

TWENTIETH ANNUAL REPORT 2004-2005

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*Rama
Paper
Mills
Limited*

NAJIBABAD ROAD, KIRATPUR, (BIJNOR) U.P.

**RAMA PAPER MILLS LIMITED****BOARD OF DIRECTORS**

Shri Pramod Kumar	-	Chairman & Managing Director
Shri Arun Goel	-	Executive Director
Shri Amar Mittal	-	Director
Shri N. K. Nathani	-	Director
Shri Prabhat Agarwal	-	Director

BANKERS

Bank of Baroda

AUDITORS

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

COST AUDITORS

Aseem Jain & Associates
Cost Accountant
New Delhi

REGISTERED OFFICE & WORKS

4th Km Stone, Najibabad Road
Kiratpur-246731
Dist. Bijnor (U.P.)
Email : delhi@ramapaper.com
Website : www.ramapaper.com

CORPORATE OFFICE

12/22 IInd Floor, East Patel Nagar
New Delhi-110008.

REGISTRAR & TRANSFER AGENT

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

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**NOTICE**

NOTICE is hereby given that the 20th Annual General Meeting of the members of Rama Paper Mills Ltd. will be held on Wednesday the 24th day of August, 2005 at 10.00 A.M. at the Registered Office of the Company at Najibabad Road, Kiratpur, Dist.Bijnor (U.P.) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2005 and Profit and Loss Account for the period ended on that date along with the reports of the Auditors and Directors thereon
2. To appoint a Director in place of Shri N. K.Nathani who retires by rotation and being eligible offers himself for re- appointment.
3. To appoint M/S SHIAM & CO., Chartered Accountants as an Auditor of the Company to hold office from the conclusion of this meeting to the Conclusion of the next Annual General Meeting and to fix their Remuneration.

By Order of the Board
for **RAMA PAPER MILLS LIMITED**

Dated : 30th June 2005

Place : KIRATPUR

Sd/-
PRAMOD KUMAR
CHAIRMAN & MANAGING DIRECTOR

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NOTES :

1. The member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the registered office of the Company not less than 48 hours before the commencements of meeting.
2. Members who hold shares in dematerialized form are requested to write their client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting and for easy identifications of attendance at the meeting.
3. All documents referred to in the accompanying notice are open for inspection at the registered office between 10.00 A.M. and 1.00 P.M. at the date of the Annual General Meeting.
4. The Company has already notified closure of Register of members and the shares transfer books from Monday, 22 August, 2005 to Wednesday August, 24, 2005 (both days inclusive) for the purpose of Annual General Meeting.

None of the Directors of the Company is concerned or interested in this Resolution.

By Order of the Board
for **RAMA PAPER MILLS LIMITED**

Sd/-
PRAMOD KUMAR
CHAIRMAN & MANAGING DIRECTOR



RAMA PAPER MILLS LIMITED DIRECTORS' REPORT

To

The Members of**Rama Paper Mills Ltd.**

Your Directors take the pleasure in presenting their 20th Annual General Meeting report and the audited financial statements of the Company for the twelve months period ended on March 31, 2005.

FINANCIAL RESULTS

Financial Results

S.No	Particulars	Current Year 31.03.2005		Previous Year 31.03.2004	
1	Profit Before Depreciation and preliminary Expenses written off.	44582572		60668385	
	Less Depreciation	22828478		21603263	
	Deferred revenue exp (Written off)	56477	22884955	56477	21659740
2	Operating Profit	67467527		82328125	
3	Other income	5007863		28876728	
4	Profit before Tax	60339810		53451397	
5	Provisions for tax	Nil		Nil	
6	Profit/Loss balance as per last balance sheet.	44024283		(294728047)	
7	Excess Provisions for taxation.	Nil		Nil	
8	Previous year adjustment.	Nil		Nil	
9	Exceptional items	Nil		197252067	
10	Balance available for appropriation	Nil		Nil	
11	Profit/Loss	374227		(44024583)	
12	Appropriation				
	Transfer to General Reserve	Nil		Nil	
	Interim Dividend	Nil		Nil	
	Final Dividend	Nil		Nil	
13	Previous year adjustment.				
	Balance carried over to Balance Sheet	374227			
	Balance transferred from Investment Services	Nil		Nil	
		374227		44024583	

Dividend

The Company needs the money to be reinvested for the enhancement of the Working Capital requirement, hence your directors regret their inability to recommend Dividend on Equity Shares and Preference Shares for the year under review.

**Directors**

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Association of the Company, Shri N.K.Nathani shall retire by rotation and being eligible, offer himself for re-appointment.

Fixed Deposits

The Company has complied with the provisions of Section 56A and 58AA of the Companies Act, 1956 and the rules framed there under with regard to the deposits accepted from the public.

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) Rule, 1988 with respect to these matters forms part of this report and is annexed hereto.

Delisting

The Company has delisted its Equity Shares from following Stock Exchanges.

1. Delhi Stock Exchange Association Ltd,
2. Jaipur Stock Exchange,
3. Ahmedabad Stock Exchange
4. Uttar Pradesh Stock Exchange.

The shares of the company remain listed on Bombay Stock Exchange.

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 Exchanges.

Statutory Auditors

Messrs Shiam & Co. Chartered Accountant were appointed Auditors of the company to hold office until the conclusion of the forth coming Annual General Meeting and being eligible offer themselves for the re-appointment.

The Boards recommends 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, 2005 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 judgements and estimates has 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 on 31st March, 2005 and of the Profit of the Company for the year ended 31st March, 2005.
- 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.

**RAMA PAPER MILLS LIMITED**

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 is not applicable to the Company.

Acknowledgements

Your Director wish to place on record their appreciation for the support received from different Central and State government Departments and agencies, Company's Bankers, customers and vendors . Yours Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company.

Dated : 30th June 2005

Place : KIRATPUR

By Order of the Board of Directors

RAMA PAPER MILLS LIMITED

Sd/-

Pramod Kumar

Chairman Cum Managing Director

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**Annexure to the report of the Board of Directors**

A. Particulars required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Report of the Board of Directors for the year ending 31st March, 2005.

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.

"FORM-A"

Disclosure of Particulars with respect to Conservation of Energy

PARTICULARS	Current Year 2004-05	Previous Year 2003-04
POWER & FUEL CONSUMPTION		
ELECTRICITY		
Purchased Unit	14563299	1327321
Total Amount	57475326	53200063
Rate / Unit	3.95	4.01
Own Generation		
Through Diesel Generator Unit	9533894	11556115
Unit per ltr. Of Diesel Oil	3.6	3.6
Cost / Unit (Rs.)	6.16	5.07
Through Steam Turbine/Generator Unit		
Per ltr. of fuel Oil	N.A.	N.A.
Gas Cost / Unit	N.A.	N.A.
COAL & FUEL		
COAL (Steam Coal used as fuel for)		
Boiler Qty. Tonnes	0	2030.38
Total Cost	0	3792793
Average Rate	0	1868.02
Husk & Bagasse		
Qty. (Tonnes)	32687.82	28291.47
Total Cost	44945436.2	35936762
Average Rate	1374.99	1270.23
FURNACE OIL		
Qty. (K. Ltrs.)	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil
OTHER/INTERNAL GENERATION		
Qty. (K. Ltrs.)	Nil	Nil
Total Amount	Nil	Nil
Average Rate	Nil	Nil
CONSUMPTION PER UNIT PRODUCTION (IN ONE TON)		
Product details & Unit (if any)		
News Print	37906.3473	33253.778
Electricity	384.19	399.16
Furnace Oil	Nil	Nil
Coal	0	0.061
Other Husk & Bagasse etc.	0.862	0.0851.

Dated : 30th June 2005

Place : KIRATPUR

For and on behalf of the Board
RAMA PAPER MILLS LIMITED

Sd/-
PRAMOD KUMAR
CHAIRMAN & MANAGING DIRECTOR



Management Discussion and Analysis

SALES

During the year ended 31st March ,2005 your Company has sales(excluding excise duty) of Rs. 70,33,76,575/- as against Rs. 62,11,91,099 during the previous year. This represents 11.68% growth of the Company.

PRODUCT CHARACTERISTICS

Paper is totally customized product. Main characteristics of paper are brightness , gram mage 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 aspect 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 exists. 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 . Secondly , cost of depreciation and interest is very low being company very old . 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 due to government policies.

REPORT ON CORPORATE GOVERNANCE

(pursuant to Clause 49 of the listing Agreement with the stock exchange.)

1. 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.

2. Board of Directors

The composition of the Board of Directors and related information as on 31st March , 2005 is as follows.



Name of the Directors & Designation	Executive/Non Executive/ Independent	No of Board Meeting Attended	Attendance at the last AGM on 11.08.2004	Directorship in other Companies Incorporated in India	No of Board Committees of which members/Chairman
Shri Pramod Kumar Chairman & Managing Director	Executive	6	Present	Nil	Nil
Shri Arun Goel Executive Director	Executive	6	Present	1	Nil
Shri Amar Mittal (Director)	Non Executive	5	Present	Nil	Nil
Shri N.K.Nathani (Director)	Non Executive	4	Present	Nil	Nil
Shri Prabhat Agarwal (Director)	Non Executive	4	Present	Nil	Nil

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

Board Meeting held during the year

Six Board Meeting were held during the year ended March 31, 2005.

Details of Directors being appointed / re- appointed

Shri N. K. Nathani Director, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for the re-appointment. The information pertaining to the Directors proposed to be Re-appointed as required under Clause 49 of the listing agreement with the Stock Exchange is furnished as part of the Notice convening the Annual General Meeting.

3. Committees of the Board

A. Audit Committee

The Audit Committee of the Board was first constituted in the year 2001 with Shri Pramod Kumar 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 half yearly 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.

Composition and Attendance

The Audit Committee consists of three Directors of whom there is one Executive Director and two Independent Directors. During the year ended 31st march , 2005, four meeting of Audit Committee were held .

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

S.No.	Name of Member	No of Meeting Attended
1	Shri Pramod Kumar	4
2	Shri Amar Mittal	4
3	Shri N . K. Nathani	4