

29th

Annual Report 2010-2011



**Rama Pulp
& Papers Limited**

An ISO 9001:2000 Certified Company

BOARD OF DIRECTORS

DIRECTORS

SHRI MAHESH MEHTA

SHRI AKHILESH K. SHARMA

SHRI RAMNIKLAL SALGIA

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AUDITORS :

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

BANKERS :

State Bank of Patiala
Axis Bank Ltd.

REGISTERED OFFICE :

Paithan Road,
Aurangabad - 431 005

ADMINISTRATIVE OFFICE :

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

FACTORY :

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

REGISTRAR :

Bigshare Services Pvt. Ltd.
E 2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai 400 072.
Tel : 022 - 28470652, 40430200
E-mail : info@bigshare.com

NOTICE :

NOTICE is hereby given that the 29th Annual General Meeting of Members of Rama Pulp & Papers Limited will be held at the Registered Office of the Company on Friday 30th September, 2011 at 11.00 AM, at Paithan Road, Aurangabad – 431 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2011, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity share.
3. To appoint a Director in place of Shri Ramniklal Salgia who retires by rotation & being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution.

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

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

Mahesh Mehta
Director

Place: Mumbai

Date: 31st August, 2011



NOTES:

a) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be the member of the Company.

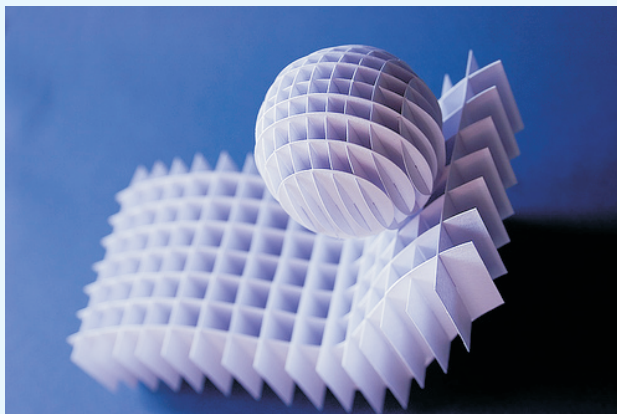
b) The instrument appointing the Proxy, if any, shall be delivered at the Registered Office of the company not later than forty eight hours before the time of commencement of the meeting and in default, the instrument of Proxy shall be treated as invalid.

c) Members are requested to notify immediately any change in their address to the Company at its Registered office.

d) Register of Members and Share Transfer Books of the Company shall remain closed from 28th September 2011 to 30th September 2011, both days inclusive.

e) Important Communication to Members:

The ministry of corporate affairs has taken a “Green initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including the Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronics holding with the Depository to send all further communication through e-mail, to support Green initiative in the Corporate Governance.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report of your Company together with the Audited Accounts drawn for the year ended 31st March, 2011

(Rs. in Lacs)

FINANCIAL RESULTS		
Particulars	Year Ended	
	31.03.2011	31.03.2010
Sales Turnover (including Other Income)	6772	5203
Profit before Interest, Depreciation	467	469
Interest, Depreciation & Prior Year Exp.	100	101
Profit before Income Tax	367	368
Surplus brought forward from the Previous Year	935	809
Deferred Income Tax	(61)	(141)
Proposed Dividend & Tax	65	51
Surplus carried to Balance Sheet	1126	935
EPS (Rs.)	3.36	2.49

REVIEW OF OPERATIONS

The sales turnover of the company at Rs.6772.00 lacs has shown an increase of 30.15% as compared to Rs.5203.00 lacs in the previous year. Despite increase in raw material and other operational costs, your company could maintain its profitability and recorded a Net Profit of Rs.367.00 lacs as compared to previous year Rs.368.00 lacs.

During the year under review, your company has invested Rs.236.42 lacs towards modernization of the plant to improve productivity and quality of its products and also for upgrading treatment facilities for air and water pollution.

During the year the company also entered into a new market segment by introducing Absorbent Kraft paper which is used for manufacturing of base paper

for laminates. The product is well accepted in the market. Your company has also developed overseas market for its existing range of MG tissue paper and base paper for carbonising.

SHARE CAPITAL

During the year the Equity Share Capital of the company was increased from Rs. 775.00 lacs to Rs. 1100.00 lacs.

FUTURE PLANS

Your company plans to set up an additional paper machine for manufacturing of specialty papers with capacity of 10,000 tons per annum. The company has also decided to diversify into manufacture of Surfactant with a capacity of 16,000 tons of LABSA (Linear Alkyl Benzene Sulphonic Acid). With greater emphasise on balanced nutrition management in agriculture sector on national level, your company expects substantial increase in demand for phosphatic fertilizers. Your company has decided to harness this opportunity by manufacturing of Granuled Single Super Phosphate (GSSP) with a capacity of 1.25 lacs tons per annum. The said project shall involve capital outlay of about Rs. 35 crores, resulting in increased sales revenue of Rs.240 crores annually.

CORPORATE GOVERNANCE

All mandatory provisions of corporate governance as provided in the listing agreement with Stock Exchanges on which company's securities are listed, are complied with.

Pursuant to clause 49 of listing agreement with Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made part of this report.

A certificate from the auditors of the company regarding compliance with the conditions of Corporate Governance as stipulated by clause 49 of the listing agreement is attached to this report.

DIVIDEND

The Board of Directors of your company were pleased to recommend a Final Dividend of 5% for the year ended 31st March 2011.

AUDITORS REPORT

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

DIRECTORS

Shri Ramniklal Salgia retires from office by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

AUDITORS

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

PARTICULARS OF EMPLOYEES

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING & OUTGO

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

ACKNOWLEDGMENTS

Your directors take this opportunity to express their appreciation and gratitude for the unstinted support, cooperation and assistance received from the company's customers, vendors, business associates, bankers and Government authorities.

The Directors also wish to place on record their appreciation for the devoted and dedicated services rendered by all the employees for the sustained growth of the company.

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

For and on behalf of the Board,

Mahesh Mehta
Director

Place : Mumbai
Date : 31st August, 2011



ANNEXURE TO THE DIRECTORS' REPORT

FORM A

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

1. CONSERVATION OF ENERGY	2010-11	2009-10
A. POWER & FUEL CONSUMPTION		
I. ELECTRICITY		
a. Purchased (net)		
Unit (Lacs KWH)	104.80	31.16
Total / Amount (Rs. in Lacs)	630.98	196.18
Rate / Unit	6.02	6.30
b. Own Generation		
i) Through Diesel Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % diesel oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
ii) Through Steam Turbine Generator		
Unit (Lacs KWH)	NIL	NIL
Unit per liter % fuel gas/oil	NIL	NIL
Cost / Unit Rs.	N.A.	N.A.
II. COAL (Specify quality and where used)		
Quantity (Tonnes)	10337.475	7944.851
Cost (Rs. in Lacs)	280.32	205.63
Average Rate (Rs.)	2711	2588
III. FURNACE OIL		
Quantity (Tonnes)	NIL	NIL
Cost (Rs. in Lacs)	NIL	NIL
Average Rate (Rs.)	NIL	NIL
B. CONSUMPTION PER TONNE OF PRODUCTION		
Production (Tonnes)	11970.332	6806.121
Electricity (KWH)	875	458
Furnace Oil (K. Litters)	NIL	NIL
Coal (Kgs.)	863	1167
2. FOREIGN EXCHANGE EARNING AND OUTGO		
A. Foreign Exchange Earned (Rs. in lacs)	315.30	372.15
B. Outgo Foreign Exchange (Rs. in lacs)		
I. Value of Imports (CIF)		
a) Raw Materials (Rs. in lacs)	1256.53	870.47
b) Spare Parts and Consumable (Rs. in lacs)	2.99	0.00
c) Capital Goods (Rs. in lacs)	NIL	NIL
II. Traveling Expenses and others (Rs. in lacs)	NIL	NIL

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

- | | |
|---|---|
| <p>1. Specific Area in which R & D carried out by the Company</p> <p>2. Benefit derived as a result of above R & D</p> <p>3. Future Plans</p> <p>4. Expenditure on R & D</p> <p style="margin-left: 20px;">a) Capital</p> <p style="margin-left: 20px;">b) Recurring</p> <p style="margin-left: 20px;">c) Total</p> <p style="margin-left: 20px;">d) Total R&D expenditure as % of Total Turnover</p> | <p>i. Development of Carbon Base Papers , Napkin Tissue Papers, Ledger Papers, Cream Wove & S. S. Maplitho Papers.</p> <p>ii. Value Added Product like Wax Match and lightweight papers.</p> <p>iii. Energy Conservation.</p> <p>i. High Realization</p> <p>ii. Reduction in Energy cost.</p> <p>iii. Increase in the efficiency of the machines</p> <p>i. Production of Value Added Papers.</p> <p style="text-align: right;">Rs. 36.50 Lacs</p> <p style="text-align: right;">Rs.81.00 Lacs</p> <p style="text-align: right;">Rs.117.50 Lacs</p> <p style="text-align: right;">2%</p> |
|---|---|



CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

(a) Category & Composition

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

Name of Director	Category / Status	No. of Outside Directorships held
Shri Mahesh Mehta	Independent, Non-Executive	One
Shri Akhilesh K. Sharma	Independent Executive	None
Shri Ramniklal Salgia	Independent, Non-Executive	None

(b) Board Meetings & Attendance of Directors

The Board of Directors met Six times during the financial year 2010-11. These meetings were held on 5th April 2010, 30th April 2010, 30th July 2010, 31st August 2010, 30th October 2010, 27th January 2011

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent, Non-Executive	Six
Shri Akhilesh K. Sharma	Independent, Executive	Five
Shri Ramniklal Salgia	Independent, Non Executive	Six

3. CODE OF CONDUCT

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

have been made by the directors and senior management of the company.

4. COMMITTEES OF DIRECTORS

(a) Audit Committee

The Audit Committee met five times during the financial year 2010-11. These meetings were held on 30th April 2010, 30th July 2010, 31st August 2010, 30th October 2010 and 27th January 2011.

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

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent, Non-Executive	Five
Shri Akhilesh K. Sharma	Independent, Executive	Five
Shri Ramniklal Salgia	Independent, Non Executive	Five

The terms of reference of the Audit Committee include:

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

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

(b) Remuneration Committee

(i) Broad terms of reference:

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

(ii) Composition:

The committee comprises the following non executive independent directors:

Shri Mahesh Mehta
Shri Ramniklal Salgia

(iii) No. of meetings held: Nil
(c) Shareholders / Investor Grievances Committee

The Shareholders / Investor Grievances Committee met two times during the financial year 2010-11 These meetings were held on 27th July' 2010 and 31st January' 2011.

The Company has constituted the shareholders / Investors grievance committee comprising Shri Mahesh Mehta, Shri Akhilesh K. Sharma and Shri Ramniklal Salgia.

(i) Broad Terms of Reference:

The committee deals with various matters relating to:

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

(ii) Composition:

The Committee comprises one non-executive directors and one executive director. The committee met two times during the financial year 2010-11 and the attendance of the members at the meetings was as under

Name of Director	Status	No. of meetings attended
Shri Mahesh Mehta	Independent Non-Executive	Two
Shri Akhilesh K. Sharma	Independent Executive	Two
Shri Ramniklal Salgia	Independent Non-Executive	Two

(iii) Details of Shareholders complaints:

There were no complaints pending for disposal as on 31st March 2011.

(iv) Compliance Officer:

Shri Ramesh Phadatare is the compliance officer of the company.

Company Website : www.ramapulp.com

E mail : investor@ramapulp.com

5. DISCLOSURE OF MATERIAL TRANSACTIONS TO THE BOARD

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

6. OTHER DISCLOSURES RECOMMENDED BY THE SEBI COMMITTEE
A Details of Annual General Meeting:

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

Financial Year	Date	Time
2007-2008	26 th September, 2008	11.00 AM
2008-2009	31 st July, 2009	11.00 AM
2009-2010	30 th September, 2010	11.00 AM

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

B. Disclosure of Related Party Transactions:

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

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

D. Means of Communication :

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

7. GENERAL SHAREHOLDERS INFORMATION

- 1) Registered Office : Paithan Road, Aurangabad

431 005

2) Annual General Meeting :

Date & Time	30 th September 2011 at 11.00 AM
Venue	Paithan Road, Aurangabad
Pin	431 005

3) Financial Calendar (Tentative)

Annual General Meeting	30th Sept. 2011
Results for quarter ending 30 th June 2011	Last week of July, 2011
Results for quarter ending 30 th Sep. 2011	Last week of Oct. 2011
Results for quarter ending 31 st Dec. 2011	Last week of Jan. 2012
Results for quarter ending 31 st March 2012	Last week of April 2012
Annual General Meeting	September 2012

4) Date of Book Closure: 28th September 2011 to 30th September 2011 (both days inclusive)
5) Listing of equity shares on Stock Exchanges at: Mumbai & Ahmedabad
6) Status of listing fees: Paid for the year 2011-12
7) Registrar & Share Transfer Agents: Bigshare Services Private Limited
8) Stock Code: Scrip Code - Bombay Stock Exchange- 502587

Trading Symbol - Bombay Stock Exchange
- RAMAPULP

9) Demat ISIN Number in NSDL & CDSL for Equity Shares: INE777A01015
10) Stock Market Price Data:

Month	Stock Market Price on BSE		Month	Stock Market Price on BSE	
	High	Low		High	Low
April 2010	26.15	22.00	Oct. 2010	23.80	16.65
May 2010	23.60	15.80	Nov. 2010	18.60	14.05
June 2010	17.85	15.25	Dec. 2010	16.75	11.60
July 2010	19.95	15.75	Jan. 2011	15.80	12.55
August 2010	21.80	17.15	Feb. 2011	15.51	12.10
Sept. 2010	19.00	16.50	March 2011	15.48	12.66

Source - BSE web site: www.bseindia.com

11) Share Transfer System: The Company's Shares are covered under compulsory dematerialisation and are transferable through the Depository System. Shares sent for transfer in physical form are registered & returned within a period of thirty

days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

12) Distribution of Share Holding as on 31st March 2011.

No. of Equity Share Held in Rs.	No. of Share Holders	% of Share Holders	Amount (Rs. in Lacs)	% of Total
1-5000	6149	78.94	109.65	9.97
5001-10000	760	9.75	66.28	6.03
10001-20000	410	5.26	67.25	6.11
20001-30000	154	1.98	40.44	3.68
30001-40000	69	0.88	25.32	2.30
40001-50000	71	0.91	34.41	3.13
50001-100000	91	1.17	64.11	5.82
100001-above	85	1.09	* 692.54	62.96
Total	7789	100%	1100.00	100%

Note : * This include 22,50,000 shares which are in Lock in period.

13) Shareholding Pattern as on 31st March, 2011

Sr. No.	Category	No. of shares held	% of share holding
A	Promoters	21,24,059	19.31
B	Indian Financial Institutions / Banks / Mutual Funds	15,400	0.14
C	Foreign Institutional Investors/NRI's	NIL	NIL
D	Others	88,60,541	80.55
	TOTAL	110,00,000	100.00

14) Plant : Plot No. 293-296, Phase II, G.I.D.C., VAPI - 396 195, GUJARAT
15) Investor Correspondence: For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address and any other query relating to the shares of the company, please write to:

Bigshare Services Pvt. Ltd.
E2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.
Phone No. 28470652, 40430200
Email : info@bigshare.com

For and on behalf of the Board,

Mahesh Mehta
Director

Place : Mumbai
Date : 31st August, 2011

MANAGEMENT DISCUSSIONS AND ANALYSIS

1. Industry Structure and Development

Rama Pulp & Papers Ltd., is one of the leading paper mills manufacturing specialty grade papers in India. The company has the state-of-the-art facilities to manufacture various grades of paper ranging from 18 Gsm to 120 Gsm. The company is strategically located at Vapi in the state of Gujarat with all necessary infrastructure facilities at its disposal. This strategic location gives the company more room for development. Presently the company is in the manufacture of various types of papers such as Writing printing, Absorbent Kraft Paper, Carbon base, Poster paper, Wrapping paper, Napkin grade tissue paper etc.

The company carved a niche in the segment of Carbon base paper (OTC) and is one of the market leaders as the company command more than 40% market share in this segment. With a dedicated and competent technical and marketing team and innovative marketing strategies, Rama Pulp, is, by and large, occupying more and more space in the horizon of Indian paper industry.

2. Opportunities and Threats

Company has adequate infrastructure facilities such as land and uninterrupted supply of water and power. Apart from this company has the flexibility to manufacture various grades of paper, which gives the company the advantage over other competing paper mills. Besides this, company is constantly in the process of broadening its horizons by diversifying into new products and new market segments. The proposal for putting up a plant to manufacture Granulisrd Single Super Phosphate and LABSA is in the pipeline. Company is also in the process of developing products like Wax Match, Thermal Paper, Electrical Grade Kraft, Copier Grade etc. which would be an added advantage for the company to keep going to establish itself as a diverse paper mill in the long run.

Company may face some competition from the upcoming large additional capacities in and around Vapi with De-inking Facility. Increase in power tariff by the Grid may affects its bottom line to some extent.

3. Outlook, Risk and Concerns

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

4. Internal Control Systems and their adequacy

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

5. Financial performance with respect to operational performance

The company has registered EBIDTA of Rs. 467.00 Lacs and a net profit of Rs. 367.00 lacs in the current year as against

the EBIDTA of Rs. 469.00 Lacs and a net profit of Rs. 368.00 lacs in the previous year.

6. Development in human resources / Industrial Relations front

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

For and on behalf of the Board
Mahesh Mehta
Director

Place: Mumbai
Date : 31st August, 2011

AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE :

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

We have examined the compliance of conditions of corporate governance by Rama Pulp and Papers Limited for the year ended 31st March 2011, as stipulated in clause 49 of the Agreements of the said company with stock exchanges in India.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanation given to us, we certify that the company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, except that the company is in the process of appointing a Company Secretary.

On the basis of the representation received from Registrar & Share Transfer Agents and as per the records maintained by the company which are presented to the share Transfer Approval committee, we state that no investor grievances are pending exceeding one month as on 31st March 2011.

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

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

Place : Mumbai
Date : 30th May 2011

M. No. 30117

AUDITORS' REPORT**Report of the Auditors to the Shareholders of
M/s. Rama Pulp & Papers Ltd.**

We have audited the Balance Sheet of M/s. Rama Pulp & Papers Ltd., as at 31st March 2011, the Profit and Loss Account and also the Cash Flow statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- c) The Balance Sheet, Profit & Loss Account and Cash Flow statement are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt by this report comply with the Accounting Standards referred to in section 211 (3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the directors of the company and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a Director U/s 274(1)(g) of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes appearing thereon, and attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - (ii) In the case of Profit and Loss Account, of the Profit of the company for the year ended on that date; and
 - (iii) In the case of the Cash Flow statement, of the Cash Flows for the year ended on that date.

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

N. R. AGRAWAL
Partner
M. No. 30117

Place: Mumbai
Date : 30th May, 2011

M/s. Rama Pulp & Papers Limited**ANNEXURE TO THE AUDITORS' REPORT**

ANNEXURE I IN TERMS OF PARA 2 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s RAMA PULP & PAPERS LTD ON THE ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH 2011.

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

(b) As informed to us, the fixed assets have been physically verified by the management during the year at reasonable intervals and we are informed that no material discrepancies have been noticed on such verification.

(c) No substantial part of the fixed assets has been disposed off during the year.

(d) None of the fixed assets were revalued during the year.
- 2) (a) The physical verification of goods, stores and spare parts have been conducted by the management during the year & in our opinion the frequency of verification was reasonable.
(b) Procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification of stock as compared to book records.
- 3) The Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of companies Act, 1956. Accordingly, the provision of other clauses of the order is not applicable to the Company.
- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of stores, raw material and components plant and machinery and other assets, and also for the sale of goods.
- 5) The company has not entered into any transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956, accordingly, the provision of clauses of the order are not applicable to the Company.
- 6) The Company has not accepted any public deposits during the year within the meaning of section 58A and section 58AA of the Companies Act, 1956 and the rules framed there under.
- 7) The company has an internal audit system commensurate with the size and nature of its business.
- 8) The company has maintained the cost records as required under section 209(1) (d) of the Companies Act, 1956 that we have broadly reviewed. We have, however not made detailed examination of this record.
- 9) According to the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Excise Duty, Sales Tax, ESIC dues with the appropriate authorities
- 10) The company has not incurred cash losses during the current financial year and in the immediately preceding financial year.
- 11) The Company did not have any outstanding dues to any financial institutes, banks or debenture holders during the year.
- 12) The company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities and in our opinion the security, terms and conditions on which they are given are not prejudicial to the interest of the company.

- 13) The Company is not a chit/nidhi/mutual benefit funds / society.
- 14) According to the information given to us, the company is not dealing in or trading in Shares, Securities, Debentures or other investment.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its wholly owned subsidiary Company from a bank.
- 16) The Company has raised term loan during the year and the term loan raised during the year have been applied for the purpose for which they were raised.
- 17) According to the information and explanations given to us and an overall examination of the Balance Sheet of the Company and the Fund Flow based on the Audited Accounts, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

N. R. AGRAWAL
Partner
M. No. 30117

Place: Mumbai
Date : 30th May, 2011



BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. In Lacs)

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
<u>SOURCES OF FUNDS :</u>			
<u>SHARE HOLDERS' FUNDS</u>			
Capital	1	1,100.00	775.00
Application Money for Warrants		-	337.50
Reserves & Surplus	2	<u>2,342.70</u>	<u>2,014.43</u>
		3,442.70	3,126.93
<u>LOAN FUNDS</u>			
Secured Loan	3	453.07	5.63
Unsecured Loan	4	<u>53.40</u>	<u>277.47</u>
		506.47	283.10
		<u>3,949.17</u>	<u>3,410.03</u>
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	5	5,699.46	5,419.96
Less : Depreciation		<u>4,193.50</u>	<u>4,026.04</u>
Net Block		1,505.96	1,393.92
Capital work in Progress		7.96	111.30
Deferred Tax Assets		118.10	178.90
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	6	364.33	296.34
Sundry Debtors		1,214.13	832.39
Cash & Bank Balances		395.98	306.11
Loans & Advances		<u>737.10</u>	<u>596.79</u>
		2,711.54	2,031.63
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	7	308.20	242.74
Provisions		<u>86.19</u>	<u>62.98</u>
		394.39	305.72
<u>NET CURRENT ASSETS</u>			
		2,317.15	1,725.91
		<u>3,949.17</u>	<u>3,410.03</u>
NOTES ON ACCOUNTS			
	16		
Schedules 1 to 16 are attached to the Balance sheet are an integral part thereof.			

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

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

Place : Mumbai
Date : 30th May, 2011

For and on behalf of the Board,

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. In Lacs)

	Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
INCOME :			
Sales & Other Income	8	6,838.13	5,125.23
Increase in Stock	9	<u>(66.37)</u>	<u>77.41</u>
		6,771.76	5,202.64
EXPENDITURE :			
Raw Material Consumption	10	2,438.74	1,299.85
Purchase for Trading		2,084.66	2,205.29
Excise Duty		168.08	22.39
Employee Cost	11	174.46	103.28
Operative Expenses	12	1,341.87	1,056.50
Other Expenses	13	<u>96.92</u>	<u>46.31</u>
		6,304.73	4,733.62
Profit before Interest & Depreciation		467.03	469.02
Interest	14	22.86	12.46
Depreciation	15	<u>73.02</u>	<u>80.72</u>
		95.88	93.18
Profit before Prior year. Exp. & I. Tax		371.15	375.84
Prior year Expenses		<u>3.69</u>	<u>7.55</u>
		3.69	7.55
Profit for the year before I. Tax		367.46	368.29
Provision for Current Tax		-	-
Profit before Deferred Tax		367.46	368.29
Deferred Tax		<u>(60.80)</u>	<u>(141.50)</u>
		306.66	226.79
Add : Balance Brought Forward from previous year		934.67	809.07
Profit Available for Appropriation		<u>1,241.33</u>	<u>1,035.86</u>
APPROPRIATIONS :			
Proposed Dividend		55.00	43.75
Tax on Dividend		10.20	7.44
General Reserve		<u>50.00</u>	<u>50.00</u>
Total		115.20	101.19
Surplus carried to Balance Sheet		<u>1,126.13</u>	<u>934.67</u>
		<u>1,241.33</u>	<u>1,035.86</u>
Basic Earning per Share (Rs)		3.36	2.49
Diluted Earning per Share (Rs.)		3.36	2.49
(Refer Para No 10 of Notes on Accounts)			
NOTES ON ACCOUNTS	16		

As per our Report of even Date

For N. R. AGRAWAL & Co.

Chartered Accountants

N. R. AGRAWAL

(Partner)

M. No. 30117

Place : Mumbai

Date : 30th May 2011

For and on behalf of the Board,
MAHESH MEHTA

(DIRECTOR)

AKHILESH K. SHARMA

(DIRECTOR)

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 (Rs. In Lacs)

Schedules	As at 31.03.2011	As at 31.03.2010
<u>SCHEDULE 1:</u>		
Share Capital		
Authorised :		
1,25,00,000 Equity Shares		
of Rs. 10/- each	<u>1,250.00</u>	<u>1,250.00</u>
Issued, Subscribed and fully paid up		
1,10,00,000 Equity Shares of Rs. 10/- each	<u>1,100.00</u>	<u>775.00</u>
(Previous Year 77,50,000 Equity Shares)	<u>1,100.00</u>	<u>775.00</u>
<u>SCHEDULE 2 :</u>		
Reserves & Surplus		
Capital Subsidy	45.00	45.00
Capital Reserve	0.20	0.20
Forfeited Share Application Money	31.25	-
Share Premium	150.00	-
General Reserve		
As per last Balance Sheet	250.00	200.00
Add : Transfer from Profit & Loss A/c	<u>50.00</u>	<u>50.00</u>
	300.00	250.00
Revaluation Reserve	784.56	861.53
Less : Adjustment of Depreciation	<u>94.44</u>	<u>76.97</u>
	690.12	784.56
Profit & Loss A/c Balance	1,126.13	934.67
	<u>2,342.70</u>	<u>2,014.43</u>
<u>SCHEDULE 3 :</u>		
Secured Loans		
State Bank of Patiala Term Loan A/C	56.66	-
(Includes interest accrued & due Rs. 0.74 lacs)		
State Bank of Patiala CC A/c	393.83	-
Vehicle Loan form HDFC Bank	<u>2.58</u>	<u>5.63</u>
	<u>453.07</u>	<u>5.63</u>
Term Loan is Secured by Hypothecation of Machineries and Fixed assets of the company, existing and future. and Collateral Security by charge over the current assets of the company, mortgage of factory land and building situated at Plot no 293-296, 2nd phase, G.I.D.C. Vapi and corporate guarantee of M/s Akash Farms Pvt Ltd and personal guarantee of promoters, directors of M/s Akash Farms P. Ltd. Working Capital Loan is Secured by first charge on entire current asset including Raw Materials, Work in Process & Finished Goods & Book debts present and future Also collateral security of extension of charge of mortgage of Factory Land and Building in the name of the company situated at Vapi and first charge on entire fixed assets of the company existing and future and corporate guarantee by M/s. Akash Farms P. Ltd and personal guarantee of promotor, director of M/s. Akash Farms P. Ltd.		
Unsecured Loans		
Trade Deposits	12.87	14.37
Loan form Others	<u>40.53</u>	<u>263.10</u>
	<u>53.40</u>	<u>277.47</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

**SCHEDULE 5 :
Fixed Assets**

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS AT 01.04.2010	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE YEAR	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
LEASEHOLD LAND	270.48	0.00	0.00	270.48	23.71	2.73	26.44	244.04	246.77
BUILDING	857.29	0.00	0.00	857.29	374.70	25.88	400.58	456.71	482.59
PLANT AND MACHINERY	4200.40	236.42	0.00	4436.82	3555.26	135.20	3690.46	746.36	645.14
FURNITURE AND FIXTURE	64.66	0.77	0.00	65.43	55.99	0.76	56.75	8.68	8.67
VEHICLES	27.13	42.31	0.00	69.44	16.38	2.89	19.27	50.17	10.75
TOTAL	5419.96	279.50	0.00	5699.46	4026.04	167.46	4193.50	1505.96	1393.92
TOTAL PREVIOUS YEAR	5407.24	16.12	3.40	5419.96	3868.35	157.69	4026.04	1393.92	1538.89
CAPITAL WORK IN PROGRESS								7.96	111.30

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011

(Rs. In lacs)

Schedule	As at 31.03.2011	As at 31.03.2010
<u>SCHEDULE 6:</u>		
Current Assets Loans & Advance		
Inventories		
(As valued and certified by the Management)		
Raw Materials	221.89	112.85
Coal/Lignight	8.64	4.12
Stores, Spares & Tools	45.39	37.59
Finished Goods	<u>88.41</u>	<u>141.78</u>
	364.33	296.34
Sundry Debtors		
(I) Outstanding for more than Six Months		
Considered Good	234.48	11.22
Considered Doubtful	27.70	27.70
Less : Provision for Doubtful Debts	27.70	27.70
(II) Other Debts Considered good	<u>979.65</u>	<u>821.17</u>
	1,214.13	832.39
Cash & Bank Balances		
Cash on hand	1.48	0.40
Balance with Scheduled Banks	<u>394.50</u>	<u>305.71</u>
	395.98	306.11
Loans & Advances		
Advances recoverable in cash or in kind for value to be received :-	394.70	207.59
Sundry Deposit	297.64	297.74
Deposits with Government Bodies	<u>44.76</u>	<u>91.46</u>
	737.10	596.79
	<u>2,711.54</u>	<u>2,031.63</u>
<u>SCHEDULE 7 :</u>		
Current Liabilities & Provisions		
Current Liabilities		
Sundry Creditors	199.58	138.49
Other Liabilities	<u>108.62</u>	<u>104.25</u>
	308.20	242.74
Provisions		
Proposed Dividends	55.00	43.75
Provisions for Dividend Tax	10.20	7.44
Provisions for Gratuity	12.07	6.91
Provisions for Leave Encashment	6.79	3.55
Provisions for Bonus	<u>2.13</u>	<u>1.33</u>
	86.19	62.98
	<u>394.39</u>	<u>305.72</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. In lacs)

Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
<u>SCHEDULE 8:</u>		
Sales & Other Income :		
Sales	6,763.16	4,492.89
Mfg. Facility Receipt	-	559.33
Other Income	<u>74.97</u>	<u>73.01</u>
	<u>6,838.13</u>	<u>5,125.23</u>
<u>SCHEDULE 9 :</u>		
Increase / (Decrease) In Stock :		
Closing stock	90.63	157.00
Less : Opening stock	<u>157.00</u>	<u>79.59</u>
	<u>(66.37)</u>	<u>77.41</u>
<u>SCHEDULE 10 :</u>		
Raw materials :		
Opening stock	97.63	40.77
Add-Purchases	2,560.79	1,356.71
Less : Closing stock	<u>219.68</u>	<u>97.63</u>
	<u>2,438.74</u>	<u>1,299.85</u>
<u>SCHEDULE 11 :</u>		
Employees Cost :		
Salaries & Wages	123.86	78.36
Cont. to Employee P.F. & Other Fund	10.45	6.73
Staff Welfare Expenses	<u>40.15</u>	<u>18.19</u>
	<u>174.46</u>	<u>103.28</u>
<u>SCHEDULE 12 :</u>		
Operating Expenses :		
Consumption of Stores & Spares	192.38	83.92
Transportation & Materials Handling	74.54	57.68
Power & Coal-Lignite Cost	911.31	401.82
Manufacturing Facility Expenses	-	428.74
Repair to Plant & Machinery	9.39	30.46
Repair to Building	3.40	2.97
Repair to Other	0.70	1.07
Water Charges	29.64	5.82
Discount on Sales	<u>120.51</u>	<u>44.02</u>
	<u>1,341.87</u>	<u>1,056.50</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. In lacs)

Schedule	For the year ended 31.03.2011	For the year ended 31.03.2010
<u>SCHEDULE 13 :</u>		
Other Expenses :		
Rent, Rates & Taxes	2.72	2.69
Insurance Charges	4.34	1.91
Administrative Expns.	87.00	39.83
Internal Audit Fees	1.48	1.15
Cost Audit Fees	<u>0.10</u>	<u>0.10</u>
Auditor's Remuneration :		
Audit Fee	0.35	0.25
Tax Audit Fee	0.25	0.15
Income Tax Matters	0.60	0.18
Other Services	<u>0.08</u>	<u>0.05</u>
	<u>96.92</u>	<u>46.31</u>
<u>SCHEDULE 14 :</u>		
Interest & Financial Charges :		
Interest on Loans & Others	<u>22.86</u>	<u>12.46</u>
	<u>22.86</u>	<u>12.46</u>
<u>SCHEDULE 15 :</u>		
Depreciation :		
Depreciation for the year	167.46	157.69
Less : Adj. of dep. on Account of revaluation of Fixed Assets	<u>94.44</u>	<u>76.97</u>
	<u>73.02</u>	<u>80.72</u>



**NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT
AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

SCHEDULE : 16**1. Significant Accounting Policies:****I. BASIS OF PREPARATION OF FINANCIAL STATEMENT :**

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

II. METHOD OF ACCOUNTING :

Accounts are maintained on accrual basis except interest received on deposit with GEB which is accounted on receipt basis. Claims / Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.

III. FIXED ASSETS :

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

IV. DEPRECIATION ON FIXED ASSETS :

(a) The Company follows the straight-line method of charging depreciation on all its fixed assets. The depreciation has been provided in the manner and the rates prescribed in Schedule XIV to the Companies Act, 1956 on all the assets.

(b) No Depreciation has been charged on the assets, which have been fully depreciated.

(c) Depreciation on the revalued portion of the fixed assets is charged to Revaluation Reserve Account.

V. INVENTORIES :

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

(a) Raw Material - First in First out method.

(b) Stores & Spares and Packaging Material - Weighted Average Method.

(c) Finished goods and work-in progress - Weighted average cost of production which comprises direct material costs and appropriate overheads.

VI. SUNDRY DEBTORS, CREDITORS AND ADVANCES :

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

VII. FOREIGN EXCHANGE TRANSACTIONS :

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

VIII. REVENUE RECOGNITION :

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

IX. IMPAIRMENT OF ASSETS :

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

X. BORROWING COST :

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

XI. LEASES :

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

XII. INTANGIBLE ASSETS :

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

XIII. RETIREMENT BENEFITS :

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

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

XIV. TAXES ON INCOME:

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

XV. SEGMENT REPORTING:

a) Primary Segment Reporting (Business Segment)

The Company has identified two reportable business segment

i) Manufacturing and Trading of Paper

ii) Trading in Chemical

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

(Rs. in Lacs)

Particulars	Manufacturing Income		Trading in Chemical		TOTAL	
	2010 - 11	2009 - 10	2010 - 11	2009 - 10	2010 - 11	2009 - 10
<u>REVENUE</u>						
External Sales	5521.57	4741.27	1309.39	376.34	6830.96	5117.61
Inter segment Transfer						
Unallocable Revenue	-	-	-	-	7.15	-
TOTAL REVENUE	5521.57	4741.27	1309.39	376.34	6838.11	5,117.61
<u>SEGMENT RESULT</u>	301.73	339.47	88.59	41.28	390.32	380.75
Interest Expenses						
Unallocable	-	-	-	-	22.86	12.46
<u>PROFIT BEFORE TAXES</u>					367.46	368.29
Current Tax	-		-		0.00	0.00
Deferred Tax Asset	-		-		(60.80)	(141.50)
PROFIT AFTER TAX	-		-		306.66	226.79
<u>OTHER INFORMATION</u>						
<u>ASSETS:-</u>						
Segment Assets	3110.96	2976.58	359.23	262.54	3470.19	3239.12
Unallocable Assets	-	-	-	-	817.18	476.64
Segment Liabilities	785.36	232.53	-	10.21	785.36	242.74
Unallocable liabilities	-	-	-	-	115.48	346.07

(b) Geographical reportable segment

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

Particulars	2010 - 11			2009 - 10		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	6498.95	332.01	6830.96	4714.13	403.48	5117.61
Carrying Amount of debtors	1195.52	14.06	1209.58	816.35	16.04	832.39
Carrying amount of Assets other than debtors	3133.98	NIL	3133.98	2883.37	NIL	2883.37
Addition to Fixed Assets & Intangible Assets	279.50	NIL	279.50	16.12	NIL	16.12

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

XVI. CONTINGENT LIABILITY:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the note no.5 below.

- Company has issued 10,00,000 equity shares on 5th April 2010 @ Rs.25/- per share including Rs.15/- as share premium per share on conversion of share warrants issued on preferential basis. The company has further issued 22,50,000 equity shares on 31st Jan.2011 @ Rs.10/- per share on conversion of share warrant issued on preferential basis.

3. Managerial Remuneration:

Particulars	2010 - 11 (Rs. in Lacs)	2009 - 10 (Rs. in Lacs)
Salaries	6.14	4.40
Commission	Nil	Nil
Contribution to Provident Fund and Other Funds	0.50	0.32
Value of Perquisites & other Benefit	1.14	0.60

Note : Excludes actuarial provision of gratuity & leave encashment.

4. Payment to Auditors (Excluding Service Tax):

Particulars	2010 - 11 (Rs. in Lacs)	2009 - 10 (Rs. in Lacs)
Audit Fees	0.35	0.25
Tax Audit Fees	0.25	0.15
Income Tax Matter	0.60	0.18
Total	1.20	0.58

5. Contingent Liabilities:

	As at 31 st March 2011 (Rs. in Lacs)	As at 31 st March 2010 (Rs. in Lacs)
Claims against the Company not acknowledge as debts hence not provided		
(i) Suits filed by creditors	0.14	0.42
(ii) Income Tax Liability for the A.Y. 2007-08 which the company has disputed and in appeal CIT(A) has given relief.	NIL	80.32
(iii) Bank Guarantee given to the GPCB	1.00	Nil

6. Capital Commitments:

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

	As at 31 st March 2011 (Rs. in Lacs)	As at 31 st March 2010 (Rs. in Lacs)
Estimated amount of contracts remaining to be executed on capital account	Nil	34.06

7. Fixed Assets :

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

8. Taxation :

- No provision has been made for current income tax due to carry forward benefit of profit earned u/s 115JB(2)(ix), for the years starting from the year in which company has become sick industrial company ending with the year in which entire net-worth of the company becomes equal or exceeds the accumulated losses.
- As per AS-22 "Accounting for Taxes on Income" Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Assets can be realised. Deferred Tax Asset are reviewed at each Balance Sheet date.

The calculation of Deferred Tax Assets and Deferred Tax Liability is as follows :	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
Assets		
(a) Deferred tax assets arising on account of timing differences :-		
(I) Unabsorbed business loss / depreciation	172.56	229.11
(ii) Payment of Statutory dues	1.37	3.98
Liability		
(b) Deferred tax liabilities arising on account of timing differences :- Depreciation	55.83	54.19
Net Deferred Tax asset	118.10	178.90

9. Miscellaneous :

- There are no claims for interest payment from any supplier with reference to interest on delayed payments to Small and Ancillary Industrial Undertakings Ordinance, 1992.
- Sales includes Manufacturing Facility Receipt of Rs. Nil (Previous Year Rs. 559.33 Lac)
- Other income includes Rs. 3.04 Lac of Sundry Balances Written back, (Previous Year Rs. 7.30 Lac) Interest on Fixed Deposit Rs.10.09 Lac (Previous Year Rs. 3.66 Lac) & Others Miscellaneous income Rs.61.84 Lac (Previous Year Rs. 62.05 Lac)
- The company has not identified transactions with small scale industrial undertakings during the year.

10. Earnings Per Share :

(Rs. in Lacs)

	Year ended 31st March 2011	Year ended 31st March 2010
a) Profit after Tax (Rs. in Lacs) (Including Deferred Tax)	306.66	226.79
b) Weighted average number of Equity Shares outstanding	91,25,000	91,25,000
c) Face value of each Equity Share (Rs.)	10	10
d) Earnings per Share - Basic (Rs.)	3.36	2.49*
e) Earnings per Share - Diluted (Rs.)	3.36	2.49*

* Previous years Earning Per Share is restated as per AS-20.

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

The Company has terminated the Lease Agreement with M/s. Wexford Trading Co. Pvt. Ltd w.e.f 1st April 2010

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

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

Manufacturing

Description	Unit	Installed Capacity Qty./P.A.	Qty. Production	Sales Quantity	Sales Rs. in lacs	Opening Stock Qty MT	Closing Stock Qty MT
Writing Printing Paper, Carbon base Tissue, Napkin & other Speciality Papers	MT	23250.000	11970.332	12143.426	4565.53	458.293	285.403
Previous Year	MT	23250.000	6806.121	6493.479	2223.14	145.651	458.293

Trading

Description	Unit	2010 - 11		2009 - 10	
		Sales Quantity	Value (Rs. in lacs)	Sales Quantity	Value (Rs. In Lacs.)
Chemicals	MT	13471.558	1309.39	3842.250	376.34
Paper	MT	6301.979	888.24	6443.452	1893.41

Raw Material Consumed

Item Head	2010 - 11		2009 - 10	
	Quantity (MT)	(Rs. in lacs)	Quantity (MT)	(Rs. In Lacs.)
Waste Paper	13771.070	2299.41	7739.692	1208.69
Chemicals & Dyes	-	122.84	-	91.16
Total	-	2422.25	7739.692	1299.85

12.2 Earnings in Foreign Exchange:
Receipt - Against Export Goods

Rs. 315.30 Lacs

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

Rs. 1256.53 Lacs

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

Account Head	2010 - 11		2009 - 10	
	(Rs. in lacs)	Percentage	(Rs. in lacs)	Percentage
(a) Raw Material				
Imported	1398.11	57.72	1066.33	82.03
Indigenous	1024.14	42.28	233.52	17.97
	2422.25	100.00	1299.85	100.00
(b) Stores and Spare Parts				
Imported	0.54	0.28	0.00	0.00
Indigenous	191.84	99.72	83.92	100.00
	192.38	100.00	83.92	100.00

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

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

As per our Report of even Date

For N. R. AGRAWAL & Co.
Chartered Accountants

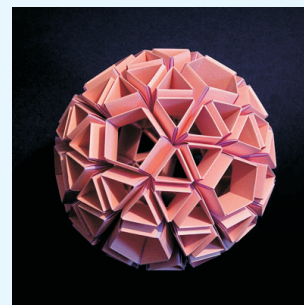
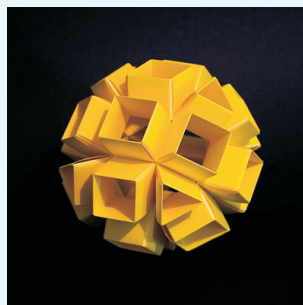
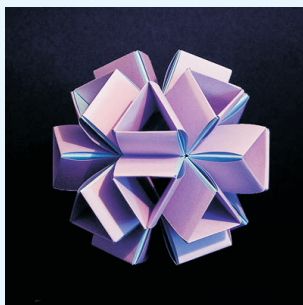
N. R. AGRAWAL
(Partner)
M. No. 30117

Place : Mumbai
Date : 30th May, 2011

For and on behalf of the Board,

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. In lacs)

	2010-11		2009-10	
Operating Activities				
Net profit before tax		367.46		368.29
Adjustments for :				
Add : (a) Depreciation	73.02		80.72	
(b) Rent Received	-		(6.00)	
		73.02		74.72
Operating Profit before Working Capital Charges		440.48		443.01
Adjustments for :				
(a) Increase/ (Decrease) in Debtors	(381.73)		(32.71)	
(b) Increase/ (Decrease) in Inventories	(67.99)		(129.71)	
(c) (Increase) /Decrease in Loans & Advance	(140.31)		(97.19)	
(d) (Increase) /Decrease in Current Liabilities	65.45		(76.93)	
(e) (Increase) /Decrease in Provision for Exp.	9.20		(1.73)	
		(515.38)		(338.27)
Net Cash flow from operating activities		(74.90)		104.74
Investing Activities				
(a) (Purchase) / Sale of Fixed Assets	(279.50)		(12.71)	
(b) Increase/ (Decrease) in Capital Works in Progress	103.33		(110.82)	
(c) Rent Received	-		6.00	
Net Cash Flow from Investing activities		(176.17)		(117.53)
Financing Activities				
(a) Market Borrowings (Unsecured)	(224.08)		-	
(b) Dividend & Tax	(51.19)		(71.69)	
(c) Increase / (Decrease) in Loans & Advances	-		-	
(d) Secured Loan	447.46		-	
(e) Increase / (Decrease) in Capital	325.00		(2.66)	
(f) Increase / Decrease in Reserve and Surplus	181.25		281.25	
(g) Change in share application mon	(337.50)		-	
Net Cash Flow from Financing activities		340.94		206.90
Net Increase in cash and cash Equivalents		89.87		194.11
Cash & Cash equivalents as at the commencement of the year (Opening Balance)		306.11		112.00
Cash & Cash equivalents at the ending of the year (Closing Balance)		395.98		306.11
Net Increase as disclosed above		89.87		194.11

As per our Report of even Date

For N. R. AGRAWAL & Co.

Chartered Accountants

N. R. AGRAWAL

(Partner)

M. No. 30117

Place : Mumbai

Date : 30th May, 2011

For and on behalf of the Board,
MAHESH MEHTA

(DIRECTOR)

AKHILESH K. SHARMA

(DIRECTOR)

**BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE
PURSUANT TO PART - IV OF SCHEDULE-VI TO THE COMPANIES ACT 1956**

I. Registration Details :	State Code No. : 11
CIN	L21010MH1980PLC022820
Registration No.	022820
Balance Sheet Date	31.03.2011
	(Rs. in Lacs.)
II. Capital raised during the period :	
Public Issue	NIL
Bonus Issue	NIL
Preferential Issue	325.00
III. Position of Mobilization of Deployment of Funds :	
Total Liability	3949.17
Total Assets	3949.17
Source of Funds	
Paid up Capital	1100.00
Reserve & Surplus	2342.70
Secured Loans	453.07
Unsecured Loans	53.40
Application of Funds	
Net Fixed Assets	1513.92
Net Current Assets	2317.15
Deferred Tax Assets	118.10
IV. Performance of Company (Rs. in Lacs) :	
Turnover (Inclusive other Income)	6771.76
Total Expenditure	6404.30
Profit for the Year	367.46
Profit After Defferred Tax	306.66
Earning Per Shares (Rs.)	3.36
Diluted Earning per Share (Rs.)	3.36
Dividend Rate (%)	5 %
V. Generic Names of two Principle Products/Services of the Company (as per monetary terms) :	
Item code (ITC Code)	4804.29
Product Description	Industrial Paper
Item Code (ITC Code)	4804.11
Product Description	Poster Paper

As per our Report of even Date

For N. R. AGRAWAL & Co.
Chartered Accountants

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

Place : Mumbai

Date : 30th May , 2011

For and on behalf of the Board,

MAHESH MEHTA
(DIRECTOR)

AKHILESH K. SHARMA
(DIRECTOR)

29th

Annual Report 2010-2011



**Rama Pulp
& Papers Limited**

An ISO 9001:2000 Certified Company

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

Printed on paper manufactured by Rama Pulp & Papers Limited



RAMA PULP AND PAPERS LIMITED

Regd. Office : Paithan Road, Aurangabad - 431 005.

ATTENDANCE SLIP

NAME OF MEMBER
(in Block Letters)

FOLIO NO.

NAME OF PROXY
(if attending instead of Member)

I hereby record my presence at the **29TH ANNUAL GENERAL MEETING** of the Company, which will be held at Paithan Road, Aurangabad - 431 005 on Friday 30th September, 2011 at 11.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER / PROXY

Note : Member / Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.



RAMA PULP AND PAPERS LIMITED

Regd. Office : Paithan Road, Aurangabad - 431 005.

PROXY FORM

I/We _____
of _____ in the district of _____ being
a Member / Members of above named Company, hereby appoint
_____ of _____ in the district of _____ or failing him
_____ of _____ in the district of _____
_____ as my/our Proxy to attend and vote for me/us and on my / our
behalf at the **29th Annual General Meeting** of the Company, to be held on Friday 30th September, 2011 at 11.00 a.m.
and at any adjournment there of.

Signed this _____ day of _____ 20 _____

Registered Folio No. _____

No. of Shares _____

Signature

**Affix
Rs. 1/-
Revenue
Stamp**

This form is to be used _____ *in favour of _____ the resolution. Unless otherwise instructed, the Proxy
will act as he thinks fit. * against _____

* Strike out whichever is not desired.

Note : The Proxy must reach the Company's Registered Office at **Paithan Road, AURANGABAD 431 005.**
not later than **FORTY EIGHT HOURS** before the time for holding the aforesaid meeting.