

**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  
Distt. 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. INROOOO03845

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## **NOTICE**

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of RAMA PAPER MILLS LIMITED will be held on Thursday, the 30th September, 2010 at 10.00 A.M at the Registered Office of the Company at Najibabad Road, Kiratpur, Distt. Bijnor (U.P.) to transact the following business:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2010, Balance Sheet as at that date together with the Reports of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Prabhat Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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

**Place: Kiratpur  
Date: 14.08.2010**

**(PANKAJ MISRA)  
Company Secretary**

## **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 28th September, 2010 to Thursday, the 30th September, 2010, both the days inclusive.
3. Members who have not so far encashed dividend warrant(s) may send their outdated dividend warrants to the Company or to the Registrars and Transfer Agents, M/s Indus Portfolio Private Limited for issue of duplicate warrant(s) in lieu thereof.
4. Members seeking any information regarding Accounts should write to the Company at its Registered Office at least seven days before the date of the Meeting so as to enable the management to keep the information ready, if the Chairman so permits.
5. The Members are requested to intimate to the Registrar of the Company immediately any change in their address alongwith the Pin Code Number indicating their Folio Number to "M/s Indus Portfolio Private Limited" G-65, Bali Nagar, New Delhi.
6. The Members holding Shares in the physical form, who are desirous of making nominations as permitted under Section 109A of the Companies Act, 1956 in respect of the Shares held by them may write to the RTA for the prescribed form.
7. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is given in the Annexure.

**DIRECTORS' REPORT**

To

**The members**

The Directors are pleased to present their 25th Report alongwith the Audited Accounts for the year ended 31st March, 2010

<b>Financial Results</b>		(Rs.in Lacs)
Particulars	2009-10	2008-09
Turnover	10971.72	10719.34
Profit before Financial Charges & Depreciation	1187.59	1399.43
Less: Financial Charges	673.42	591.70
Less: Depreciation	506.96	395.81
Profit before Tax	7.21	411.92
Add/Less: Deferred Tax Liability	6.18	116.93
Less: Provision for Tax (MAT)	1.11	46.14
Add: MAT Credit Entitlement	1.11	46.14
Less: Provision for F.B.T.	0.00	4.64
Profit After Tax	1.03	290.35
Profit / Loss brought forward from previous year	1415.17	1124.82
Balance carried to Balance Sheet	1416.20	1415.17

**Operations**

Your Company has undertaken an imported MG Machine Project having capacity of 16320 TPA. The Project was completed with Cost Overrun at Rs. 32.50 Cr. and your Company has been sanctioned term loan of Rs.13.40 Cr. from Bank of Baroda. The trial runs were taken in December 2009.

The Management is also pleased to inform your Company has been issued 20649 CERs for the period 01st February 2008 to 31st December 2008 by the UNFCCC and the monitoring report for the period 01st January 2009 to 31st May 2010 has now been webhosted requesting issuance of 34439 CERs.

**Dividend**

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

**Directors**

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

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

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

**Corporate Governance and Management Discussion and Analysis Reports**

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

**Statutory Auditors and Auditors' Report**

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

The Boards recommend their appointment.

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

**Directors Responsibility Statement**

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

- In the preparation of the Annual Accounts for the year ended 31st March, 2010 the applicable accounting standards have been followed along with proper explanations relating to material departure.
- Appropriate accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Companies as at 31st March, 2010 and of the Profit of the Company for the year ended 31st March, 2010.

**RAMA PAPER MILLS LIMITED**

- c) Proper and sufficient care has been taken for the maintenance of accounting records in accordance with the Provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The financial statements have been prepared on a going concern basis.

**Particulars of Employees**

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

**Fixed Deposits**

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

**Industrial Relations**

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

**Acknowledgements**

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

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

Sd/-

PRAMOD AGARWAL  
Chairman & Managing Director

Date: 14th August, 2010

Place: Kiratpur

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

Information as required under Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March 2010

**CONSERVATION OF ENERGY****Measures taken, additional investment and impact on reduction of energy consumption.**

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

**"FORM-A"**

Disclosure of Particulars with respect to conservation of energy

Particulars	Current Year 2009-10	Previous Year 2008-09
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased Unit	1175898	511734
Total Amount Rs.	10132569	8566202
Rate/Unit	8.62	16.74*
*It includes Minimum Demand Charges due to non-use of Chargeable Demand		
<b>b) Own Generation</b>		
Through Diesel Generator Unit	1245600	1666440
Unit per Ltr of Diesel Oil	3.6	3.6
Cost/Unit Rs.	8.81	8.38
<b>c) Through Steam Turbine /Generator Unit</b>	15804067	14239887
<b>2. Husk &amp; Buggasse</b>		
Qty (tonnes)	69752.051	79876.126
Total Cost	185289269	191369074
Average Rate	2656.40	2395.82
<b>Consumption Per Unit of Production (in One Ton)</b>		
<b>Product Details &amp; Unit (If Any)</b>		
News Print, Duplex Board and Writing Paper	48627.8977	43815.037
Electricity (Units) - Including Units from Turbine	349.18	336.68
Husk & Buggasse (MT)	1.43	1.82

**RAMA PAPER MILLS LIMITED****"FORM-B"****Technology Absorption, Adaptation and Innovation**

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

**"FORM-C"****Research and Development**

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

**"FORM-D"****Foreign Exchange Earnings and Outgo**

Foreign exchange outflow on account of import of capital goods and raw material amounted to Rs. 11,73,34,665/- (PY Rs. 10,95,45,832/-). Earnings in Foreign Exchange is NIL

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

Sd/-

**PRAMOD AGARWAL**  
Chairman & Managing Director

Date: 14th August, 2010

Place: Kiratpur

**Annexure "B" to Director's Report**

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

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

Sl. No.	Name	Designation	Qualification	Experience (Yrs)	Age (Yrs)	Date of Commencement of employment	Remuneration received (Rs.)	last Employer's name	employment Post held
1.	Agarwal Pramod	Chairman & Managing Director	Post graduate in law	30	56	Since Incorp.	33,00,000	N.A.	N.A.
2.	Goel Arun	Executive Director	Commerce Graduate	18	42	20.05.92	22,00,000	N.A.	N.A.

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

Sd/

**PRAMOD AGARWAL**  
CHAIRMAN & MANAGING DIRECTOR

Dated: 14.08.10

Place: KIRATPUR

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****SALES**

During the year ended 31st March, 2010 your Company has sales ( excluding excise duty) of Rs.1,09,71,71,452/- as against Rs. 1,07,19,34,253/- during the previous year. This represents 2.35% growth of the Company.

**PRODUCT CHARACTERISTICS**

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

**COMPETITIVE SITUATION**

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

**IMPACT OF GOVERNMENT REGULATIONS / LEGISLATION / DIRECTIVES**

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

**REPORT ON CORPORATE GOVERNANCE**

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

**Company Philosophy**

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

**Board of Directors**

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

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

**Composition of the Board**

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

**Board Procedures**

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

**Number of Board Meetings**

During the financial year 2009-10, the Board of Directors of the Company met ten times on 09.04.2009, 30.04.2009, 27.07.2009, 31.07.2009, 14.09.2009, 31.10.2009, 19.11.2009, 30.01.2010, 15.02.2010 and 26.03.2010.

**Information relating to Directors**

The composition of the Board of Directors and related information as on 31st March, 2010 is as follows :

<b>Name of the Directors &amp; Designation</b>	<b>Executive/Non Executive/ Independent</b>	<b>No of Board Meeting Attended</b>	<b>Attendance at the last AGM on 19.09.2008</b>	<b>Directorship in other Companies Incorporated in India</b>	<b>No of Board Committees of which Member or/Chairman</b>
Shri Pramod Agarwal Chairman & Managing Director	Executive	10	Present	1	2
Shri Arun Goel Executive Director	Executive	10	Present	0	2
Shri Amar Mittal (Director)	Non Executive	4	Absent	Nil	0
Shri Prabhat Agarwal (Director)	Non Executive	4	Absent	Nil	3
Shri H. S. Bhim Rao ( Director)	Non Executive	4	Absent	Nil	2

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

**Information provided to the Board**

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

**Details of Directors being appointed / re- appointed**

Shri Prabhat Agarwal, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for the re-appointment. He is associated with the Company since 2002. His Directorship and membership in other Public Limited Companies and/or its Committees are reported to be NIL

**Code of Conduct**

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

**COMMITTEES OF BOARD****A. AUDIT COMMITTEE**

The Audit Committee of the Board was first constituted in the year 2001 with Shri Pramod Agarwal as the Chairman. There are no changes in the composition of the Audit Committee. The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchange that inter alia including the overview of the company's financial reporting process, review of the quarterly and annual financial statements, review of adequacy of internal control system, review of the financial and risk management policies and review of significant findings and adequacy of internal function etc. During the financial year 2009-10, the Audit Committee met four times on 30.04.2009, 31.07.2009, 31.10.2009, and 30.01.2010.

**Composition and Attendance**

The Audit Committee consists of three Directors of whom there is one Managing Director and two Independent Directors. During the year ended 31st March, 2010, four meeting of Audit Committee were held.

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

Sl. No.	Name of Member	No of Meeting Attended
1	Shri Pramod Agarwal	4
2	Shri Amar Mittal	4
3	Shri Prabhat Agarwal	4

**B. REMUNERATION COMMITTEE**

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

During the year ended March 31st, 2010, there has been no Meeting of Remuneration Committee.

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

**C. INVESTOR GRIEVANCE COMMITTEE**

The members of the committee are Shri Pramod Agarwal, Shri Arun Goel, Shri Prabhat Agarwal and Shri Pankaj Misra. During the year ended March 31, 2010 four meeting of Investor Grievance Committee were held. The attendance of each member of the committee at the Investors Grievance Committee meeting held is as under:

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