocable personal guarantees of Shri Pramod Agarwal Managing Director and Shri Arun Goel Executive Director of the company.

iii. Exclusive first charge on the Escrow account to be opened with IDBI Bank for receipt of sale proceeds of Carbon Credits.

5. Working Capital facilities from Bank of Baroda are secured by
i. Equitable Mortgage of land bearing khasra no. 174, 43, 44/1, 43, 33, 29, 42/2 situated at Village Nagla Islam, Pargana Kiratpur Tehsil Nazibabad Distt. Bijnore.

ii Hypothecation of Plant & Machinery, stocks and Book Debts of the Company all situated at Kiratpur Distt. Bijnore.

6. Deferred liabilities are secured by hypothecation of respective Vehicles and guaranteed by Directors of the Company. Total Installments falling due with in next year Rs.19.05 Lacs (Previous Year Rs. 11.46 Lacs).

7. In the opinion of Board of Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business of the Company at least equal to the amount at which they are stated and the provisions for all known and determined liabilities (except as otherwise stated) are adequate and not in excess of the amount reasonably stated as at 31st March, 2009.

8. Balances of Sundry Debtors, Creditors, Advances from Customers, Sundry Advances and Security Deposits as on 31.03.2009 are subject to confirmation.

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

10. Keeping in view of the provisions of section 115JB of Income Tax Act, 1961, provision for Income Tax (MAT) has been made.

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

	Current Year	Previous Year
Salary	Rs. 66,00,000	Rs. 51,00,000

12. Travelling and conveyance includes the following.:

	Current Year	Previous Year
Directors Travelling	Rs. 9,73,006	Rs. 8,16,079

13. Payment to Auditors include:

	Current Year	Previous Year
(a) Audit Fees	60,000	60,000
(b) Tax Audit Fees	15,000	15,000
(c) Service Tax	9,270	9,270
TOTAL Rs.	84,270	84,270

14. Since the Company operates in a single segment i.e. "Paper & Paper Board", Accounting Standard (AS) 17-"Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

15. The Earning per Share(EPS), the numerators and denominators used to calculate Basic and Diluted Earning per Share:-

Particulars		31/03/2009	31/03/2008
Profit attributable to the Shareholders (Rs. in lacs)	A	290.36	305.11
Weighted average number of			
Equity Shares outstanding during the year	B	9664733	9664733
Nominal value of Equity Share (Rs.)		10	10
Basic/Diluted Earning per Share (Rs.)		3.00	3.16

16. Related Party Disclosures is as under :-

1. Name of related parties and description of relationship:

(A).**Key Management Personnel**
1. Shri Parmod Kumar, Chairman cum Managing Director
2. Shri Arun Goel, Executive Director

(B).**Companies controlled by Directors / Relatives**
1. Ram Fin Fortunes (P) Limited.
2. Sidhbhoomi Alloys Limited
3. AAA Paper Marketing Limited
4. Baghauli Sugar and Distillery Limited

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

3. Summary of Transactions: (Rs.in lacs)

Nature of Transaction	Key Management personnel		Companies Controlled by Directors/Relatives	
	Current Year	Previous Year	Current Year	Previous Year
Remuneration	66.00	51.00	—	—
Salary Paid	4.41	—	—	—
Hire Charges Paid	—	—	0.36	0.36
Rent paid	—	—	1.20	1.20
Purchase	—	—	1145.44	208.42
Sale of Fixed Assets	—	—	17.26	—
Addition/(Repayment) of deposits	85.00	—	—	—
Outstanding Payable as on 31.03.2009	75.00	—	—	—

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

17. Pursuant to the Accounting Standard (AS)-22 accounting for taxes on income issued by The Institute of Chartered Accountants of India applicable from 1.4.2002, deferred tax liability of Rs. 116.93 lacs (Previous Year Rs. 259.20 lacs) for the year ended 31.03.2009 has been debited to Profit & Loss Account.

18. Previous year figures have been re-grouped and re-arranged wherever necessary.

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

1. Registration Details

(i) Registration No.	L27104UP1985PLC007556
(ii) State Code	20
(iii) Balance Sheet Date	31.03.2009

(Amount in Rs.thousands)

2. Capital Raised during the year	**CURRENT YEAR**	**PREVIOUS YEAR**
(i) Public Issue	NIL	NIL
(ii) Rights Issue	NIL	NIL
(iii) Bonus Issue	NIL	NIL
(iv) Private Placement	NIL	NIL

3. Position of Mobilisation and Deployment of Funds	**CURRENT YEAR**	**PREVIOUS YEAR**
(i) Total Liabilities	1300769	1114313
(ii) Total Assets	1300769	1114313

Sources of Funds	**CURRENT YEAR**	**PREVIOUS YEAR**
(i) Paidup Capital	146647	146647
(ii) Reserve & Surplus	258249	229213
(iii) Secured Loans	621844	495340
(iv) Unsecured Loans	8974	11549
(v) Deferred Tax	109806	98113
TOTAL RS.	**1145520**	**980862**
Application of Funds		
(i) Net Fixed Assets	847539	701033
(ii) Net Current Assets	297981	279829
TOTAL RS.	**1145520**	**980862**

4. Performance of Company	**CURRENT YEAR**	**PREVIOUS YEAR**
(i) Turnover	1070483	845576
(ii) Total Expenditure	1029291	780224
(iii) Profit before tax	41192	65352
(iv) Profit after tax	29036	30511
(v) Earning per share	3.00	3.16
(vi) Dividend rate on Equity Shares %	-	-
(vii) Dividend rate on Preference Shares %	-	-

5. Generic Names of Principal Products/Services of Company
(As per Monetary Terms)

(i) Items Code No.(ITC Code)	4801,4802 & 4805
(ii) Product Description	News Prints, Writing & Printing paper & Duplex Board

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

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

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,

Dated : 31st-07-2009
Place : Delhi

PARTNER

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2009

A. CASH FLOW FROM OPERATION ACTIVITIES:		2008-2009		2007-2008
Net Profit before tax and extraordinary items		**AMOUNT (Rs.)**		**AMOUNT (Rs.)**
Adjustments for:		41,192,266		65,352,432
Depreciation	39,581,311		40,006,368	
Finance Charges	59,170,511		52,679,425	
Loss on sale of Fixed Assets	5,014,643	103,766,465	163,639	92,849,432
Operating Profit before working capital changes		144,958,731		158,201,864
Adjustments for:				
Trade and other receivables	3,313,736		(106,245,511)	
Inventories	(42,968,512)		44,788,648	
Trade Payables	24,467,569	(15,187,207)	37,308,441	(24,148,422)
Cash generated from operations		129,771,524		134,053,442
Taxes Paid		(7,747,009)		(17,106,720)
Finance Charges		(59,170,511)		(52,679,425)
Net Cash from operating activities		62,854,004		64,267,297
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Sale/Subsidy of Fixed Assets	3,368.830		12,455,944	
Purchase of Fixed Assets(Including Capital work in progress)	(194,470,869)	(191,102,039)	(193,027,443)	(180,571,499)
Net Cash used in Investing activities		(128,248,035)		(116,304,202)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Receipt/Repayment of borrowings	123,928,548	123,928,548	118,269,401	118,269,401
		(4,319,487)		1,965,199
Cash and Cash equivalents as at 31.3.2008	11,746,306		5,280,465	
Cash and Cash equivalents as at 31.3.2009	7,426,819	(4,319,487)	11,746,306	6,465,841
		(4,319,487)		1,965,199

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

As per our report of even date.
For SHIAM & CO.,
Chartered Accountants,

Dated : 31-07-2009
Place : Delhi

PARTNER