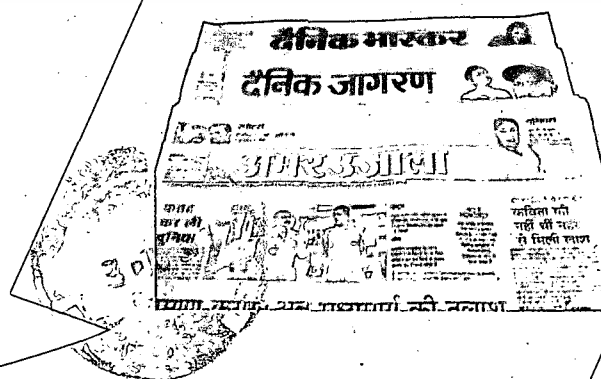
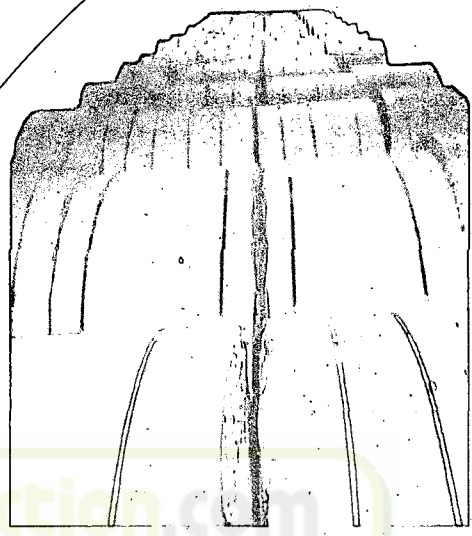


RAMA PAPER MILLS LTD

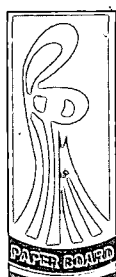
RAMA PAPER MILLS LTD

RAMA PAPER MILLS LTD

ANNUAL REPORT 2006-2007



Manufacturer of
News Print, Duplex Board,
Writing & Printing Paper.



RAMA PAPER MILLS LTD.

REGD. OFFICE & WORKS:

4TH KM. STONE NAJIBABAD ROAD, KIRATPUR-243731, DISTT. BUNDELKHAND (U.P.)
PHONE- 01341-240300, 240301 FAX 01341-240302

CORPORATE OFFICE:

12/22 EAST PATEL NAGAR, NEW DELHI - 110 008
PHONE - 011-25351185, 25350503, FAX 011-25762624
E.MAIL : delhi@ramapaper.com



RAMA PAPER MILLS LIMITED

RAMA PAPER MILLS LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Shri Pankaj Misra

BANKERS

Bank of Baroda

AUDITORS

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

COST AUDITORS

Aseem Jain & Asso.
Cost Accountant
New Delhi

REGISTERED OFFICE & WORKS

4th KM Stone, Najibabad Road,
Kiratpur-246731

Dist. Bijnor (U.P.)

Email : works@ramapaper.com

Website: www.ramapaper.com

CORPORATE OFFICE

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

Email : delhi@ramapaper.com

REGISTRAR & TRANSFER AGENT

Indus Portfolio (P) Limited

ISIN INE425E01013

G-65, Bali Nagar, New Delhi

SEBI Registration No. INR000003845

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RAMA PAPER MILLS LIMITED

Chairman's Message

Dear Shareholders,

I wish you and your family in the pink of health and spirit.

Your Company has continued its success path by achieving 9.48% increase in the turnover as compared to the previous year. The Management is striving hard for manufacturing quality product and thus to fetch better realization of your Company's product. Moreover, in spite of sharp hike in raw material rates in II half of the year could not be responded from the market, your Company succeeded to retain the Profit Before Tax (PBT) to a reasonable extent. These are commendable achievements which, I feel confident, will be better in the coming years.

Your Company achieved almost 100% capacity utilization and stagnation in growth. Your Company foresees the market of Tissue/ Poster Paper in India and therefore, the Management has decided to install an imported MG Machine having capacity of 16320 TPA. The Project will cost Rs.23.75 Crore and your Company has been sanctioned term loan of Rs.13.40 Crore from Bank of Baroda. Moreover, your Company also plans for expansion and modernization to enhance the capacities of existing three units. The modernization mainly envisages replacement of old and obsolete equipments by technologically superior, high speed and energy efficient equipments, 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 thrust area for undertaking the proposed project. Your company is proposing to produce and market complete range of quality products post expansion. With completion of all the projects the total production capacity would go up to around 80000 TPA.

Moreover the Management of your company will carefully inter connect the above expansion and modernization programs in such a way 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 the full impact of expansion and modernization program will surface in 2008-09 still I believe that 2007-08 will be better year for your company.

Last but not the least, I 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. I also wish to convey my heartiest thanks to Bankers, Central and State Government, Local Bodies and our Valuable Customers.

With kind regards

Yours sincerely

30.06.2007

Pramod Agarwal

**RAMA PAPER MILLS LIMITED****EXECUTIVE DIRECTOR'S COMMUNIQUE**

Dear Members,

I trust that this communication will find you and your family hale & hearty.

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

The untiring and persistent efforts of the management, coupled with the whole hearted support of all concerned with your company, have profounded its results in the financial year 2006-07 and your Company achieved turnover of Rs. 8478.74 lacs and the profit after tax of Rs. 377.94 lacs. The Management of your company is further endeavoring all its attempts to retain and sustain its path of success in future as well. Consequent there-to, your Company has further targeted to install one more Tissue/ Poster Paper Manufacturing Machine (MG) to increase it's production capacity by another 16320 TPA.

To cut down cost of energy and make it available un-interrupted and of good quality, your Company has commissioned its 6 MW Co-generation Project. I am confident that the above highly promotional steps of the Management will give further heights of success to the performance of your Company in the years to come.

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

Thank you very much.

With best regards,

Arun Goel

30.06.2007



RAMA PAPER MILLS LIMITED

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Rama Paper Mills Ltd. will be held on Tuesday, the 25th day of September, 2007 at 10.00 A.M. at the Registered Office of the Company at Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2007 and the profit & Loss account for the year ended on that date and the report of the Auditors and Directors thereon
2. To declare Dividend..
3. To appoint a Director in place of Shri Prabhat Agarwal, 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 and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to provisions of section 81, 81(1A) and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modifications or re-enactments for the time being in force), and enabling provisions in the Memorandum and Articles of Association, SEBI guidelines and Listing Agreements entered into between the company and the stock exchanges, where the securities of the company are listed, and subject to approval of FIs, SEBI, RBI and all other concerned authorities, if any, and subject to such conditions and modifications as may be prescribed /imposed by any of them while granting such approval, permission and sanction, which may be agreed to by the Board of Directors of the company and/or duly authorized Committee for the time being exercising the power conferred by the Board, the consent of the company be and is hereby accorded to issue an aggregate amount not exceeding, as the Board at its sole discretion may at any time or times hereafter decide, to the existing members, member of the group/associate companies, employees, Non residents Indians, Financial Institutions, Companies, other entities/authorities and to any other persons, whether through Public Issue, Right Issue, Right-cum- Public Issue, Private Placements, Exchange of securities, conversions of loans or otherwise by way of Prospectus and /or Letter of Offer and/or Circular and/or on 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 investments, as the board may deem fit at such price/prices and either at par or at such premium, as the Board/Committee thereof in its absolute discretion think fit, and on such terms and conditions including number of the 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 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 authority."

By Order of the Board

DATED: 30th June, 2007
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 commencement of the 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. to 1.00 P.M. on 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, the 12th September 2007 to Tuesday 25th September, 2007 (both days inclusive) for the purpose of Annual General Meeting and dividend.

By Order of the Board

Sd/
PANKAJ MISRA
COMPANY SECRETARY



RAMA PAPER MILLS LIMITED

AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956, THE FOLLOWING EXPLANATORY STATEMENT SET OUT MATERIAL FACTS RELATING TO THE BUSINESS UNDER ITEMS NO 4

ITEM NO 4.

The company has undertaken an expansion programme to manufacture Tissue and Poster Paper at the adjacent to the existing units and also to modernize to enhance the capacities of existing three units. The modernization mainly envisages replacement of old and obsolete equipments by technologically superior, high speed and energy efficient equipments, 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 thrust area for undertaking the proposed project. To augment the long term sources of the company and other corporate needs, the company proposes to raise finance to fulfill the requirements of funds. The company has various options i.e. by way of Public/ Right-cum-Public Issue of Equity or CCPS or Preference Shares or Debentures (Partly or fully convertible 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 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 shareholders is being sought pursuant to the provisions of section 81/81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of provisions of the listing agreement executed by the Company with the Stock Exchanges in India, where company's securities are listed.

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

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

DIRECTORS' REPORT

To

The Members

Your Directors take the pleasure in presenting their 22nd Annual Report of the Company for the year ended on March 31, 2007.

FINANCIAL RESULTS

S.No	Particulars	Current Year 31.03.2007	Previous Year 31.03.2006
1	Profit before depreciation and preliminary Expenses written off.	10,49,29,945	10,82,72,885
	Less Depreciation	2,39,33,540	2,35,46,535
	Deferred revenue exp. (written off)	NIL	56,477
2	Operating Profit	8,09,96,405	8,46,69,873
3	Other income	2,28,696	3,87,577
4	Profit before Tax	8,12,25,101	8,50,57,450
5	Provisions for tax	4,34,31,027	2,98,55,600
6	Profit after tax	3,77,94,074	5,52,01,850
7	Profit/Loss balance as per last balance sheet.	5,21,55,327	3,74,227
8	Balance available for appropriation.	8,99,49,401	5,55,76,077
9	Appropriation		
	Proposed Dividend	68,19,239	30,00,000
	Tax on Dividend	11,58,930	4,20,750
10	Balance carried over to Balance Sheet	8,19,71,232	5,21,55,327

Dividend

The Board recommend dividend @ 6% on Non Cumulative Redeemable Preference Shares of Rs. 100/- each and @ 5% on Equity Shares of Rs. 10/- each. The total amount will be Rs. 79.78 lacs including dividend tax.

Directors

Shri Prabhat Agarwal shall retire by rotation and being eligible, offer himself for re-appointment.

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

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



RAMA PAPER MILLS LIMITED

Corporate Governance and Management Discussion and Analysis Reports

The Corporate Governance and Management discussion and analysis reports, which forms 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

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

The Boards recommend their re-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, 2007 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 have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2007 and of the Profit of the Company for the year ended 31st March, 2007.
- c) Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The financial statements have been prepared on a going concern basis.

Particulars of Employees

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

Acknowledgements

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

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

**Sd/
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR**

Dated: 30th June 2007

Place: KIRATPUR



RAMA PAPER MILLS LIMITED

Annexure "A" to the report of Board of Directors

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, 2007.

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 2006-07	Previous Year 2005-06
A. POWER & FUEL CONSUMPTION		
1. ELECTRICITY		
a) Purchased Unit	14740984	15454126
Total Amount (Rs.)	56,571,796	6,01,47,704
Rate / Unit	3.84	3.89
b) Own Generation		
Through Diesel Generator Unit	11090160	8672572
Unit per Ltr. Of Diesel Oil	3.6	3.6
Cost / Unit (Rs.)	8.25	7.74
c) Through Steam Turbine / Generator Unit		
Per Ltr. of fuel Oil	—	0
Gas Cost / Unit	—	0
2. HUSK & BAGASSE		
Qty. (Tonnes)	49556.16	46565.82
Total Cost	65,608,355	5,53,92,503
Average Rate	1323.92	1189.55
3. 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	41249.1955	38820.5859
Electricity	357.364	395.53
Other Husk & Bagasse etc.	1.20	1.20

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

Dated: 30th June 2007
Place: KIRATPUR

Sd/
PRAMOD AGARWAL
CHAIRMAN & MANAGING DIRECTOR