

TWENTY FIRST ANNUAL REPORT 2005-2006

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*Rama
Paper
Mills
Limited*

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



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

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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 Shareholders,

From your company's point of view 2005-06 has been an excellent year —the best witnessed in recent times. Revenue grew by over 10.3 per cent through better realizations and utilization of capacities and resources. Profits before tax have increased by over 40 per cent to Rs.8.51 crores and despite higher tax provisions of Rs. 2.98 crores (Previous year Rs. 1.59 crores) profits after tax have risen by over 24 per cent to Rs.5.52 crores. These are commendable achievements which, I feel confident, will be bettered in the coming years.

The foremost task before the company was to repay all the old debts and reduce interest burden which in earlier years consumed much of its operational profits and company has been able to repay entire previous long term liability and became debt free by effective use of funds.

Rama Paper Mills achieved close to 100% of production capacities and stagnation in growth contemplated well in advance and company decided to add some balancing equipments in the existing plant thereby increasing capacities by 4500 TPA. Power cost has substantial proportion in operational cost and rising fuel and power cost put lot of pressure on bottom line. To bring down the power cost, company is in process of installing 6 MW power plant for captive consumption which will result in reducing power cost by Rs. 800 per tonne of paper produced. Both the projects are combined together appraised and financed by Bank of Baroda and company is confident of achieving completion of these projects in scheduled time and benefit of both the projects will augur well for the profitability of financial year 2006-07. The above projects are just launching pads and are in no way solution to the long term needs to meet the ever growing demand of the product and to address this issue, company has envisaged other plans of putting up an additional line of paper manufacturing machine to produce tissue and poster paper with annual capacity of 18380 TPA and also undertake expansion cum modernization plan to enhance the capacities of existing three units. The modernization mainly envisages replacement of old and inefficient equipment by technologically superior high speed and energy efficient equipment, which will not only increase the speed of the lines but also result in manufacture of better quality paper. Improvement in quality is another main objective behind the proposed project. Your company proposing to produce and market complete range of quality products post expansion as against a limited range of medium quality paper being produced now. With completion of all the projects the total production capacity would go up to 79425 TPA.

Keeping the objective of shareholder value in mind, we will carefully inter connect this expansion program so that each round of capacity expansion starts generating additional output before the next phase is taken up. In that manner, we would hopefully be able to grow capacities without affecting the on going production. Paper prices look to be firm, the comparative higher capacities and save in power cost will enhance sales and profits. Though real effect of expansion program will surface in 2007-08 still I believe that 2006-07 will be better year for our company.

Let me take this opportunity to thank all our employees for their unstinted commitment and valuable contribution to the company and my sincere thanks to all of you for your continuous confidence and interest in Rama Paper Mills Ltd.

With warm wishes

Yours sincerely

Pramod Agarwal
Chairman & Managing Director

**EXECUTIVE DIRECTOR COMMUNIQUE**

Dear Members,

Hope this communication will find you in the pink of health and spirit. I convey my thanks to the Shareholders of the Company, Banker, Central and State Government, Local Bodies, Customers and the Employees of the Company at all the levels.

The persistent efforts of the management, of-course with the whole hearted support of all concerned, yielded it's results in the financial year 2005-06 and your Company registered a turnover of Rs. 7744.62 lacs and profit after tax of Rs. 552.02 lacs. The Management is further pouring all its energies, in fiscal and non-fiscal terms, for giving a turn around progress to your Company and consequent there-to your Company has targeted a massive expansion/diversification programme to increase it's production capacity to 79425 TPA. The cost of energy, being a substantial part of our production cost, has endeavored the management to undertake it's co-generation project of 6 MW. I am confident that the above highly motivated steps of the Management will give further heights to the performance of your Company in the coming years.

On the front of financial strength, your Company has liquidated all the old outstandings of the Financial Institutions/Banks as on 31st March 2006, save and except the recent term loan of Rs. 22 Crores for our co-generation and balancing equipments project. To part-finance our expansion project, your company is planning to enhance its equity base and your continued patronage is solicited.

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

Thank you very much.

With best regards,

ARUN GOEL

30th June 2006

**NOTICE**

NOTICE is hereby given that the 21st Annual General Meeting of the members of Rama Paper Mills Ltd. will be held on Friday, the 25th day of August, 2006 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 as at March, 31, 2006 and the Profit & Loss Account for the year ended on that date and the report of the Auditors and Directors thereon
2. To consider declaration of dividend on Preference Shares
3. To appoint a Director in place of Shri Amar Mittal who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION

"RESOLVED THAT Shri H.S. Bhim Rao in respect of whom the company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to provisions of section 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and subject to approval of the shareholders in their General Meeting read with and in accordance with the conditions specified in schedule XIII of the said Act, as approved by the remuneration committee, the appointment of Shri Pramod Agarwal as Chairman & Managing Director of the Company for a further period of 3 years commencing from 01.03.2006 be and is hereby approved on the terms and conditions as detailed below:

- a) That Shri Pramod Agarwal shall remain Chairman & Managing Director of the Company with the powers and upon the terms as to remuneration and otherwise and subject to the conditions herein after set forth for a period of three years commencing from 1st March 2006.
- b) It is further agreed that the Chairman & Managing Director may resign from his aforesaid appointment on giving one month's prior notice in writing to the company.
- c) Salary : Rs.2,00,000/- per month
- d) PERQUISITES : Perquisites shall be allowed in addition to salary as under :

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 to 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, up to 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 months' 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 Kiratpur (Bijnor) to any place in India subject to the condition that only actual Rail (1st 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. 12000/- 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.



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- 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 perquisite 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 the rules of the Company but not exceeding one month's leave for every eleven months of service will be allowed subject to the condition that leave 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 fee and tuition fees, subject to maximum of Rs.50,000/- (Rupees fifty thousand only) in the aggregate, in a year.

COMMISSION : In addition to salary as aforesaid, the Chairman & Managing Director shall be paid 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.

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to provision of sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 and subject to approval of the shareholders in their General Meeting read with and in accordance with the conditions specified in schedule XIII of the said Act, as approved by the remuneration committee, the appointment of Shri Arun Goel as Executive Director of the Company for a further period of 3 years commencing from 01.03.2006 be and is hereby approved on the terms and conditions as detailed below:

- a) That Shri Arun Goel shall remain Executive Director of the Company with the powers and upon the terms as to remuneration and otherwise and subject to the conditions herein after set forth for a period of three years commencing from 1st March 2006.
- b) It is further agreed that the Executive Director may resign from his aforesaid appointment on giving one month's prior notice in writing to the company.
- c) Salary : Rs.2,00,000/- per month.
- d) PERQUISITES : Perquisites shall be allowed in addition to salary as under :

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 to the Executive Director.
 - II. Soft - furnishing worth Rs. 2 Lacs once in 3 years.
 - III. Reimbursement of cost of two support staff at residence, up to 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 (Bijnor) to any place in India subject to the condition that only actual Rail (1st 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. 12000/- per annum.
- EXPLANATION: For the purpose of category 'A' Family means the spouse and minor children.



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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 perquisite 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 the rules of the Company but not exceeding one month's leave for every eleven months of service will be allowed subject to the condition that leave 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.
- VIII. Educational support to dependent children including their travel, hostel fee and tuition fees, subject to maximum of Rs.50,000/- (Rupees fifty thousand only) in the aggregate, in a year

COMMISSION: In addition to salary as aforesaid, the Executive Director shall be paid 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.

8. To consider and if thought fit to pass, with or without modification(s), the following resolutions as ORDINARY RESOLUTIONS

"RESOLVED THAT in accordance with the provisions of the sections 81, 81 (1A) and all other applicable provisions, if any, modification(s) or re-enactment(s) thereof (for the time being in force) and enabling provisions in the Memorandum and Articles of the Association of the Company and listing agreements entered into by company with the stock exchanges where the shares of the Company are listed and subject to the approval of the Government of India (GOI), Financial Institutions, Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary & subject to such conditions and modifications as may be prescribed/ imposed by any of them while granting such approvals, permissions and mentions which may be agreed to by the Board of Directors of the company and/or a duly authorized committee thereof for the time being exercising the power conferred by the Board (herein after referred to as the Board) the consent of the Company be and is hereby accorded to issue/ offer and allot equities/preference shares/CCPS, Debenture (partly or fully convertible or non-convertible) whether optional or otherwise into equity shares with or without warrants attached to it/Depository Receipt/Non convertible debt bonds or any other instrument of the face value to be decided later on for raising an aggregate amount not exceeding Rs. 100,00,00,000/- (Rupees one hundred crores only) as the Board at its sole discretion may, at any time or times hereafter decide, to the existing members, members of the group/associate companies, employees, Non-resident Indians, Overseas Corporate Bodies (OCBS), Foreign Institutional Investors, Financial Institutions, Companies, other entities/authorities and to any other persons, whether through public issue, right issue, circular and/or on Right - cum-public issue/private placement, exchanges of securities, conversion of loans or otherwise by any of prospectus and/or letter of offer and/or private placement basis at such time or times in such tranche or tranches for general corporate purposes including capital expenditure, working capital requirements, expansions, backward & forward integration, strategic investment, as the Board may deem fit and /or by any one or more or a combination of the above modes/methods or otherwise at such price or prices and either at par or at such premium as the Board or committee thereof may in its absolute discretion think fit and on such terms and conditions including the number of shares to be issued, entitlement ratio, rate of dividend/interest etc., and all related, incidental, consequential and ancillary matters as may be decided and considered desirable and appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors and in consultation with the lead manager(s) or any other agencies/authorities/bodies etc."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposal as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GOI/RBI or such other authorities may impose at the time of their approval and as agreed to by the Board."

"RESOLVED FURTHER THAT the Board is also entitled to enter into and execute all such arrangements with lead managers/underwriters/guarantors/custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of the payment of commissions, fees or the like."



RAMA PAPER MILLS LIMITED

"RESOLVED FURTHER THAT the Board be and is hereby also authorized subject to the approvals of Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of mortgage/charge on the and subordinate to all the mortgages/charges created/to be created by the Company for all existing and future borrowings and facilities whatsoever.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such numbers of equity shares as may be required to be issued and allotted and all such shares to rank pari passu with the existing equity shares of the Company in all respect, excepting such rights as to dividend as may be provided under the terms of the issue and in the offer document.

"RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to the consent of the shareholders of the Company for the private placement of securities of the Company for Foreign Institutional Investors (FIIs) (who are registered as such with the SEBI) and which expression shall include any "approved client" of such FII and /or sub accounts of such FII in accordance with the applicable rules, regulations and guidelines framed by the Central Government/SEBI and for the purpose, the Board of Directors of the Company be and are hereby authorized to enter into such arrangements by way of private placement or otherwise for the issue or for allotment of securities of the Company such that the total holding of FII's/Non resident Indian / Overseas Corporate Bodies post-issue/allotment does not exceed 24% of the issued and paid up capital of the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to the resolution the Board/Committee be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds of issue of the securities and further to do all such acts, deeds, matters and things and to finalize and to execute all documents and writings as may be necessary, desirable or expedient as it may deem fit."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to allot to the Promoters such number of equity shares as may be possible in settlement of their application money pending with the Company, subject to the condition that such allotment shall not be made at a price which is less than the price at which the public is being allotted the shares in terms of the public issue herein proposed."

"RESOLVED FURTHER THAT Shri Pankaj Misra, Company Secretary of the Company, be and is hereby instructed to sign and file the necessary forms and certified copy of aforesaid resolution as and when required"

By Order of the Board

Dated: 30th June, 2006
Place: KIRATPUR

Sd/-
PANKAJ MISRA
COMPANY SECRETARY

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 identification 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 Wednesday, August 23, 2006 to Friday August 25, 2006 (both days inclusive) for the purpose of Annual General Meeting

By Order of the Board

Sd/
PANKAJ MISRA
COMPANY SECRETARY



RAMA PAPER MILLS LIMITED

AS REQUIRED UNDER SECTION 173 (3) OF THE COMPANIES ACT, 1956, THE FOLLOWING EXPLANATORY STATEMENT SET OUT MATERIAL FACTS RELATING TO THE BUSINESS UNDER ITEMS NO 5 TO 8

ITEM NO 5.

Pursuant to Article 140 of Article of Association of the company the notice under Section 257 of the said Act, has been received from a member signifying his intention to propose the name of Shri H. S. Bhim Rao for appointment as Director of the Company.

Board consider it desirable that the Company should avail his services as Director and recommend this resolution for approval of the shareholders.

None of the Directors, except Shri H.S. Bhim Rao, are in any way concerned or interested in the resolution.

ITEM NO.6

The Board of Directors (" the Board ") at their meeting held on 11.02.2006 re-appointed Shri Pramod Agarwal as Chairman & Managing Director of the Company for the period of 3 years with effect from 1st March, 2006 subject to the approval of the company in general meeting.

The remuneration of Shri Pramod Agarwal has been fixed by the Board keeping on view schedule XIII of the Companies Act, 1956 as in force time to time.

The salient terms of remuneration of Shri Pramod Agarwal are given in the resolution.

Considering the vast experience and his dedicated efforts in the Company, the Board recommend this resolution for approval of the shareholders.

None of the Directors, except Mr Pramod Agarwal and Shri Arun Goel being the brother of Sh Pramod Agarwal, are in any way concerned or interested in the above resolution.

ITEM NO.7

The Board of Directors (" the Board ") at their meeting held on 11.02.2006 re-appointed Sh. Arun Goel as Executive Director of the Company for the period of 3 years with effect from 1st March, 2006 subject to the approval of the company in general meeting.

The remuneration of Sh. Arun Goel has been fixed by the Board keeping on view schedule XIII of the Companies Act, 1956 as in force time to time.

The salient terms of remuneration of Sh. Arun Goel are given in the resolution.

Considering the vast experience and dedicated efforts of Shri Arun Goel in the Company, the Board recommend this resolution for approval of the shareholders.

None of the Directors, except Shri Arun Goel and Shri Pramod Agarwal being the brother of Shri Arun Goel, are in any way concerned or interested in the above resolution.

ITEM NO. 8

The Company proposed the modification of plant and new imported machinery to be installed to increase the efficiency and also proposed to set up a co-generation power plant capable of generating 6 MW electrical power, which will result in substantial saving on account of power cost, for expansion /modernization and diversification programme, to meet working capital requirement for company's operations, to augment the long term resources of the company and other corporate needs, the Company proposes to raise finance to fulfill the requirements of finance. The Company has various options i.e. by way of public/Right/Right-cum-public issue of equity or CCPS or preference shares or Debentures (Partly or fully convertibles or Non convertible) or any other instrument or by way of term lending from Financial Institutions/Banks.

The amount size and the detailed terms and conditions of the said issue/offer will be determined in consultation with the lead managers and such other authority or authorities, as may be required to be consulted by the Company considering the market conditions and other relevant factors, prevailing at that time.

The consent of the shareholders is being sought pursuant to the provisions of sections 81/81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the listing agreement executed by the Company with the Bombay Stock Exchange where the Company's shares are listed.

The Board believe that such issue is in the interest of the company and therefore recommend the resolution for your approval.

The resolution set out at item no 8 is enabling resolution-conferring authority on the board to cover all contingencies and corporate requirement.

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



RAMA PAPER MILLS LIMITED

DIRECTORS' REPORT

To
The members of
Rama Paper Mills Ltd.

Your Directors take the pleasure in presenting their 21st Annual Report and the Audited Financial Statements of the Company for the year ended on March 31, 2006.

FINANCIAL RESULTS

| S.No | Particulars | Current Year 31.03.2006 | Previous Year 31.03.2005 |
|------|---|----------------------------|-----------------------------|
| 1 | Profit before depreciation and preliminary Expenses written off. | 10,82,72,885 | 9,03,52,482 |
| | Less Depreciation | 2,35,46,535 | 2,28,28,478 |
| | Deferred revenue exp. (written off) | 56,477 | 56,477 |
| 2 | Operating Profit | 8,46,69,873 | 6,74,67,527 |
| 3 | Other income | 3,87,577 | 50,07,863 |
| 4 | Profit before Tax | 8,50,57,450 | 6,03,39,810 |
| 5 | Provisions for tax | 2,98,55,600 | 1,59,41,000 |
| 6 | Profit after tax | 5,52,01,850 | 4,43,98,810 |
| 7 | Profit/Loss balance as per last balance sheet | 3,74,227 | -4,40,24,583 |
| 8 | Balance available for appropriation | 5,55,76,077 | 3,74,227 |
| 9 | Appropriation | | |
| | Preference Dividend | 30,00,000 | Nil |
| | Tax on Proposed Dividend | 4,20,750 | Nil |
| 10 | Balance carried over to Balance Sheet | 5,21,55,327 | 374227 |

Dividend

The Board recommend dividend @ 6% on Non-cumulative Preference Shares of Rs.100 each. The total out go on this account will be Rs.34.21 lacs including dividend tax. To augment the resources of the company and finance the capital expenditure projects to expand the capacities and cost effective equipments in the plant, your directors regret their inability to recommend Dividend on equity shares.

Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of the Association of the Company. Shri Amar Mittal shall retire by rotation and being eligible, offer himself for reappointment.

Mr. N. K. Naithani, Director of the Company, has resigned. Mr. H. S. Bhim Rao, who is Qualified Professional (Paper Technology), has been appointed as a Director, liable to retire by rotation.